

this situation is to go to what you might call the credit agencies—commonly known as banks—and lodge collateral against a loan. That loan is drawn upon and in that way the future is mortgaged. The money is made available for the time being to buy some of the goods which have been left over, but unfortunately interest is chargeable on that loan and this interest cannot be paid in goods. If at a certain date the loan is not met, further loans have to be made to pay the interest on the loan already arranged for. Other means are adopted to try to get rid of this surplus of goods. The export market is spoken of because we have not sufficient money in circulation to purchase the goods already made. However, we are not the only country in this situation; all the civilized countries of the world are doing exactly the same thing, and while we are trying to export our goods to other countries they are trying to export their goods to us. Each country attempts to set up barriers of trade in order to stop this exchange of goods. This economic war goes on and it will continue no doubt until we have either internal trouble or external war. If we have not sufficient money with which to purchase the goods already manufactured, how can we pay for the imports we get in exchange for goods sent out of the country? I would like to quote from the English paper, *The Age of Plenty*, which says:

The amount of money in circulation to-day is not sufficient to purchase one-fifth of the goods we are able as a nation to manufacture. The present money system places industry and the people in a strait-jacket, leaving no room for natural expansion. This is a condition of not being able to buy what is and could be produced in all modern countries. Hence, the struggle for foreign markets; hence, trade warfare which engenders military warfare; and wars will continue as long as the present false money and economic system lasts.

There is a similarity between the causes of unemployment and the causes of war. The more goods manufactured under the present system, the more unemployment we are likely to have. The more machines put in the factories and on the farms to produce more goods per man, the more difficulty will be found in regard to the employment situation unless the present system is altered. When you solve the unemployment problem, which is a purchasing power problem, then you have not only solved that problem but you have also solved very largely the problem of warfare. Whether or not we like to admit it, the world to-day is largely a unit; we are interdependent upon one another. If we take the world as a unit we find that we have all sorts of raw materials,

and at the same time millions of men and women willing and able and prepared to turn the raw material into finished products. If we have the raw material and the skilled labour to turn out the finished product, why is it that three-quarters of the world is having difficulty in making both ends meet? Why is it that a large amount of poverty and privation exists? If we have the raw material and the men and women able and prepared and skilled enough to turn that material into finished products, why should we not have a medium of exchange—that is all that money should be—which will make it possible to transfer all the necessary goods and services from the producer to the consumer? If that cannot be done under our present system because money is being made our master, then it is time that we change that and make it our slave.

I was much interested yesterday in listening to the hon. member for Wetaskiwin (Mr. Irvine) outline very ably his ideas on this subject. I entirely agree with what he said but I regret that the Prime Minister did not see fit to give more consideration to the suggestion offered. However, he did promise to give it some consideration and I sincerely hope that he will do so.

I would like to quote again from *The Age of Plenty* as follows:

Our immediate task is to replace the present irrational monopolistic money system with one based upon modern scientific principles, for it is to the money system that we must look for the cause of the nation's and the world's difficulties. To look elsewhere is a waste of time and a delusion.

In replying to the hon. member for Wetaskiwin the Prime Minister inferred that it would be unwise to issue certain moneys direct as was done by a former administration because it was very necessary to have a certain basis of gold behind our monetary issue.

Mr. BENNETT: I should have mentioned the war conditions which prevailed.

Mr. SPENCER: I will accept that additional explanation. I would like to point out that there are four ways of raising money: by direct taxation, by the issue of dominion bonds, by treasury bills, or by the direct issuing of money. The principle of always having a certain amount of gold as collateral for our currency is not always closely adhered to. I would point out that a few years ago the bankers of Canada made use of the Finance Act and lodged various securities—not gold—with the Treasury board and raised a sum equal to \$123,000,000.