

government in the form of somewhat antagonistic demands upon our rulers for at once increased wages and diminished prices. Since the government itself has emancipated its operations from the conditions of all ordinary economic production and consumption, the unreflecting masses are apt to demand that it should do for the people at large what it has been able to do for itself. In a word, there seems to be no valid reason why the government should not forthwith abolish by Order in Council the old aphorism "*ex nihilo nihil fit.*"

In any case, the general economic outcome of the war, after nearly three years duration, is that the country has been converted from a condition of economic depression, with growing anxiety in industrial and commercial centers, into a condition of exceptional prosperity with high wages and ready employment, and with high profits in large volume followed by increased and even lavish expenditure. This condition, accompanied by great foreign demand for the staple means of life, is resulting in very high prices without, however, any corresponding increase in supplies, because the profits and incomes obtainable in the urban centers still exceed those in the rural districts. In a word, the economic condition of the country has come to be entirely dominated by the war, and is therefore increasingly artificial and abnormal in almost every line of activity.

Having outlined the general situation of Canada for the decade immediately preceding the outbreak of the great war and having shown what was the more or less critical condition of the country at the time of the declaration of war, and also having given a general indication of the temporary economic revolution which has been produced by war conditions, we are now in a position to appreciate the significance of the concrete facts relating to the various phases of the economic activity of Canada and its relations to foreign countries and world