

**CIHM  
Microfiche  
Series  
(Monographs)**

**ICMH  
Collection de  
microfiches  
(monographies)**



**Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques**

**© 1996**

## Technical and Bibliographic Notes / Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming are checked below.

- Coloured covers / Couverture de couleur
- Covers damaged / Couverture endommagée
- Covers restored and/or laminated / Couverture restaurée et/ou pelliculée
- Cover title missing / Le titre de couverture manque
- Coloured maps / Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black) / Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations / Planches et/ou illustrations en couleur
- Bound with other material / Relié avec d'autres documents
- Only edition available / Seule édition disponible
- Tight binding may cause shadows or distortion along interior margin / La reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure.
- Blank leaves added during restorations may appear within the text. Whenever possible, these have been omitted from filming / Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.
- Additional comments / Commentaires supplémentaires:

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured pages / Pages de couleur
- Pages damaged / Pages endommagées
- Pages restored and/or laminated / Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed / Pages décolorées, tachetées ou piquées
- Pages detached / Pages détachées
- Showthrough / Transparence
- Quality of print varies / Qualité inégale de l'impression
- Includes supplementary material / Comprend du matériel supplémentaire
- Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image / Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.
- Opposing pages with varying colouration or discolourations are filmed twice to ensure the best possible image / Les pages s'opposant ayant des colorations variables ou des décolorations sont filmées deux fois afin d'obtenir la meilleure image possible.

Pagination is as follows: p. [65]-74.

This item is filmed at the reduction ratio checked below / Ce document est filmé au taux de réduction indiqué ci-dessous.

<b>10x</b>		<b>14x</b>		<b>18x</b>		<b>22x</b>		<b>26x</b>		<b>30x</b>	
							<input checked="" type="checkbox"/>				
<b>12x</b>		<b>16x</b>		<b>20x</b>		<b>24x</b>		<b>28x</b>		<b>32x</b>	

The copy filmed here has been reproduced thanks to the generosity of:

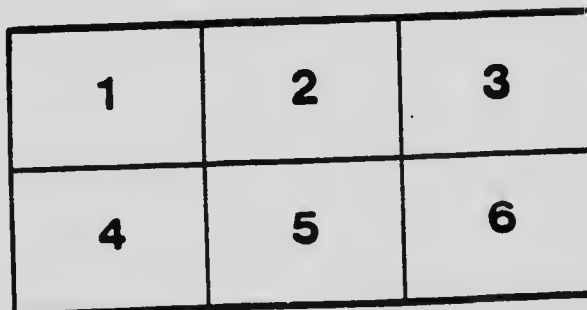
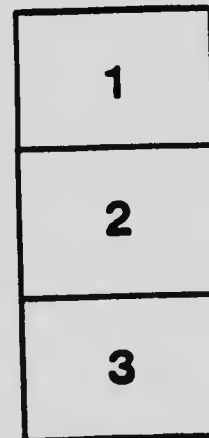
National Library of Canada

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol  $\rightarrow$  (meaning "CONTINUED"), or the symbol  $\nabla$  (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Bibliothèque nationale du Canada

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

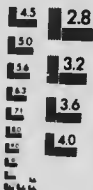
Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole  $\rightarrow$  signifie "A SUIVRE", le symbole  $\nabla$  signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

