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Chapter Author: Willard Long Thorp, Hildegard E. Thorp

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CHAPTER XII.

THE ANNALS OF CANADA.

The Dominion of Canada includes the entire northern half of North America, with the exception of Alaska, which belongs to the United States, and Newfoundland and Labrador, which constitute a separate British colony. Canada is shaped like a huge trough, mountains to the east and west, and plains in the center, sloping gently to the shallow basin of Hudson Bay. There are excellent harbors on both coasts, and the Great Lakes and St. Lawrence River form an important waterway to the Atlantic Ocean. Activity along many lines is necessarily seasonal because of the severity of the winter climate.

The land area of Canada is 3,603,909 square miles,¹ nearly equaling the total area of Europe, or that of the continental United States. The census records of population are as follows:

Census Date	Population ^a	Persons per Square Mile ^b
April 2, 1871.....	3,689,257	1.0
April 4, 1881.....	4,324,810	1.2
April 6, 1891.....	4,833,239	1.3
April 1, 1901.....	5,371,315	1.5
June 1, 1911.....	7,206,643	2.0
June 1, 1921.....	8,788,483	2.4

^a Canada Dominion Bureau of Statistics, *Sixth Census of Canada, 1921*. Ottawa, 1924. vol. i, p. 3.

^b Computed by means of the area given above. No boundary changes made during the period were of sufficient importance to affect the results materially.

A large part of the increase in recent years is due to immigration. In 1897, the first year of official record, the number of immigrants totaled 21,716. It had increased to 402,432 persons in the record year, which ended March 31, 1913. Of the total population enumerated in 1891, 31.80 per cent were in cities, towns and incorporated villages. In 1921, 49.52 per cent were classed as urban.

¹ Canada Dominion Bureau of Statistics, *The Canada Year Book, 1924*. Ottawa, 1925. p. 90.

The following table gives the value of products for each industry in 1922. Since these figures do not include the values produced by the transportation, trade, public service, personal service, and professional groups, they cannot be taken to indicate the "national income". The figures for net value represent the gross value minus the value of materials consumed in the process.

Industry	Value of Products, 1922 ^a (millions of dollars)	
	Gross	Net
Agriculture	1,499	1,149
Forestry	362	266
Fishing	53	42
Mining	184	177
Construction	339	220
Manufacturing ^b	2,420	1,131
Other ^c	190	157
Total ^d	4,661	2,951

^a Canada Dominion Bureau of Statistics, *The Canada Year Book, 1924*. Ottawa, 1925. p. 184.

^b Includes dairy factories, saw mills, pulp mills, fish-canning and curing, shipbuilding and certain mineral industries also included under other headings.

^c Includes trapping, electric power, and custom and repair industries.

^d Because of duplication among the various items, the total does not equal the sum of the individual industries.

Manufacturing has reached its present position of importance in Canadian industry only since the War. In 1921, when agricultural depression was most severe, the net product of manufacturing actually exceeded that of farming. However, agriculture has always been the dominating activity in Canadian economic life. Wheat, oats, potatoes, barley, rye, and flax are the most important crops. The first two crops account for nearly two-thirds of the entire acreage planted. That the acreage under cultivation has increased very rapidly is shown by the fact that in 1901 there were 30 million acres of improved land, and by 1921, such area had increased to nearly 71 million acres. Wheat is harvested chiefly in the autumn, although fall wheat, harvested in the spring, is important in the province of Ontario.

Canada is very rich in forests and has profited in recent years to a marked degree as an indirect result of the early stripping of forests in the United States. In addition to the production of lumber, lathe, and shingles, the manufacture of wood pulp and paper has developed rapidly since 1911, and these products are of considerable importance

as exports to the United States. The mineral products of Canada are varied, but for the period of the annals coal has been the most important. In 1924, the mining products ranked as follows, according to the value of the output: coal, gold, nickel, silver, lead, cement, and copper. In earlier years, copper and asbestos were relatively more important. The Klondike gold discoveries resulted in a rapid increase of gold output to 1900, since which year it has slowly declined.

Manufacturing has developed to a marked degree despite the ease with which products can be obtained from the industrial centers of the United States and Great Britain. In 1922, there were 22,184 manufacturing establishments in Canada, with 462,573 employees. The wood and paper industries employ the largest number of workers.

The foreign trade of Canada has shown remarkable growth, particularly since 1896. Prior to the War, the balance was continuously unfavorable, except for the years 1894 to 1903, and 1920. Wheat and wheat flour dominate the export trade, followed by newsprint and raw lumber. The most important imports are coal and coke, iron and steel, and machinery. For the year ending March 31, 1923, which may be compared with the data given in the table Value of Production above, the exports of Canadian products totaled 931 million dollars, and the imports 803 million dollars.

