

is true that the circulation of their bank cheques is limited; but the greater part of money to-day is not gold, is not bank cheques, it consists of credits and these can be extended or limited by the action of the banks. Hence, to no small extent, they control the value of money itself. The money that buys one bushel of potatoes to-day may buy tomorrow two bushels of potatoes, or only half a bushel; and I submit that the people who control the money situation can very largely decide the value of that money. Or to put it the other way about: The value of money really means the price of other things. If we decide to issue a larger amount of money we cheapen money, and send the price of commodities soaring. That, at least, is the accepted view of political science. I submit that no such power as this should be placed in the hands of any groups of private individuals. It means that they control the whole life of every individual, it means that we cannot buy a single box of groceries, we cannot buy a suit of clothes, we cannot live in a house, we cannot go abroad to enjoy ourselves, without paying out money the value of which is determined by a group of people over whom we have no control whatever.

We were told, of course, by some of the bankers that we could not get away from the gold standard. And yet they had to admit that since the war we have no gold standard. I do not intend to enter at this time, at any length upon this question of the gold standard. I can remember in my college days we used to debate at considerable length the whole question of bi-metallism, but I submit that in the last few years we have learned a great deal more about the gold standard than we knew before the war. The fact is that Canada is not to-day on a gold standard. I have my own suspicions that all along the gold standard has been, after all, nothing much more than a barometer which recorded certain changes in the financial conditions. But to-day all that is passed. We know perfectly well that although our bank notes call for payment in gold, no gold is forthcoming. The bankers say that we are going to return to the gold standard. That may or may not be; it is altogether another matter. So we are faced with this situation: That not being on a gold standard and the banks having no obligation whatever to pay in gold, they are still coming to us and asking for a franchise that will extend for ten more years. Without considering the advisability of a return to the gold standard, I would suggest that the bankers might well offer to return to this standard before asking for a renewal of charters that

are so valuable. On the question of the gold standard I was rather interested in a little illustration of how very ridiculous the gold standard is in actual practice. D. H. Robertson in his book on "Money" gives the following:

It is said that there was once a mine manager in Johannesburg who had a glass eye. When business called him away he would take his eye out and leave it in a prominent place; and while the master's eye was on them the workmen continued to work like blacks, as indeed they were. But one day one of the workmen, more daring than the rest, stealthily approached the all-seeing orb and covered it up with an inverted cigarette tin: whereupon he and all his fellows promptly went away and got drunk.

Some of my Progressive friends and my colleague here (Mr. Irvine) would like to use inverted cigarette tin and cover up the glass eye. I would submit there is a great deal bigger question involved than the cigarette tin and that is, if the gold standard is no more than a glass eye, a bogey to frighten people with, we may well ask ourselves what is its stability as the very basic of our whole financial system to-day. Let me give you still another illustration which, I think, will do more to drive home this point than anything of an abstract character that I might advance. This is quoted by Mr. Robertson from the *Economic Journal* of June, 1915, page 281:

There is among the Caroline Islands an island called Uap, whose money consists solely of huge stones called fei, many of them so large that they cannot be moved, so that even when they change hands in the course of business their physical location is left unchanged. . . . Some time ago the natives allowed the roads of the island to fall into disrepair, and steadily refused to mend them; and the Germans, who were at that time in possession of the island, had to devise some means of inflicting a fine. It was clearly useless to attempt to remove any of the stones from the island. "At last," so the account runs, "by a happy thought the fine was exacted by sending a man to every failu and pabai throughout the disobedient districts, where he simply marked a certain number of the most valuable fei with a cross in black paint to show that the stones were claimed by the government. This instantly worked like a charm; the people, thus dolefully impoverished, turned to and repaired the highways to such good effect from one end of the island to the other that they are now like park drives. Then the government despatched its agents and erased the crosses. Presto! the fine was paid, the happy failus resumed possession of their capital stock, and rolled in wealth.' Just so gold is a fetish, if you will, but it does the trick.

That is a plea for the gold standard by a man who clearly recognizes how little it really amounts to if one could understand its real meaning.

Now, my main reason for pleading for delay in the granting of these charters is that we have developed in Canada a financial monopoly, and that by granting the charters we