

national banking system could finance the purchase of goods that go into the international trade department for distribution abroad. I would pay, under this system, \$1.50 for Canadian wheat, and I would correlate the price of lumber and wages and other commodities to that base price of \$1.50 for wheat, and I would put that base price of \$1.50 for wheat into the department of economic control and have them use it out as a guide for the basis of other prices in the Dominion.

When I pay the farmer \$1.50 of Canadian credit for his wheat, he would have \$1.50 to purchase Canadian goods. Then, if I took that wheat and sold it, I might get more or I might get less; but all that I would have to recognize was that possibly of my importations of tropical goods, fruits, teas, coffees, and a host of things of that type, that we cannot produce, it might have to be less but I might have more.

Mr. BAKER: Suppose you could not sell wheat at all, what would you do?

The WITNESS: I would say if the time ever came when we could not sell wheat at all, on a basis of fair exchange, we had better get ready to live like the Eskimo; but I cannot conceive of that condition ever happening. Well, I cannot answer an absurd question which I cannot conceive as a possibility, because there is no possible answer.

What I say is this: I am living in a world of practical men, conceiving that there are practical things to consider and practical times with which to deal and practical problems and practical questions to answer. I venture to say this, that there will be no time within the next 400 or 500 years when we cannot take our surplus of lumber, wheat and fish and agricultural products and exchange them for all we want of the goods we do not produce in Canada. I can take to-day canned salmon, lumber and fish into a dozen tropical countries, and bring back more lemons, bananas, teas and coffees than the people of Canada could eat. I can go to Japan and get all the silk necessary to clothe every farmer's wife in a silk gown, if I am willing to give out wheat and fish for it, and lumber. There is no difficulty in getting the goods that we do not produce. I can take the goods that we produce into Germany to-day and exchange them for another class of manufactured articles that we do not produce here. I can finance the Canadian standard, I can improve my international importations by intelligently managing trade. I cannot do it if I leave the Canadian unit of exchange in the hands of men who manipulate money in New York, London, and Paris. I know that it will not work out, and other nations know that it will not work out, and we are forced to set up some measure of economic independence in the administration of our own wealth. We can do that in Canada. I think it will be very surprising if you made an examination to-day and found to what extent men in other countries have through this depression become self-supporting. You cannot ignore what they have done in Italy; you cannot ignore what they are doing in Belgium and Holland. Modern science is not confined merely to electricity and engineering. Look at modern fertilization and modern conservation of food and your cold storage plants. By this means you have eliminated the wastage of the 19th century. A triflingly small amount of food produced to-day goes a much longer way than it did 100 years ago. Yes, if we are going to live in the 20th century, we have to develop 20th century national economic machinery. If we do that, we can live in abundance. It is stupid and absurd for you to conclude that a civilization that can manage the circulation of electricity cannot manage the circulation of its own credit and that it cannot manage the progress and development of its own trade.

I say this, and I do not say it facetiously or caustically, in my studies of economics, and I have not gone at them like an undergraduate, I took up the study under the direction of university professors, and I asked them for everything they had in the way of curriculum; I went at it with the mind of a mature man with some experience in politics, with a very wide knowledge of

[Mr. G. G. McGeer]