

invariably comes from another loan. If it does not come from another loan, one thing must result. At the end of twenty years you have got a school, but you have paid back your \$100,000 which it cost, and you have paid back another \$100,000, in the medium of exchange, which is necessary to maintain the school; your people are \$100,000 poorer than they were before the school was built, because the credit dealer has increased his \$100,000 by another \$100,000 of the people's credit or money wealth. This should prove to anyone the fallacy of trying to build a civilization on a foundation of usury. So long as the banker manages public credit you will never escape from the strangling grip of the dead hand of unpayable debt claims. You do not need to be an economist or a student of economy to see that if you put a bucket of water on a table before you and take a dipper, and pour one dipperful in and two dipperfuls out, it is not going to be very long before you are going to empty the bucket. Under this system that we have been functioning under, or trying to function under, of lending credit repayable in money with interest, we must dry up the consumers' purchasing power; we are bound to destroy the ability of the consumer to buy and the taxpayer to pay. Pyramiding and increasing debt claims that are issued not by the government but by a private monopoly created by the government make the situation worse instead of better.

Now on April 4th, 1934, this campaign of over two years of the London Chamber of Commerce, crystallized into a definite action. May I quote a letter which appeared in *The Times* of London under the signatures of some of the most prominent members of the Empire's Trading Chamber of Commerce.

The modern paradox of poverty in the midst of plenty was the subject of a challenging passage in the speech of His Majesty the King at the opening of the World Economic Conference last year, His Majesty said:

It cannot be beyond the power of man so to use the vast resources of the world as to ensure the material progress of civilization. No diminution in these resources has taken place. On the contrary, discovery, invention and organization have multiplied their possibilities to such an extent that abundance of production has itself created new problems.

Where is the credit that this abundance of wealth is supposed to create? Why are we not going forward? This is a new lead for a King to take, to ask his members of parliament and public men to find a solution of that problem.

Under modern scientific conditions the capacity of industry to produce is unlimited, and the continued existence of destitution, poverty and unemployment, throughout a large portion of the population, demonstrates the fact that the present monetary system, the proper function of which is to facilitate the production of goods and their distribution to consumers as required, has broken down, both in its national and international aspects. The system is obsolete, and has become a hindrance to the effective distribution of goods.

That is not my condemnation of banking and Bill 19. That is a condemnation of a group of men who have lived in a country that has been operating under the Bank Act of England since 1844.

A hindrance to the effective distribution of goods, nationally and internationally. The object of production is consumption, and with approximately 90,000,000 people destitute, or on the verge of destitution, in the advanced nations which keep statistics, it cannot be suggested that the desire to consume is not present. Both these primary functions of the economic body—production and consumption—are frustrated, and what should be a healthy and vigorous organism is paralyzed in peace time by the failure of the monetary system of distribution.

[Mr. G. G. McGeer]