

in Canada more in financial and trading lines than in agricultural prosperity. The period of collapse and stagnation which followed from 1874 to 1879 was correspondingly severe in Canadian urban centres. This was the notable period of the soup kitchens for the unemployed, which, in turn, gave rise to the National Policy, the consequent overthrow of the McKenzie Government and the introduction of the American protective system.

After a long interval, disturbed only by minor conflicts, chiefly on the borders of civilization, we are now in the throes of a war, incomparably greater than anything which the world has known. The full economic effect upon Canada of this conflict and of its financing, in which Canada, as becomes its modern status in the Empire, is now playing a highly responsible role, cannot be adequately determined at the present stage. So much is already obvious, however, that just before the outbreak of Armageddon, Canada was in a condition of reaction from a prolonged period of exceptional prosperity, largely due, it must be confessed, to the expenditure in the country of hundreds of millions of borrowed capital. How far that reaction might have extended it is now impossible to say, but it is equally obvious that the reaction has been not only arrested but converted into a condition, it may be of temporary, but at least for a time of actual prosperity. The urgent demand for volunteers for overseas service has relieved the country of the threatened problem of unemployment in many urban centres, while the revival of industry in connection with the great variety of army supplies has given ample employment to all the efficient labour remaining in the country. So far, therefore, as actual conditions are concerned, Canada is once more greatly profiting from a share of the thousands of millions being expended by Britain and her allies in the present struggle.

The economic fate of this country during the period of readjustment after peace is too large and too uncertain a subject upon which to enter at the present time. My object has simply been to summarize the effects upon Canada of the chief previous wars, which directly or indirectly have affected her economic condition.