The shifting importance of Canadian industries can best be shown by the proportions of the working population engaged in the various industries. Unfortunately, no figures are available, which might record the increase in manufacturing during the War.

Industry	Persons Engaged in Gainful Occupations ^a (per cent of total)		
	1891	1901	1911
Agriculture	45.8	40.2	34.3
Manufacturing	14.1	15.4	18.0
Building Trades	11.6	12.0	9.0
Trade and Merchandising...	6.8	9.0	10.0
Transportation	4.3	4.5	8.0
Mining	1.0	1.6	2.3
Other ^b	16.4	17.3	18.0
Total	100.0	100.0	100.0

^a Canada Dominion Bureau of Statistics, *The Canada Year Book, 1924*. Ottawa, 1925. p. 661.

^b Includes persons engaged in domestic and personal service, civil and municipal government, fishing and hunting, forestry, professions, and miscellaneous activities.

Perhaps the most important single aid in the rapid development of Canada of recent years, has been the opening of new railroad lines. The first transcontinental railroad, the Canadian Pacific, was completed in 1885. Railroad construction has employed many thousands of workers. Much valuable territory has been made available for settlement. The mileage operated during the years under consideration has been as follows: *

Date	Miles of Railroad in Operation	
	Steam	Electric
June 30, 1881.....	7,331 ^b
June 30, 1891.....	13,838 ^b
June 30, 1901.....	18,140	553
June 30, 1911.....	25,400	1,224
Dec. 31, 1921.....	39,771	1,687

* Canada Dominion Bureau of Statistics, *The Canada Year Book, 1924*. Ottawa, 1925. pp. 588, 601.

^b No records reported.

There has been a definite tendency toward government operation of the railways in recent years. In 1923, 55 per cent of all lines were government owned.

The banking system of Canada is based upon a small number of chartered banks with many branches. At the close of 1924, there were 12 chartered banks with 4,422 branches throughout the country. That the tendency is toward amalgamation is shown by the fact that there were 24 banks in 1914. These banks coöperate informally in the Canadian Bankers Association. The various government Bank Acts restrict the activity of banks, but there is no direct government control.

The record of business in Canada prior to 1890, is very similar to that of the United States and England. In general, it can be said that agricultural conditions played a more important part and that crises were not as sharp and severe as in other countries. Canada has had very few panics. After a long period of prosperity, Canadian business suffered a collapse in 1837, followed by depression. Business revived in 1844 and was moderately prosperous until the next recession in 1848. The ensuing depression was very short, the period from 1850 to 1856 recording a tremendous expansion in trade and industry. The collapse in 1857 was also followed by a short depression. After a period of moderate expansion, checked temporarily in 1866, Canadian business entered upon years of active prosperity and expansion.

This continued to 1873, when the severe disturbances in other countries were gradually felt. By 1875, Canada was in a state of depression, which was unbroken until the fall of 1879. Activity and speculation in the next three years led to a severe crisis in 1882 with the completion of the Canadian Pacific construction work, and the collapse of the Manitoba land boom. The ensuing depression gave way to some revival in 1885, but several important bank failures in 1887 and 1888, and very poor crops in 1888 and 1889, prevented further advance. The annals begin, therefore, with Canada in a state of mild depression.

1890 Mild depression.

General dullness and inactivity; many failures; foreign trade active with large unfavorable balance.

Money easier; important banking legislation.

Large crops with high prices.

Northwest Territories granted responsible government.

1891 Depression; revival.

Continued dullness gives way to increased activity, autumn; commodity prices decline; some increase in exports.

Money fairly easy.

Large crops with high wheat and lower oats prices.

1892 Mild prosperity.

Moderate activity in domestic trade; commodity price decline continues; period of rapid expansion in foreign trade begins with large increase in exports.

Money easy.

Fair crops with lower prices.

Active immigration; Behring Sea Seal Fisheries dispute with United States submitted to arbitration.

1893 Recession; depression.

Slowly decreasing business activity seriously restricted, autumn; commodity price decline slackens; many failures late in year; further large increase in exports.

Easy money tightens.

Good harvests; very low wheat price; higher oats.

