

Q. Will you go this far with me—and I will preface the question by telling you that I cannot understand Major Douglas' theory—will you say that you do not understand it in its entirety?—A. I do understand it, but I say I see difficulty in putting it into effect without establishing a complete socialization of almost everything.

MR. HACKETT: That is all, thank you.

By Mr. Jacobs:

Q. Did the scheme which was put into effect in the Island of Guernsey ever extend to the Island of Jersey?—A. I am not sure about that, Mr. Jacobs, but I am rather inclined to think that it did, but just to what extent I do not know. It is a matter of record. I wanted to get the story of Guernsey and I hunted all over to get that book of J. Theodore Harris, and finally found it in the Library here. That little book is here and it is well worth-while reading.

Q. What is the population of Guernsey Island, or what was it at that time?—A. Oh, I think it would only be a few thousand, but remember this, the issuing of money in a community of a thousand is, in principle, exactly the same thing as the use of money as a medium of exchange in a community of five million or one hundred million.

Q. It would be more in the nature of a municipal regulation when applied to small Islands or other communities?—A. You see, they have their own parliament, they are not governed by England; they elect their own representatives just as we do in Canada; they have their cities, and agricultural industry, and their established industries, all that.

Q. And national debt?—A. Probably. I mean, they have everything we have, and while it is small you can, see the whole picture of the operation. The difficulty in modern economy, Mr. Jacobs, is the fact that our transactions move in such great numbers and with such speed that we only get a blurred picture of the whole activity of the social system. We cannot see the detail of its operations.

By Mr. Hackett:

Q. When did they abandon their scheme in the Guernsey Island?—A. 1837.
The CHAIRMAN: Gentlemen, are we through with Mr. McGeer?

By Hon. Mr. Euler:

Q. If that scheme worked out well, as you say, up to 1837 and was then discontinued, why has the government of that Island not restored the system?—A. As I say, they gave authority to the banks to carry on if they would pay a proportion of the cost, a substantial portion of the cost of government, and that carried on, but you can see quite clearly that the banks there corrupted the state's parliament and dominated it—

The CHAIRMAN: Oh, well—

The WITNESS: The Chairman says, "Oh, well." I am simply telling you what is in the book.

The CHAIRMAN: Leave the Chairman out of it. Are there any questions you wish to ask Mr. McGeer?

The WITNESS: I want to make one explanation, if I may, and it will only take ten minutes.

The CHAIRMAN: What about?

Hon. Mr. MORAND: Mr. Chairman, it is very interesting to listen to all this, and I am probably as unorthodox as any other man in this House in respect to the present day banking system, but this is not a study club, and if anyone in the House desires to have this studied as a system or as a theory then it is quite

[Mr. G. G. McGeer]