

The Budget—Mr. Blackmore

far as the United States has, and never did become quite as foolish even in the last depression. I hope they never do.

It is reported in the *Christian Science Monitor* of September 21, 1949, that the FAO experts are contemplating the creation of a \$5 billion fund to buy the surpluses of the world and render them available for purchase by the have-not nations with their own currency. This is a hopeful suggestion. The only thing that I think hon. members are asking with considerable anxiety is this: How far do we have to go in increasing our taxes or our debt in order to be able to supply the money which will be necessary to create a fund sufficiently large to buy the surpluses we are lucky enough to produce when we really turn ourselves loose in the matter of production. If the nation has to be penalized by being taxed for enough money to buy the goods that have been declared surpluses, then hope has departed from the world.

I should like to say a word or two that will guide us to some hope. In the parliamentary library there is a book with the title "Economic Tribulation", published in 1941, by Vincent C. Vickers. I fancy the name will commend the book to all hon. members, whether they have just come to the house or whether they have been here before. From one of the chapters of this book, entitled "Democracy or Financial Dictatorship?", may I quote two excerpts? From page 59 of the book I quote as follows:

Unless we can contrive and design and establish an improved and reformed financial system, which is the first essential towards a new and better economy in our own country, no satisfactory outcome of the war is possible; for where there is still widespread injustice and discontent there can be no ending to that war, unless it be a tangle of internal revolts and revolutions.

Therefore this man concentrates his attention on the financial system. Do we agree with him, or do we refuse to give any credit to this man? May I quote another passage from the same chapter, this time from page 65:

Strenuous efforts have been made over some twenty-five years to patch up the money system in an attempt to make it last a little longer; but it has stood, and now stands, in the way of progress and social betterment, thereby creating universal unrest and a tendency to obtain by force what cannot be obtained otherwise. For the sake of our children let us take warning in time. Let us discard the policy of inaction and pretence and boldly face the fact that it is not the inevitable smoke of the galley-stove which assails our nostrils, but that a fire is raging in the hold and that the ship of state is in imminent danger. Our democratic system and our existing financial system can no longer live together. One of them must give way to the other.

May I now quote two short extracts from his recommendations? What does he think needs to be done to change our present financial system into that which would be better

suited to this age of plenty in which God has placed us? From page 75 of his book I read two of several recommendations. These two are:

1. Any additional supply of money should be issued as a clear asset to the state, so that money will be spent into existence, and not lent into existence.

When we reflect that there is not a dollar that goes into circulation in Canada that is not borrowed from somebody—in other words, every dollar of our money is lent into circulation, and not one dollar of it is originally spent into circulation by the government—we find that there is some cause for careful study of our own financial system, if this man knows what he is talking about. I read the next recommendation:

2. The abolition of the debt system, where all credit is created by the banks and hired out at interest to the country.

You would think that he had his eye particularly on Canada, would you not? All he did was cast his eye on every country which is operating on the present debt-creating financial system which our government and our people seem to be absolutely enamoured of.

Who was this Vincent Cartwright Vickers that we should give any attention to his idea? From a note in the forepart of the book by Wilma Cawdor, his daughter, we learn that he was born on January 16, 1879, and educated at Eton and Oxford. He was deputy lieutenant of the city of London, director of Vickers Limited for twenty-two years, director of London Assurance. He resigned in January, 1939. He was made a governor of the bank of England in 1910 and resigned in 1919. He later became president of the Economic Reform Club and Institute. He is just about as experienced a man as our Graham Towers, on whose every word we all seem to hang with breathless adoration.

What does he say about himself? In his foreword which he wrote in the last months of his life in 1939 he said:

I who write this need no proof of the importance of the money system to the very lives of the people and even to the future existence of the British race, so long as that system fills the position which it now holds in our national economy.

Again:

I therefore decided to take the unprecedented course of offering to my readers my own qualifications for putting down before the British people the very precarious condition of our monetary system as it exists in this country today; that this our money system forms the most important part of our economic system, and that the nation's economic system forms part of our social system.

And again:

Ever since that day in 1926, when, not in arrogance but with humility, I felt it my duty to explain to the governor of the Bank of England, Mr. Montagu