- 1894 Acute depression.
Severe industrial depression; sharp decline in commodity prices; many failures; restriction of foreign trade, especially imports, favorable balance.
Money eases.
Poor crops, very low prices.
Tariff reduced.
- 1895 Depression.
Continued stagnation in domestic industry; slight decline in commodity prices; foreign trade reaches low point.
Money easy.
Large crops; some recovery in wheat price, further decline in oats.
New Sault Ste. Marie Canal opened, September.
- 1896 Lessening depression.
Continued dullness in domestic trade; further decline in commodity prices; increased number of failures; foreign trade revives, especially exports.
Money easy.
Fair crops; wheat price higher but oats very low.
Immigration at low point; Klondike gold discoveries, August; excited election puts Liberals in office.
- 1897 Revival.
Marked improvement appears; rapid expansion in mining industry; commodity price decline checked; further expansion of foreign trade.
Money easy.
Good crops and higher prices.
Gold stampede, May; period of rapid increase in immigration begins; Behring Sea arbitration award favors United States.
- 1898 Prosperity.
General activity; commodity prices rise; very active foreign trade.
Money abundant.
Large harvests; wheat price declines, oats rises.
Further gold discoveries in British Columbia; tariff with British preference goes into force, August.
- 1899 Prosperity.
Marked activity and expansion; further rise in commodity prices; increase in imports and decrease in exports.
Money tightens slightly.
Good crops; further decline in wheat price and rise in oats.
Canada enters Boer War, sending troops, October.

- 1900 Prosperity; slight recession.
Continued activity, with decline in autumn; commodity price rise checked late in year; gold production reaches maximum; boom in foreign trade.
Money fairly tight.
Failure of wheat crop, oats fair; prices high.
Ottawa fire, April; drought, autumn.
- 1901 Revival; prosperity.
Enormous expansion in domestic industries; extensive construction; commodity prices lower; small increase in foreign trade.
Money eases with introduction of much foreign capital.
Very large wheat crop, good oats; high prices.
- 1902 Prosperity, with financial distress.
Great activity and expansion; full employment and many new enterprises organized; commodity price rise resumed; speculation; large increase in foreign trade.
Money tightens, autumn; rapidly rising security prices collapse, October; slight panic with some bank failures.
Agriculture prosperous with exceptional crops and good prices.
Increased immigration.
- 1903 Prosperity.
Continued activity and progress; very few failures; commodity prices steady; coal shortage early in year; large increase in foreign trade.
Money tight; stock market depressed with falling security prices.
Small wheat, larger oats crop; good prices.
Immigration boom; Alaskan boundary dispute settled in favor of United States, October.
- 1904 Uneven prosperity.
Continued prosperity in trade and manufacturing; fishing and lumbering depressed; construction boom; increase in business failures; commodity prices continue steady; imports increase and exports decline, creating unfavorable balance.
Money eases; continued stock market depression.
Poor wheat, good oats crop; favorable prices.
- 1905 Full prosperity.
Great activity and expansion; prices steady; further increase in unfavorable balance of trade.
Money easy; security prices rise.
Excellent crops, good prices.
Provinces of Alberta and Saskatchewan created, September.

- 1906 Prosperity.
Continued activity and expansion; industrial boom; commodity prices advance rapidly; labor shortage; severe coal dispute causes coal famine; extensive railroad construction; enormous increase in foreign trade.
Money tightens; stock prices steady.
Large crops, high prices.
Cobalt mining rush.
- 1907 Prosperity; panic; recession.
Continued activity and expansion slackens, autumn; land speculation collapses; commodity prices reach unprecedented levels; foreign trade very large, especially imports.
Money tightens; financial stringency, autumn, leads to panic, October; gradual decline in security prices.
Crop failures, high prices.
Industrial Disputes Investigation Act, March; immigration reaches peak; active anti-Japanese agitation.
- 1908 Depression; revival.
Curtailement of activity gives way to improvement, last quarter; severe depression in manufacturing; many failures; sharp decline in commodity prices; relapse in foreign trade, especially imports.
Tight money eases late in year; inactive stock market.
Bountiful crops; excellent prices.
Land Act encouraging homesteading creates great rush to Northwest Territory, September.
- 1909 Revival.
Gradual improvement becomes pronounced, summer; manufacturing active; failures continue numerous; commodity price rise resumed; period of rapid expansion of imports begins.
Money easy; revival of security markets.
Excellent crops; high prices.
- 1910 Prosperity.
General activity and expansion; active railroad and building construction; commodity prices rise; fewer failures; exports decline, large increase in imports.
Money tight, autumn; stock exchange activity halts temporarily, summer.
Poor yields; prices decline.
Record immigration.

1911 Prosperity.

Increased volume of domestic and foreign trade; building activity continued; active land speculation; many new enterprises organized; large unfavorable balance of trade.

Money eases; stocks boom.

Excellent crops; wheat price falls, oats rises.

Drought; active immigration; Conservative party returned to power.

