

The London Chamber of Commerce is coming to grips with the real problem. They want a new deal from the government in the management of money and trade.

The old days when governments could not control financiers and manipulation of currency are now over. Once your government advances to the point where it can say to a man, "You can't hold gold, you can't ship gold, you can't buy gold, you can't export gold," then, Mr. Chairman, you establish a power in government which prevents the manipulation of currency—if you want to exercise it. You have the power to stop money dealing to the detriment of humanity, wealth producers and distributors. Surely it is a very foolish thing to think that, because men, two hundred years ago—in the days of John Law, in the days of assignats, in the days of continental money—who, working with the preliminary experimentation of substituting credit for money, did not know how to use the machinery of government for the purpose of controlling those forces that wanted to use money as an instrument of appropriation, we cannot control them to-day. It is a very great mistake, I repeat, to conclude that we are still, in so far as the essence of government is concerned as impotent as men two hundred years ago were. We can control these things if we want to. We can stop a flight from the Canadian dollar. We can stop men in New York and London from wrecking our internal economy by disturbing the buying power of our dollar in the markets abroad. The London Chamber of Commerce, recognizing those facts and that the gold standard system will not serve the trade of England, unhesitatingly condemn it and demand something better. In July, 1931, in its official publication, dealing with the folly that took place at the World Economic Conference, it said this:

That the conventions of the international gold standard system are so fundamentally opposed to modern social and economic conditions that no government could, even if it wished, give effect to them, must be evident to anyone who is prepared to recognize that he is living in the twentieth, and not in the nineteenth century—

The international gold standard system is an anachromism in the twentieth century; it can never again function, but as its high priests still hold sway over the nations and regard it as sacriligious even to discuss alternative systems, there appears nothing for it but to await the further inevitable collapse of the structure built upon it—

Having evaded recognition of the root cause of the trouble which, as has been consistently stated by the London Chamber of Commerce for the last eighteen months, is a vicious monetary system, the conference will now concentrate upon trying to mitigate effects. The problems of tariffs, exchange restrictions and quotas, cannot be solved until the monetary system has been reformed, nor can prices be raised and stabilized.

These statements, coming from that body, should not be ignored simply because a "law lord of England and a director of the Bank of England" come over here and write a report advising us to adopt something that has been tried and found wanting and that is repudiated by three Canadian members of Canadian Macmillan commission. The article continues to say:—

Under the gold standard system, England passes a law by which she announces to the world that her pound contains 113·016 grains of gold. Canada passes a law announcing that her dollar contains 23·22 grains. Both these statements are pure fiction, as will be readily seen when it is remembered that the world stock of monetary gold is approximately equal to the amount of money in use in Britain alone. On the strength of this fiction, 4·86 Canadian dollars are stated to be worth £1.

[Mr. G. G. McGeer]