



THE ROYAL BANK OF CANADA

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CANADA AS IT IS TODAY (I)

IN the past twenty years great things have been happening in Canada, of which the world is increasingly aware. Within the past eight or ten years the development of Canada has been particularly significant.

This country has prospered mightily. The second world war gave us a push along the road to industrialization, and post-war demands for the things we supply have kept our economy at a high level. We discovered resources of oil and iron ore, of uranium and nickel and other minerals.

But, what is this Canada of ours? Is it merely the biggest country in the Americas, the third largest in the world, with an area of 3,700,000 square miles stretching from the United States to the North Pole, and extending over 48 degrees of latitude and 84 degrees of longitude? Is it merely a land of rocks which form the lid on a treasure house of nickel, uranium, gold, silver, asbestos, radium, iron, and scores of other minerals; of wide prairies that produce the world's fourth greatest crop of wheat; of inexhaustible forests, and of the earth's largest area of fresh water lakes?

Canada is all these, and more. Nature bestowed gifts upon her with a lavish hand, but the treasures lay unused throughout milleniums until only yesterday. Canada's pride today is that so great development of nature's bounty has been accomplished by a mere 1/169th of the world's population in so short a time.

So industriously have Canada's people explored the wilderness, probed the rocks, tilled the plains, and built dams to operate their factory wheels, that their country is among the world's leaders in supplying the world's needs.

Canada is first in production of nickel, newsprint, asbestos, and platinum. She is the world's second largest producer of gold, aluminum, wood pulp, and hydro-electric power. She is third in zinc, silver and uranium; fourth in producing copper and lead, and she is the third trading nation in the world.

Canada's scanty population has been achieving mightily through inventive genius and enterprise.

These have developed the benefits that are ours because of our strategic geographical position, our abundant and varied natural resources, our wealth of cheap water power, our thousands of miles of transportation facilities by rail, highway, waterway and air.

Our people have kept our credit and exchange sound in the markets of the world.

Today, Canada is on the threshold of further advancement. It isn't what we did yesterday, but what we are ready to do tomorrow, that makes for greatness. This country occupies a central position between four of the world's great powers, and her territories actually adjoin two of them: the United States of America and the Soviet Union. With the other two, Great Britain and France, she has strong bonds of tradition and affection.

Canada's People

Canada is no land of the midnight sun, half British and half American, populated chiefly by Indians, Eskimos, the Mounted Police, and trappers on snowshoes. It is a land of opportunity for individuals and organizations who have a forward look and are not afraid to work. Canada has reached its present eminence under the stimulus of the northern climate, the initiative fostered by life in a new, vast and rugged country, and the courage and self-reliance bred of great open spaces and freedom of enterprise, movement, speech, religion and politics.

Canadians do not form a compact group like the English or the French, but are a collection of diverse races molding themselves into a nation that takes its pattern from the land of their adoption.

They are held together by love of country, common interests, and loyalty to the Crown.

At the time of Confederation the largest individual British racial group was Irish, and the Irish and Scottish together outnumbered the English by almost two to one. After 1881 the English predominated, and the Scottish moved into second place after 1911. By the time of the 1941 census the numerical strength of

the principal racial stocks was in the following order: French, English, Scottish, Irish, German, Ukrainian, Scandinavian, Dutch, Jewish, and Polish.

When Canada's first census was taken in 1666 to measure the advancement made by this French colony since the founding of Quebec by Champlain 58 years earlier, it was found that there were 3,215 inhabitants. The growth from this figure to 14,009,000 at the time of the census in 1951 places Canada among the leading countries of the Commonwealth in rate of population growth. Our population was estimated to be 14,675,000 at the end of 1952.

Let there be no mistake about it: Canada is an attractive country.

The people who come here do not come empty-handed. They brought, in the way of money capital, \$60 million in 1951. In addition, they brought skills, and they brought themselves and their dependents to feed and clothe and house. There were 194,000 new Canadians admitted in 1951.

Early Canada

The first Canadians were natives found on the Atlantic coast by early European explorers, and one tribe—the Kanatas of the St. Lawrence villages—gave its name to the whole country.

