

handle the provincial situation? You have got nine provinces in the Dominion, each one jealous of its own autonomy, each one protecting itself, and unwilling to hand over to a national government the control of its internal economy.

I would establish a sub-bank in each one of the provinces, and would see to it that the constitutional rights of the people of the province of Quebec, the constitutional right of the people of the province of Ontario, and the people of the Maritime provinces, and the prairies, and British Columbia, would not be interfered with in any such way as they might be interfered with if you create a dictatorship of money such as is now proposed. I would have those sub-banks correlated with your national banking system; and those sub-banks would perform the same banking service for your provincial governments and your municipal governments that your national bank provides for your national government. Yes, they would have to budget together. But we could do a lot of things that are necessary to be done in Canada under that system. We could unify the standards of education; we could make a uniformity in the standard of wages. For instance, out in my province—British Columbia—we are in the canning business. We propose to raise the standard of wages, the standard of working conditions, but we find ourselves competing with conditions that exist in Ontario and Quebec; and we find, to make our plan successful, that we have got to come and get into step and come into agreement with the operators in the eastern provinces. Yes, we could go a long way towards ironing out those differences by having a uniform system of financing.

Then, they say, you pay all the expenses of Government with a national issue of currency and credit, and you would have everybody working and everybody prosperous. And my answer is, Yes. And I think that that is more of a normal condition in this age of plenty than having a few abnormally prosperous, and the bulk of us wondering where the next meal is going to come from, and a whole army of us deliberately in destitution unable to get anything but the meagre doles of government charity. The day before I left Vancouver, 200 men appealed to the local gaol to be locked up so that they would have a place to sleep. That is not good enough.

Now, they say, what would happen, would you pour out money for everything? Yes, I would. I would build better schools, better institutions. I would pay men to go to school, and my standard of issue would not be gold, but it would be based on the elimination of unemployment. Is that unsound? If I invest public credit in making for the health, the wisdom, and the contentment of the people, am I not creating the soundest form of security upon which the economic system can rest? Then, if so, what would you do to carry away the surplus of money that would be put into use through your system, you would have the worst kind of inflation. But you can take care of that situation. We have perfected the technique of issuing credit as a substitute for money. That technique has been perfected by the bankers. But what have we done with taxation? We have perfected the power to tax a man out of everything he owns. Now, if you correlate your power to tax with your power to issue national currency and credit you can hold your volume of money purchasing power, or credit purchasing power at any level you want. You must set up a department of taxation. Each of your provinces and each of your municipalities have a similar department. They work in cooperation to regulate circulation but they do not tax to maintain government, but they tax to prevent inflation. What taxes would be used? No new taxes. Just as I say, you use no new technique in issuing credit to finance government, because the banker is using a bookkeeping system to finance government loans. You just use his technique; you use the technique in taxation that you are now using. Your probate and succession duty taxes, your income and excess profit taxes can

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