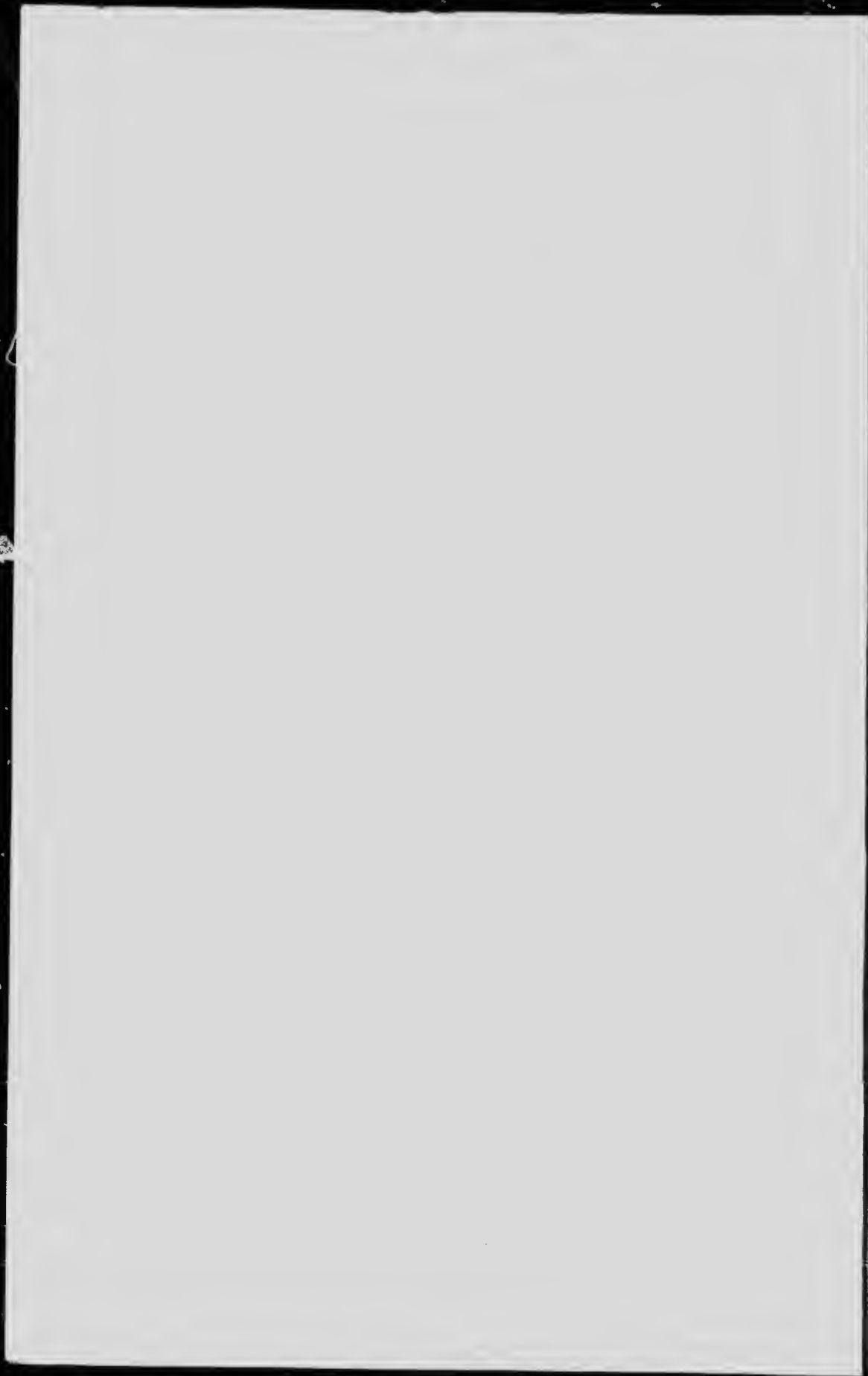
# MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



**APPLIED IMAGE Inc**

1653 East Main Street  
Rochester, New York 14609 USA  
(716) 482 - 0300 - Phone  
(716) 288 - 5989 - Fax



FROM THE PUBLICATIONS OF THE ROYAL SOCIETY OF CANADA

SERIES 12

1917

VOLUME 5

Presidential Address

The Economic Effect of War  
upon Canada

by

John Short, C.M.G., LL.D., F.R.S.C.

1917

PUBLISHED FOR THE ROYAL SOCIETY OF CANADA

1917

Transactions of The Royal Society of Canada  
SECTION II

SERIES III

JUNE 1916

VOL. X

*The Economic Effect of War upon Canada*

Presidential Address by DR. ADAM SHORTT, C.M.G.

(Read May Meeting, 1916.)

The accepted economic principles and practical deductions, until quite recent times, were, very naturally, founded upon European experience and policy. At the same time, those who observed conditions in other portions of the world, particularly those parts with which the European nations were brought in contact, either through colonial enterprise or foreign trade, were often seriously puzzled on finding that the most widely accepted principles under European conditions were apt to work in quite erratic and even unreasonable ways in other parts of the world. Thus, even the astutest advocates of the navigation laws and other restrictions upon freedom of trade and shipping, were constrained to admit that, in America at least, the chief basis of European profits from colonial and foreign trade were dependent upon a systematic violation of all these drastic measures. Sir Joshua Child, one of the prominent members of the East India Company, having an intimate practical knowledge of the early colonial and foreign trade of Britain, while strongly advocating the usual orthodox faith in the wisdom of the navigation laws and the monopoly of colonial trade, yet was forced to admit, as the result of his practical experience, that the prosperity of the British American colonies and the enormous wealth which they brought to the mother country, were mainly due to the systematic violation of these laws and that policy. Hence, as he says, while outwardly and in theory supporting the existing law and policy, yet quietly and in practice, the Government should put the telescope to its blind eye when considering the actual manner in which the riches brought from the American colonies have been acquired, and should not exhibit any zeal in enforcing beyond the Atlantic the accepted navigation and colonial laws.