First recorded European to set foot on the North American mainland and meet its inhabitants was Leif Ericsson, a thousand years ago. John Cabot planted the flag of Henry VII on the Atlantic shore around Cape Breton in 1497, but it was not until after Jacques Cartier had been accounted a failure in 1535 when this continent stopped him from blazing a trail through to the China Sea that the European nations came to view Canada as something in itself, and not just as an obstacle to the North West Passage.

Two hundred years later the English and French were fighting for possession, and in 1763 Canada was ceded to Britain. Even as late as 1815, the year when Wellington broke Napoleon's power at Waterloo, the thinly populated coastal river and lake regions and the fur-trading stations of the Hudson's Bay Company were the only outposts of the British Empire in Canada.

Development which started slowly then may be said to have led logically and steadily to confederation in 1867. By that time had come the railway, making possible the westward expansion of adventurous people, and the shipping eastward of their produce from the prolific prairies.

A Beautiful Country

Several conditions, most of them geographical, have hindered even speedier economic growth of Canada. The University of Western Ontario divides its geography of Canada basic reading list into 31 sections! Eastern and Western Canada are linked by a neck of rock north of Lake Superior, narrow and rough, through whose inhospitable barrens the trans-continental railways had to be driven to link the 4,000-mile-apart coasts. There is rough, rocky ground

lying between the Maritimes and Quebec, and the Rocky Mountains separate British Columbia from the Prairies.

On the other hand, Canada is blessed with what is probably the world's most remarkable system of waterways, providing natural thoroughfares which lead in every direction. Starting from Lake Winnipeg, just west of the middle of the country, one can travel by canoe east to the Atlantic, west to the Pacific, north to the Arctic, north-east to Hudson Bay, or south to the Gulf of Mexico.

Canada is a beautiful country. The Canadian landscape artist is born to a rich heritage of the most varied motifs. From the peach-covered hillsides of the Niagara Peninsula to the tundra of the Arctic, from the great Atlantic breakers on the coast of Newfoundland, across the pastoral and industrial central provinces to the dry clean air of the Prairies, and over the Rockies to the moist Pacific slope, the various atmospheric conditions are associated with a landscape equally varied in its physical characteristics.

Add to these the dramatic differences in seasonal environment, and the painter has inexhaustible resources of material. These qualities make Canada irresistible to the tourist, too, catering as they do to love of natural beauty set in an invigorating climate, with opportunities for summer and winter sports of all kinds.

Canada is a Nation

Like the United States, Canada has had its political ups-and-downs, but has achieved stable responsible government.

Casual readers of newspapers in these two democracies around election time might be pardoned for thinking that they had reached their present stature by doing everything wrong. There is, however, a certain logic to be traced through their history, and their development was made inevitable by the composition of their people. The very freedom with which they criticise their institutions is indicative of the wideness of their democracy.

The British North America Act of 1867 is the basic document of the constitution of Canada, designed to knit together two great races, geographically distant territories with opposing economic interests, and many widely divergent viewpoints.

This federal union was a plan whereby, through mutual concession, cultural and local loyalties could be preserved. That union was possible, and that it evolved into what Canada is today, illustrate the genius of the British in developing colonies into nations in co-operation with people of other races. The whole evolution of the Commonwealth, except in mere fortresses or trading stations, is in the direction of responsible government. Self-government is extended in proportion to the growing capacities of the people, brought to maturity by education and the example of just administration.

Through the years up to 1931 Canada developed toward full nationhood. First there was undeniable gaining of equal status within the Empire, and then followed, in the Statute of Westminster, the legal step which capped the arch. This Act declared the dominions to be equal in status, in no way subordinate . . . in any aspect of their domestic or external affairs.

The Canadian Parliament is composed of the Queen (represented by the Governor-General), the Senate and the House of Commons. As in Britain, the part played by the Queen's representative and the upper chamber has been steadily decreasing, with chief responsibilities in legislation being assumed by the House of Commons, members of which are elected directly by the people.

