

thought in the forceful chapter that opens his excellent article on "Money," appearing elsewhere in this issue. In this article Senator Owen explains how the machinery for the diversion of the stream of money from debt to credit has already been set up and is about to be put into operation in the United States. This machine is not complicated. It is very simple. Any modern machine seems complicated at first sight, but after we have examined and understood how it works, it is very simple and we begin to wonder why the world has been left so long without it.

*An Inspection of the Machine*

Mayor G. G. McGeer, K.C., M.P., of Vancouver and the writer have just returned from Washington where we spent six days examining this machine and checking it up from every angle in interviews with President Roosevelt, Secretary Hull and many of the foremost money students in the United States Senate and Congress, members of the Federal Reserve Board and other administrative officials and advisors who will be charged with the responsibility of operating this machine. Mayor McGeer and the writer are indebted to Senator and Mrs. Owen, whose guests we were while in the United States Capital, for the many facilities that were given us to examine and understand President Roosevelt's Money Machine. Through Senator Owen we met such magnificent warm hearted Christian souls as President Roosevelt, Secretary Hull, Speaker Byrnes, Congressman Keller, Senator Thomas, Congressmen Goldsborough and Lempy, Congresswoman Mrs. Rogers and many others. As Senator Owen explains in his article in this issue, the purpose of President Roosevelt's Money Machine is to create money in quantity sufficient for the employment of every employable man and woman in the United States and then to regulate this quantity so that the United States dollar will have "a uniform, permanent, debt-paying and purchasing power."

This machine and the effect it will have upon the United States is fully described in Chapter VII of Senator Owen's article and we would suggest to the reader that he read Chapter VII

immediately he is finished with Chapter 1. and then turn back to Chapter II.

President Roosevelt's Money Machine is based upon the sound and fundamental principle that when the government of a nation buys government bonds and other sound bankable assets, it puts money into circulation; and when the government of a nation sells government bonds and other sound bankable assets money is taken out of circulation.

Senator Owen estimates that, at the present time it will require 69 billions of dollars of money, to fully employ every employable man and woman in the United States. Six billions of this will be required in the form of currency (bills and coins) and 63 billions as bank credit. This means that the United States, through the agency of the Federal Reserve Board, will have to buy all the U. S. National Debt of 31 billions and almost as much more of other "sound bankable assets," before the required amount of new money is put into circulation. This, of course will not be done suddenly. The chances are that government bonds of the United States will be bought only as they mature. In the meantime, other "bankable assets" will be purchased such as State and Municipal bonds and the securities of public works such as those of Boulder Dam and Tennessee Valley Authority. All these "government bonds and other bankable assets" will be held by the Central Reserve Bank of the United States; and sold for public purchase through the thousands of banks that are members of the Federal Reserve Banking System of the United States, whenever it is found necessary to withdraw money from circulation in order to check any tendency to an undesirable rising of prices. (inflation.)

In order to understand the new money machine of the United States one has only to keep in mind the simple fundamental principles that money is put into circulation by buying "government bonds and other bankable assets" and that money is taken out of circulation by selling "government bonds and other bankable assets." But this buying and selling must be done by the National Government. If it is done by a privately owned banking system, that system will soon own the nation and all the property