In France, however, the government of the colonial possessions was administered much more thoroughly and maintained a rigid

enforcement of the orthodox European policy of the period. As a result, the French colonies developed but slowly during the periods of peace and were subject to the most varied and uncertain fortunes during war. During the earlier stages of war, however, the French colonies of Canada, Acadia, and Isle Royale, or Cape Breton, usually enjoyed exceptional prosperity. During war the customary policy pursued in times of peace had often to be reversed, and regions from which revenue was sought to be extracted might become, during war, the centres of extensive expenditure.

During the French régime, Canada normally suffered from inadequate development, the French Government being as a rule too eager to reap abundantly where it had sown but scantily. It, therefore, entrusted to monopolistic trade corporations the task of exploiting the country, in order that the Government might, on the one hand, avoid the expense of developing the colonies, while, on the other, seeking to tax the companies upon their anticipated profits due to the exclusive monopoly of colonial trade and shipping which had been granted to them. The effect upon the French North American colonies of the chronic condition of warfare which characterized the relations between Britain and France during the greater part of the eighteenth century, was somewhat varied. During the period of active hostilities in the interior of the continent, the Canadian population suffered in two ways, first and chiefly in being dragged from their homes to serve either as soldiers in the field or as workmen and portageurs under the odious *Corvé* system of forced labour, and secondly, in the neglect of their farms and domestic industries, which meant the serious retarding of the development of the country.

In so far, however, as the warfare was chiefly confined to a struggle upon the high seas and the maintenance of a condition of well equipped preparedness on land, the Canadian colony usually found the situation to its immediate advantage, although commonly to its ultimate loss through the very waste of national resources, from the fragments of which the temporary prosperity was derived. During the period from 1735 to the first fall of Louisburg in 1745, while Canada was maintained on a basis of fair equipment, there was little serious warfare in the inland regions. The purchase by the Home Government of considerable supplies to be used within the country contributed greatly to the economic advantage of the colony as a whole. Even more advantageous, however, was the great business in the imports and exports carried on through the rapidly developing port of Louisburg. The significance of this important centre in the prolonged Anglo-French struggle was due to the fact that it furnished a very



natural and convenient meeting point for the traffic in exports from France to the American colonies—Canada and the West Indies. It was also convenient for the purchase and exchange of sugar, molasses, rum, and other West Indian produce and the peltry, grain, cattle fish, timber, and coal, from Canada and Cape Breton. At the same time, it furnished an excellent harbour and naval base, not only for the commercial shipping which centred there, but for the warships of France in their eternal conflict with the British Navy and their equally constant raids upon British commerce. Provisioned and equipped at Louisburg, the French war vessels sallied forth to prey upon the numerous fishing and trading vessels of the British American colonies passing to and fro between Boston and other New England ports and the fishing banks off Nova Scotia and Newfoundland, or upon the larger vessels carrying rich cargoes of miscellaneous merchandise between the ports of Britain and those of her American colonies from Nova Scotia to the West Indies. When, however, the French men-of-war sighted a superior British force, they found a safe refuge in Louisburg Harbour under the protection of its formidable fortifications. To Louisburg, also, were brought the numerous prizes which were captured in that neighborhood.

Under normal conditions, the Canadian merchants could export, at heavy charges only a limited number of native products, chiefly furs, to the ports of France and obtain thence under equally heavy charges a meagre supply of manufactured goods. But, under the conditions of warfare just indicated, they found at Louisburg, within reach of their own small vessels and fishing craft, an ample market for every possible line of provisions and naval stores, while there too they obtained, at exceptionally low rates, a great variety of manufactured goods, largely taken from British prizes brought into that port. Little wonder then that for the five years of active maritime warfare between 1740 and the first capture of Louisburg by the British colonial forces from Boston, Canada enjoyed a period of exceptional prosperity and the novel experience of exchanges regularly in her favour. The changed conditions for Canada resulting from the loss of Louisburg may be illustrated from the single fact that before its capture Canadian flour was selling at ten to twelve livres per quintal (108 lbs.), while after the capture, the price fell to six to seven livres.