The political party in power selects a cabinet, or ministry, which is responsible to parliament and holds office while it enjoys the confidence of the people's representatives. A ministry resigns when it becomes apparent that it is not supported by a majority in the House of Commons.

All British subjects by birth or naturalization, men and women, who have attained the age of 21 years and have been ordinarily resident in Canada for 12 months, and in the electoral district when the election is called, have the federal franchise. Each of the ten provinces has a legislature; each province has a Lieutenant-Governor.

We need Peace

Modern Canada is a child of the last century, of free trade, liberal institutions, and the Pax Britannica. It seeks peace above everything, and would suffer intensely in a nationalistic world. It is not a carbon copy of any other country. It shapes its international course autonomously, but it must at all times integrate it with the world policies of the United Kingdom and the United States.

Before the second world war broke out, Canada and the United States were already committed to joint action for defence of this northern hemisphere and the co-operation of national economies in time of war. Today, Canada is a partner in the North Atlantic Treaty Organization, and in October her Secretary of State for External Affairs was elected president of the General Assembly of the United Nations.

Partly because of expanding trade (in the first nine months of 1952 we exported \$207½ million worth of goods to Latin-American countries), the question has arisen whether Canada should go a step farther and join the Organization of American States, but this at once raises questions affecting its position as a member of the British Commonwealth and its status as an American nation.

A speaker at the Study Conference of the Canadian Institute of International Affairs put it this way: "To go in might commit Canada to the affairs of this hemisphere more deeply than its traditions and interest require. To remain out may render it suspect as a responsible American nation, and forfeit opportunities for goodwill and trade with other American

states . . . ideal from the Canadian point of view would be the inclusion of the Pan-American Union as a regional association in a global organization of nations. In such an organization, Canada could at once be a good American and serve its extra-hemispheric interests."

The National Income

Economically, Canada has made steady progress. The long-term trend of the national income had been slightly upward throughout the twenty years leading up to the second world war, in spite of the unprecedented setback of the thirties, and if the period of observation were extended back to before the first world war the upward trend would be much more pronounced.

The national income, which represents the nation's earnings from current production, reached a high level of \$4,600 million in 1920, and fell off 24 per cent in the following year. Recovery was continuous until 1929, when a maximum of \$5,273 million was reached. The depression low point was 1933, when the national income was only 52 per cent of the 1929 total. There was a temporary setback to recovery in 1938, and the subsequent advance has been greatly accelerated with a total reached in 1951 of \$17¼ billion.

This vast increase in the national income carries with it capacity to bear a much enlarged debt. Canada's net debt today is three and a half times the prewar figure. In 1913 the net debt per capita was \$41; in 1919, \$189; in 1939, \$279, and in March 1952, \$775. Annual interest charge on the funded debt at the end of the last fiscal year was \$389 million.

Direct taxation collected by the Canadian Government now accounts for about 55 per cent of the total collected. Payment of high income taxes was made easier by adoption of the "pay-as-you-go" plan, a break with the traditional method of tax collection that Canada was the first country to make. Income tax is deducted from salaries and wages by employers.

The enormous outlays of government funds necessitated by preparations for defense have been a heavy drain on the income of the ordinary tax-paying citizen, and have curtailed the resources of corporations.

Income tax paid on a taxable income of \$1000 in 1952 (after deducting exemptions) is \$175, and this ranges up to 91 per cent of taxable income over \$400,000. In addition, there is a tax of 2 per cent for Old Age Security, up to a maximum of \$60 a year.

Standard of Living

Despite the impact of two great depressions (1873 and 1930) the standard of living in Canada has improved steadily, and government expenditures for the general good of the country have increased proportionately.

Collective efforts to promote economic development, and collective assumption of responsibility for alleviation of individual distress and for the provision of rising standards of public welfare and education, have come to play an important part in the economic

affairs of the country. In 1944 Parliament made Canada the thirty-eighth country to adopt a family allowance bill. This provides from \$5 to \$8 a month for each child under 16.

In addition, Canada has made provision for the blind and the aged, and has unemployment insurance and workmen's compensation for injuries.

