

Australia, that the Australian farmer was securing two shillings and threepence to two shillings and sixpence per bushel for his wheat delivered at the siding, depending on the freight rate. That, Mr. Speaker, turned into Canadian money means something in the neighbourhood of fifty-two to fifty-four cents up to sixty cents a bushel, and the Australian farmers' wheat, generally speaking, is of inferior quality to our western Canadian wheat.

Mr. YOUNG: What is Australian money worth now?

Mr. GARDINER: Australian money is depreciated, and that is one of the reasons why the Australian farmer is getting a larger price in actual money than we are getting in Canada.

Mr. YOUNG: When you translate that into Canadian funds, will he make what you said?

Mr. GARDINER: It will be very close to that. Then on top of that the Australian government is paying a bonus of four and a half pence per bushel. So the Australian farmer is in a much more favourable position than the farmer in Canada. That is borne out by the fact that Australia to-day has sold practically all her surplus and will have little more wheat to sell until the new crop comes into circulation. We are competing under these conditions in Canada, and it is a severe task for our western farmers who depend largely upon wheat as their cash crop. In addition, Australia and the Argentine were the only two large wheat exporting countries to increase their acreage during the last year. In each country that increase amounted to over one million acres, which shows that the depreciated currencies of these countries have acted very much in favour of the wheat growers, since otherwise one would hardly expect an increase in acreage sown at this time.

I have only a few minutes left, Mr. Speaker, and in that short time I desire to discuss the economic problem we have before us, because we must have some understanding of the system under which we are working before we can be in a position to suggest remedies which might be of some advantage to our people. To-day in this country, as in all other countries, we are working under what we call the capitalist system. Some people prefer to call it the profit system, the competitive system, or the industrial aid, but it makes no difference what you call it; I refer to the system under which we are now operating. On many occasions I have stated that in my judgment our present economic system has done more for the masses of the people the world over than all former social systems combined, and I still stand by that state-

[Mr. Gardiner.]

ment. Unfortunately many people seem to imagine that this social system has been in existence from time immemorial and that it is likely to continue for all time to come. Those who have read industrial history in particular, or indeed history in general, know very well that this system is not very old; in fact it only dates back to the discovery of steam. Had it not been for the utilization of steam for the driving of the machinery of production our present economic system never would have come into existence, and probably we would still be back in the dark ages under some such system of feudalism as was in force prior to the inauguration of the present system. With the discovery of steam, however, the present system became possible.

Time will not permit me to follow the progress of our present system from the time steam was discovered up to the present time, but I think it will help us appreciate the problem we have before us if I give a bird's-eye view of what has taken place. With the discovery of steam the inventive genius of man was stimulated, particularly when it was recognized that steam could be used to drive the machinery of production, thus doing away with man power, improving the methods of production and producing more and more with less and less labour. Since that time the genius of men has been applied to the improvement of machinery until finally we have reached the present stage, with the machinery of production immensely effective, requiring very little labour and producing large volumes of commodities. Coincident with the improvement in the machinery of production men began to delve into the natural resources of all the countries of the world, and an immense amount of research work has been carried on in order to discover new resources which could be utilized for the sustenance of the human race, but had it not been for the discovery that power could be used to drive machinery it is likely that this research work would not have taken place.

What has been the result? In every country to-day, with the exception of three, we have ample machinery to produce all that may be consumed by the people within the borders of those countries. In recent years the industrialization of the world has gone on at such a rapid rate that of all the important countries of the world only Russia, India and China remain to become industrialized. Russia is carrying out her own program, and she will not permit outsiders to build plants and assemble machinery for the purpose of production. In China and India there is some ma-