With the Treaty of Aix-la-Chapelle in 1745, Cape Breton and Louisburg were once more restored to France, to the intense chagrin of the American colonies and the corresponding joy of the Canadian and other French possessions in America. Although for a time there was nominally peace between France and England in Europe, there was bitter rivalry and but thinly veiled war between their possessions in

America. Both sides recognized that active hostilities were again inevitable and made their preparations accordingly. Louisburg once more became the great French centre of trade and of piracy until the latter was dignified by the name of war, on the formal declaration of hostilities in Europe.

During the period before and during the final struggle for supremacy in America, the normal trade of the country was obliterated in the great local demands for soldiers, labourers, and supplies of every kind requisitioned or purchased for the Imperial Service. But for the extent to which Canada, in the latter period of the struggle, became the theatre of war, the situation should not have been very different from that which prevailed during the war of 1812.

The French Government was spending vast sums in the colony. The prices charged to the Government were abnormally high, but, in the first place, such prices were seldom paid in anything but paper, while the supplies being requisitioned by the Intendant at arbitrarily fixed prices, the chief profits were taken by the notorious Bigot and his agents. The paper money in which the habitants were paid for their services and supplies from 1756 onward, while practically the same in form and operation as the army bills afterwards issued by the British Government during the war of 1812, differed from the latter in the simple but essential feature of not being promptly redeemed in specie or bills of exchange, in fact, in most cases, it not being redeemed at all. Thus, in the final conflict in Canada, what would normally have been a period of considerable, if not great prosperity to the inhabitants, not directly in the theatre of war, turned out to be a period of exceptional distress and disaster. It is, perhaps, worth observing that the argument advanced by Bigot for an almost exclusive use of paper money in the purchase of supplies of all kinds from Canada, was practically the same as that advanced by the German financiers of the present time, namely that it promotes the loyalty and devotion of the people to the monarch, inasmuch as should he lose, the people are not likely to realize much on their paper wealth. The sequel proved the argument to be perfectly sound in the case of Canada. "Gorged with money and dying of hunger" is Bigot's illuminating phrase in description of the condition of the Canadian people during the last months of French rule.

The chief economic sequel to the peace which transferred Canada from France to England, was a very marked improvement in the condition of the common people, but considerable distress on the part of the Seigneurs, including the military and official classes, so far as they remained in the country. Though the market for the products of the country was not so good as during the period of war, yet the prices

given were quite acceptable and what was of much greater importance to the habitants, was the fact that they were paid in metallic money, which, in turn, was able to purchase the necessary imported goods at fairly moderate rates. The official classes, however, had little to dispose of but their services. To furnish them with suitable employment, a continuation of the system of lavish issues of paper money, to be redeemed by the British Government, in support of a large military and official establishment was strongly urged by the noblesse and heartily supported by the British Officers in command of the colony.

The rising difficulties between the Home Government and the older English colonies to the south gave practical point to the urgent recommendations of the Canadian Governors. This ultimately resulted in the larger measure of the Quebec Act, intended to restore Canada to the position of an exclusively French and Indian territory to be utilized for the purpose of keeping the English colonies in due subjection to the British Government. The purpose of this measure being fully recognized, and in Britain and America, together with the other American legislation of the year 1774 and the consequent action taken on both sides, precluded the possibility of reconciliation and the American Revolutionary War was definitely entered upon.

The body of the French-Canadian people resolutely refused to respond to the call to arms on the part of the Governor, the noblesse and the Church, representing the restored feudal authority in Canada. Instead of Canada proving one of the chief agencies by which the American colonies were to be brought to heel, Canada itself was almost lost through a small and poorly equipped colonial invasion before the hastily summoned British troops from England could arrive. The necessity to garrison Canada instead of utilizing it as a base against the colonies, and other important miscalculations of Governor Carleton and his Canadian officials had a very material effect upon the ultimate outcome of the Revolution. Economically, however, the effect upon Canada was very beneficial, for, though the Canadians would not fight for Britain, they were eager enough to furnish supplies for the British armies when a local market was furnished at war prices. The result was that, protected from further invasion by American armies, the French-Canadians enjoyed a period of exceptional prosperity from 1776 to the close of the Revolutionary War in 1783. Even after peace was restored, the disillusionment which the British authorities had received was so complete that for over half a century to come Britain maintained in Canada, at her own expense, very considerable garrisons, the supplies for which were mainly obtained in the country and paid for in cash. This outlay was further augmented by the con-

struction, at the expense of the Imperial Government, of many fortifications and other public works in aid of transportation, all of which were charged to the military chest. This expenditure furnished most of the ready money to be found in the various British North American provinces.