Indicative of the general living standard are the latest available figures of passenger motor vehicles (1 vehicle per 6.8 persons); and telephones per 100 population (21.9), the latter ranking Canada third among the nations. The index of wage rates rose 115 points between 1939 and 1950, while the cost of living increase was only 65 points.

Nearly 88 per cent of the occupied dwellings in the nine older provinces in 1951 had electric lighting (only 69 per cent had it in 1941).

Other advances were (in percentage of dwellings):

	1951	1941
Running Water	75	60.5
Mechanical Refrigeration	48	21
Radio	93	78

High Level of Wages

These amenities of living are made possible by the high level of earnings and wide opportunities for employment.

Canadian labour income reached an all-time record total of \$922 million for the month of August 1952, and in the first eight months of the year it totalled \$6,980 million, a figure nearly \$750 million larger than that of the same period in 1951.

Breaking down this 8-month total provides an interesting picture of Canada's economy. In millions of dollars, labour income in major economic divisions was:

manufacturing:	\$2,347
utilities, transportation, communication, storage and trade:	\$1,764
finance and services:	\$1,525
construction:	\$ 570
agriculture, forestry, fishing, trapping, and mining:	\$ 542
supplementary labour income:	\$ 232

How do these huge sums work out for individual workers? The weekly wages paid to hourly-rated wage-earners in manufacturing industries averaged \$53.91 in September. In mining the average was \$63.30; in electric and motor transportation \$60.26 in buildings and structures \$60.17, and in services \$31.19. The average working hours per week ranged from 41.6 in manufacturing to 46 in electric and motor transportation.

Our high standard of living is reflected from many points. For example, department store sales in the first nine months of 1952 amounted to \$635¼ million; in the same period there were 311,000 passenger cars and commercial motor vehicles sold, with a retail value of \$780 million; there were 53,500 dwelling units started in the first eight months.

There are smaller, homelier, illustrations, too. More than \$11 million worth of musical instruments is made in Canada annually; Canadian firms used 7½ million pounds of strawberries last year to make jam; we doubled our consumption of motor gasoline during the last decade; the average admission price to Canadian motion picture theatres in 1951 was 38 cents; in one year we produced 82,400 tons of plain and fancy biscuits; we made 94 million electric lamps of the incandescent type and 5¼ million lamps of fluorescent type in 1951; the national average cost of domestic electric service is only \$1.61 per kilowatt hour.

Culture and Justice

Education is assigned by the constitution to provincial governments, and a system of public elementary and secondary education, financed mainly by local school authorities but assisted by provincial allowances, has developed in every province.

For nearly forty years the federal government has provided grants for agricultural instruction, technical education and for the training of youth for employment.

In the realm of higher education in Canada, there are thirty-two universities, two French-speaking, three bilingual, and the remainder English-speaking. They range from small colleges with about two hundred students, offering courses in Arts and Pure Science, to large complex institutions with over ten thousand students, offering Bachelors' and higher degrees in Arts, Science, Commerce, Engineering, Medicine, Dentistry, Education, Agriculture etc. Most degrees require at least four years of day-time study, from September to April. The tuition fees vary from about \$150 to \$500 a year, depending upon the university and the course.

The judiciary in Canada is not elected, but appointed, and judges hold office for life or until retirement age. The Royal Canadian Mounted Police is a constabulary maintained by the Canadian Government. Organized as the North West Mounted Police in 1873 to keep order in the Northwest Territories, it has grown from a force of 300 to a strength of about 4,000, and it is one of the most highly regarded law forces in the world.

Broadcasting in Canada is under jurisdiction of the Canadian Broadcasting Corporation, which, in addition to supervising the 173 private radio stations in the country, operates powerful stations of its own which provide three national networks. Its shortwave transmission, with two 50,000-watt transmitters operating from Sackville, N.B. in 15 languages, reaches all parts of the world.

Television broadcasting, still an infant in Canada, is also under C.B.C. direction and operation.

Canada has more than 100 daily newspapers and 900 weekly newspapers, of which there is no censorship except of war news for security reasons in wartime.

(This survey of Canada will be completed in the January Monthly Letter).