

I came here, "Monarchy or Money Power," which is a splendid treatise on the European development. The author is Mr. R. McNair Wilson, and the publisher is Eyre and Spottiswoode, London, England. This books says:

Having made peace with the whole world, Bonaparte set about his task of preparing himself and the French people for the return to the Gold-system. It was ordained by him that money should not be exported from France on any pretext whatever except with the consent of the government—

He knew what he was doing.

—and that in no circumstances should loans be employed to meet current expenditure whether civil or military.

The object was to withhold from finance the power to embarrass the government, as it had embarrassed the government of Louis XVI. When a government, Bonaparte declared, is dependent for money upon bankers, they and not the leaders of that government control the situation, since "The hand that gives is above the hand that takes."

While even a child should be able to see the danger, we now propose to set up a bank that puts all the money and credit of nation and people under the control of bankers. They will then become the actual controllers and rulers of the government. Instead of having self government under a democracy, you have a sham of self government and democracy. You have an oligarchical plutocracy of money power in control of government and people and that is the kind of thing the Bank of Canada Act is designed to create. Why the politicians themselves should fall for it is something I cannot understand. We are placing usury in its most dangerous form in charge of the nation.

Now, people say to me that a man who talks about usury in the old biblical sense is not living up to modern times, that men are cranks who denounce usury as unsound. But the London Chamber of Commerce in January of this year comes out with this statement as a headline, "Good Will or Usury?" It says:

Humanity can have good will and peace, but it cannot have usury and peace.

It then goes on to show that under our system the banker is allowed to create a substitute for money out of nothing, lends it as though he were lending money, and exacts not only interest but a repayment of bookkeeping entry loans, as interest, in money; and both principal and interest are repayable in money. "The point is this, that the community always owes, in money to the bank, more money than the bank, in fact, issued; because the bank never issues the interest which the community is under obligation to pay." As a result of banker management we in Canada have climbed up into the position of owing \$9,500,000,000 at interest. Ask yourselves how those debts have been pyramided up, and ask yourselves again how in the world you are going to pay them. You never can, as the London Chamber of Commerce points out, because the banker lends you the principal and he puts that in circulation, but he does not put the interest in circulation. Let us keep that thought in mind. Here is how it works out. You borrow \$100,000 to build a road or a bridge or a school, and what happens? Let us assume that you are borrowing that \$100,000 at 5 per cent for twenty years. Yes, you put \$100,000 in circulation, and you use that medium of exchange to co-relate labour and material. You build \$100,000 worth of real wealth, and your books balance. You have got \$100,000 of real wealth and \$100,000 put in circulation, but you don't leave it there. You add 5 per cent on the cost which nobody puts in circulation, and you ask the taxpayer to repay in twenty years another \$100,000 in addition to that which was put in circulation. Where is it going to come from? Why, it

[Mr. G. G. McGeer]