Speaking of the continuation of the military expenditure after the close of the Revolutionary War, the Honourable Richard Cartwright, identified with so much of the early international commerce of the Canadas, thus described the situation in a letter to his personal and business friend, Mr. Isaac Todd, of Montreal, in 1792, "To what is to be ascribed the present state of the improvement and population of this country? Certainly not to its natural advantages, but to the liberality which the Government has shown towards the Loyalists who first settled it; to the money spent by the numerous garrisons and public departments established amongst us; and the demand for our produce which so many unproductive consumers occasion on the spot. As long as the British Government shall think proper to hire people to come over to eat our flour, we shall go on very well, and continue to make a figure, but when once we come to export our produce, the disadvantages of our remote, inland situation will operate in their full force, and the very large portion of the price of our produce that must be absorbed by the expense of transporting it to a place of exportation, and the enhanced value that the same cause must add to every article of European manufacture will give an effective check to the improvement of the country beyond a certain extent."

Cartwright's prediction was duly fulfilled. As the western settlements in particular expanded during the first decade of the nineteenth century, it became increasingly difficult to profitably dispose of an augmenting proportion of their products, which had to find a market beyond the borders of the country. Direct trade with the West Indies had not been developed and the peculiarly erratic operation of the Corn Laws rendered the British markets most uncertain for the disposal of Canadian grain—the chief surplus product of the country. The long delay involved in obtaining information as to the condition of the British market and the still longer time involved in transporting the products thither and receiving returns, rendered the export trade to the Mother Country a very speculative one. Prices, therefore, fell steadily in Canada and ready money was increasingly difficult to procure. For some years before the outbreak of the War of 1812, the Canadian merchants were compelled to sell their goods on long credits and almost invariably to accept farm produce in exchange, the returns for which were often not made for a couple of years. Thus, frequently three or four years elapsed between the sale of imported

goods and the obtaining of ultimate payment for them. Naturally, as Cartwright forecasted, the prices for imports were high and the returns for native products were low. As a result, just before the outbreak of the War of 1812, Canadian retail merchants and farmers found themselves heavily in debt to the wholesale merchants, while they, in turn, were under constant pressure from their creditors in Britain and elsewhere.

The outbreak of the war with the United States soon changed the whole economic aspect of the country. Once more an extensive cash market was established in Canada. No longer did the only saleable staples consist of wheat, timber, and potash. Every form of food and military supplies found a local market from Quebec to Detroit at war prices. Transportation of every kind and all forms of service for man and beast of burden were in constant demand at rates not dreamt of for many years. Payments were at first made in cash, but it was difficult and risky to make such payments throughout the wilderness of Upper Canada. Moreover, beyond the limited local needs of the farmers and villagers, the holding of metallic currency was an embarrassment to the settlers. The famous "army bills" were, therefore, devised to meet the peculiar needs of both army contractors and the inhabitants. Once it was found that these bills were freely accepted by the local and wholesale merchants, who, in turn, found them promptly met in cash or bills of exchange on Britain, they were readily welcomed by the settlers, especially in the cities and the British settlements of Upper Canada, and the volume issued rapidly developed. The effect on trade was marvelous. Everything was saleable. Prices were high and yet everyone had money with which to buy. Long outstanding debts were being paid off in every direction and the wholesale merchants found money pouring in upon them in unprecedented volume. Numerous fortunes, large for those days, were amassed in York, Kingston, Montreal, and Quebec. Naturally, under so rapid a change from hard times and penurious living to prosperity and ready money, extravagance, luxury, and dissipation soon manifested themselves and, once established, did not disappear with the close of the war, which involved an immediate curtailment of British expenditure in the colony.

