

before?—A. You know, Mr. Hackett, we are not always responsible for the view of either our friends or our enemies.

Q. No, or of the newspapers?—A. No.

Q. I wanted to ask you, Mr. McGeer, if the theory which you have propounded—and unfortunately I was not here on Tuesday to hear you—is your own?—A. I would say no.

Q. Is it a theory that has ever been put into practice or application anywhere, to your knowledge?—A. Yes. Delisle Brock put the thing into practice in Guernsey Island, in 1818. I gave the reference the other day; I have not got my notes with me, but I will let you have that book; it is in the library here. "An Experiment in Communal Currency" published by J. Theodore Harris. In Guernsey Island they created a bank of their own; they issued their own currency very carefully secured, in the first instance, for redemption by a levy of excise duties. They built the Guernsey Island market place; then they built a college; they rebuilt the streets; they built the quays, and they developed—as he describes it—an island which was in a deplorable condition of stagnation and went into a veritable paradise of happiness. There was one bank there at that time. Then another bank came in, and the banks objected to the Guernsey Island states issuing money because they claimed it was a vested right and the privilege of the banking community. The matter was argued in the council chamber. The bankers were themselves members of the chamber, and eventually the bankers made a bargain that the government would go out of the business of issuing its own currency and financing its own activities, and leave that to the banks, but that the banks would pay a substantial portion of the cost of the government of Guernsey Island for the privilege of carrying on the monopoly of issuing currency as the Bank of England had done. That experience in Guernsey Island—while it is small—between 1818 and 1837, I think, gives you a pretty complete picture of an operation of which a government decides to finance and to eliminate taxes as a basis of finding the means of seeing a government through. In addition to that, may I say that in the time of the continental wars when continental money was used, at the time of paper money in France, at the time of the use of assignats; at the time of the use of greenback currency, in everyone of those instances—

Q. And I suppose you go on and say in Germany?—A. I dealt with Germany before. You would not have asked that question if you had been here, because that is pure nonsense. You would not have fallen into that trap if you had been here before.

Q. I am so grateful?—A. What I am pointing out is this, that in every one of those instances the national power, or the power of government to issue purchasing power has been resorted to. I went over before you were here the whole question of the difference between our power—

Q. Do not let me take you further afield. What I wanted to ask you was, if your theory, or any part of it, is in application in Japan?—A. Well, I would say that they were using the government's power to issue currency, very definitely, yes.

Q. And your system would eliminate the banks, would it not?—A. I said no. I would put the merchant banker in charge of the business of merchant banking, but I would not let him issue credit as a substitute for money; I would not socialize your banks or take away your right to carry on a merchant banking business, if you wanted to.

Q. Is your system identical with that of Major Douglas?—A. I have read Major Douglas's books, and some of his plans, but to be perfectly frank with you, I cannot myself, as a politician, just see how I could put Major Douglas' theory into a statute. Mind you, I do not want it to be taken from that that I conclude that it cannot be done, because I have learned a long time ago that merely because I do not see a thing is not proof that it is not there.

[Mr. G. G. McGeer]