

THE OUTLOOK FOR CANADA

A Speech delivered by Sir John Willison before the Canadian Club
of Halifax, on April 30, 1920

What is the immediate situation in Canada? Before the war the annual expenditure was between \$170,000,000 and \$175,000,000. In the future we shall require to raise annually between \$350,000,000 and \$400,000,000. The main estimates for this year, exclusive of the allowances for demobilization, total \$500,000,000. Supplementary estimates will increase the amount. The revenue is estimated at \$365,000,000. The deficit on the national railways is \$47,000,000 and if one may predict, without suggesting an attack upon railway nationalization, for many reasons explain the decision of the Government to acquire and operate a great railway system, the annual deficits upon the national railways for some years to come will run from \$30,000,000 to \$50,000,000. And these deficits must be provided by taxation or by higher freight and passenger charges. Before the war the public debt was \$336,000,000. It is now over \$2,000,000,000. In 1914 the debt per capita was \$43.49. It is now more than \$220. By the fall in exchange the value of Canadian purchases in the United States is increased by between \$75,000,000 and \$100,000,000. Besides the direct discount on the dollar the higher charges for transportation on American railways and the retailer's profit are added in Canada. Prices are also increased of many products for which there is a keen export demand and upon which the dealer in this country profits by the difference in value between the American and the Canadian dollar. These are the obligations which lie upon nine million people, which cannot be

evaded and which can be carried only by economy, by industry and by production. The load is heavy but it is not beyond our strength if we are wise and prudent and confident, if we have faith and vision and if the resources of Canada are conserved and developed primarily in the interest of the Canadian people.

OPTIMISTIC FOR CANADA

At Ottawa a few weeks ago a political economist declared that Canada was bankrupt. The other day a professor from Montreal in an address at Toronto suggested that we had exhausted our natural resources. But that is not the temper of Montreal or Ottawa nor is that the conviction of Canada. Just as a reporter has a "nose for news" so an economist has a nose for bankruptcy. Over and over again the economists have ruined Great Britain. They declared the United States insolvent after the Civil War. They had France in bankruptcy after the War of 1870. They were in general agreement a few years ago that owing to the commercial and financial inter-relation and inter-dependence of modern nations, a war of twelve or even of six months between two great countries was inconceivable and impossible. So one recalls a sentence from the Book: "If the thing follow not nor come to pass the prophet hath spoken it presumptuously; thou shalt not be afraid of him." An economist, like a public man out of office, is a natural, incurable pessimist. You never knew a politician when his