1912 Prosperity.

Record activity in many lines; active building and exceptional mining and manufacturing outputs; active speculation; commodity prices rise; further large expansion in foreign trade.

Money tightens severely late in year; security prices reach peak and then decline.

Excellent harvests, low prices.

Record immigration.

1913 Prosperity; recession.

Activity continues, first half-year, and then gradually slackens; speculation checked; many failures; price rise halted; unemployment appears late in year; large exports, imports decline.

Money very tight; stock markets depressed.

Excellent harvests, better prices.

Bank Act establishes central gold reserve.

1914 Depression, deepening with war.

Increasing dullness becomes stagnation with war, August; extensive unemployment; slow rise in commodity prices; many failures; great reduction in foreign trade, favorable balance.

Money tight, stringent with war; stock exchanges closed, July to October.

Poor crops, good prices.

War declared, August; troops landed in England, October.

1915 Depression; revival.

Paralysis gives way to war activity; manufacturing industries stimulated by war material demands; rapid rise of commodity prices; many failures; foreign trade recovers.

Money very tight; security prices rise, spring.

Magnificent crops; good but lower prices.

Extensive enlistment; government initiates "production and thrift campaigns."

1916 War activity.

Great activity, especially in manufacturing industries; commodity prices boom, with temporary relapse, summer; labor shortage and transportation congestion late in year; very large exports.

Money easy; considerable increase in currency in circulation; war loans; real estate crisis, Vancouver.

Partial failure of crops; higher prices.

Business profits tax imposed.

1917 War activity.

Continued activity, hampered by labor and supply shortage; rapid price rise slackens, May; exports reach peak.

War loans dominate money market; security values decline.

Poor crops, very high prices; government control of wheat crop.

Food controller appointed, June; fuel controller appointed, July.

1918 War activity; recession.

Continued activity, slackening with Armistice; prices rise to peak, November; decline in foreign trade late in year.

Financial strain.

Very poor wheat crop, large oats; government control with very high prices.

Influenza epidemic, October; Armistice, November.

1919 Revival; prosperity.

Dullness gradually gives way to great activity; production low to last quarter; prices decline to April and then rise; severe labor difficulties, especially Winnipeg, second quarter; revival in foreign trade.

Money tight; great stock exchange activity; gradual decline in foreign exchange accelerates, November.

Poor wheat, fair oats crop; prices rise to peak.

Fuel and food control ended, March; Canadian National Railways formed, December; demobilization.

1920 Prosperity, recession.

Activity continues; boom reaches peak, summer, and then decline sets in; commodity prices reach peak, May; production continues high to end of year; unemployment appears, October; imports reach peak, exports decline, unfavorable balance.

Money tightens, especially last half-year; severe decline in security values.

Larger wheat, record oats crop; prices slump sharply.

Large immigration.

1921 Depression.

General stagnation; widespread unemployment and many failures; production at very low level; falling commodity prices; decline in foreign trade, balance favorable.

Money eases; foreign exchange improves; temporary banking strain, December.

Agricultural depression severe; large wheat, smaller oats crops; prices very low.

Immigration declines; Liberal party comes into power, December.

1922 Depression; revival.

Continued dullness gradually disappears; construction boom; manufacturing improves, autumn; commodity prices reach bottom, September; many failures early in year; employment improves; revival in foreign trade, marked increase in exports.

Money easy; exchange returns to parity, August.

Record wheat crop, large oats; prices slightly improved.

1923 Moderate prosperity.

Generally improved and sound business conditions; production reaches very high peak, summer; prices steady; failures continue numerous; further improvement in employment; fishing industry severely depressed; further revival in foreign trade.

Money abundant; exchange falls, first quarter; banking troubles and scandals.

Record crops with low prices; agricultural distress lessens.

Revisions of tariff encourage British and American trade, May; extensive emigration to the United States; revival of immigration.

1924 Recession; mild depression.

Slump in manufacturing and other industries, especially last half-year; many failures; unemployment; prices decline to May and then recover; increased exports but smaller imports; signs of improvement late in year.

Money fairly easy; stock market active in spring and last quarter; exchange returns to par.

Good crops, much higher prices.

Slackening immigration.

1925 Revival; prosperity.

Marked improvement, particularly in mining, and paper and pulp industries; manufacturing active, except iron and steel industries; Nova Scotia coal strike, March to August; construction active after first quarter; commodity prices reach peak early in year, decline to April, and rise late in year; large increase in foreign trade, especially exports.

Money plentiful and easy; stock market very active with rising prices, especially last half-year.

Very large wheat and oats, record barley crops; good wheat and oats, high barley prices.

Immigration much smaller; Conservatives win general election, October.