The exchanges, which from 1813 to 1815 had been heavily in favour of Canada, soon passed to the other extreme on account of the great consumption of high priced foreign luxuries, many of which were imported, especially to Western Canada, through the United States. In consequence, the surplus Canadian cash passed rapidly to the United States, and within eighteen months of the close of the war the less provident elements of the population, who had imagined that an

economic millenium for Canada had arrived to remain, found, to their chagrin, that ready money and ready employment had alike vanished. The reaction was rapid and severe and the colony once more entered upon a prolonged period of stagnant markets, low prices and little demand for casual labour. This condition of affairs continued for ten years, from 1816. During this period of stagnation, the war era of 1812 to 1815 was universally referred to as a phase of economic golden age for the return of which most Canadians were understood to devoutly pray.

With the revival of prosperity in Britain and the recovery of the continent of Europe from the devastation of the Napoleonic Wars, there developed, on the one hand, improved markets for the Canadian produce and, on the other, a certain readiness on the part of the Home Government to undertake more extensive public works in Canada, chief of which was the Rideau Canal undertaken on military grounds. Minor works were also planned, most of them for what were then deemed imperial needs, but some to furnish employment for the rapidly increasing numbers of immigrants coming to Canada, partly on their own initiative and partly through the assistance furnished by the Home Government. This prosperous period, beginning in 1826 and culminating in 1832, was followed by a time of reaction and political conflict with the representatives of the Home Government. This culminated in an actual and fairly wide-spread revolution in Lower Canada and a more or less grotesque parody of it in Upper Canada. This was followed by the reunion of the Canadas under the seductive inducement of very large grants for public works, especially the development of the St. Lawrence system of canals.

Although the revolutionary outbreaks on the continent of Europe in 1848 seriously interfered with trade for a time, yet they did not involve Western Europe in warfare nor directly affect Great Britain and her colonies. Canada, however, had her own touch of revolutionary upheaval during the stormy year of 1848 in the shape of riots over the indemnification of those who claimed to have suffered losses through the rebellion in Lower Canada. This was followed by the annexation manifesto of 1849, when economic conditions, especially in the towns and cities, were at a low ebb. Again, however, British capital and British diplomacy came to the rescue in furnishing many millions for railroad undertakings, in securing the Reciprocity Treaty with the United States, and finally, though this was not part of the original programme for restoring prosperity and contentment, in bringing about the Crimean War. Wheat was already over a dollar per bushel when the war broke out in the spring of 1854, and it did not fall below that point again until the war was over and with it the usual

artificial but short-lived boom which follows the close of most wars. Although Canada was blessed with several good harvests between 1853 and 1856, yet the volume of her grain was not sufficient to materially affect prices, especially in the face of the shutting off of the usual Russian supplies. There was answered in every particular, therefore, the alleged fervent prayer of the Canadian farmers for "a bountiful harvest and a bloody war." In the upward sweep of prices, wheat actually reached the high water mark of two dollars and fifty cents per bushel. What this meant for an agricultural country can be easily understood. Details of this situation, however, have already been dealt with in a previous paper.

The reaction after this exceptional period of prosperity was correspondingly severe. The fragments of exploded land speculations filled the air. Commercial failures were numerous and the Government was swamped by its railroad obligations. Financially, the credit of the country fell to the lowest point in the history of Canada. Once more, however, war came to the rescue, this time on the American continent in the shape of the Civil War between the Northern and Southern States. The Trent Affair during the earlier stages of the conflict and the Fenian Raids at the close of it occasioned the sending of special British troops to Canada, although, of course, not on a scale relatively so important as in the cases of the earlier American conflicts. The chief economic benefits to Canada, however, resulted from the excellent markets for Canadian supplies, furnished by the armies of the North, and the inflow of Southern funds for safe-keeping in Canadian banks. The latter furnished temporary trading capital of great assistance at a time when little was to be had in Britain. One serious drawback to the American markets was the amount of depreciated paper money which had been issued even by the Northern States and which, as legal tender, had almost completely taken the place of metallic currency. At the close of the war, the Reciprocity Treaty was abrogated in 1866, yet the usual post-bellum boom being in full cry, aided by the resurrected metallic currency, which had been in hiding during the war, resulted in an augmented demand for Canadian produce at Crimean prices in hard cash. Of course, the American boom soon collapsed and stagnation and pessimism reigned in the Spanish castles erected by feverish speculators and optimists. Naturally, Canada suffered somewhat from the reaction, but not so severely as the United States. The financial stringency in Europe, marked by the Overend failure, being relieved, was followed by the outbreak of the Franco-Prussian War, which once more brought prosperity to Canada, not so much directly through the influence on British trade and industry. The boom, which followed in the wake of that brief but tragic struggle, was felt

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.



