

conditions in the Canadian cities from coast to coast.

Let me say a word or two with regard to the financial situation with which we find ourselves faced. Surely we do not need to go very deeply into economics to understand that something is very radically wrong with conditions in Canada when we have abundant natural resources, with plants lying idle, when there is a world in dire need of goods, and when, on the other hand, there are large numbers of unemployed. I turn to our big financial institutions and ask what light they can throw on the question, and I find in their annual reports that they have to tell us of huge crops and large exports of live stock, greater than we have ever had before, and yet all these things at very inadequate prices. They have to tell us of large numbers of failures in the business world; they have to tell us of the immense deficits in our government and other public bodies. And yet at the same time they tell us of their own great gains. I wonder whether it will not make some of us suspicious as to whether or not the financial structure itself is sound. My colleague (Mr. Irvine) last year suggested that we should have an inquiry, not merely into the present system of banking, but, one deeper than that, into the whole present system of currency and credit itself. It seems to me that we are not going to get very far if we begin merely to tinker with the present banking system without getting deeper down than that. Most of us find ourselves somewhat at a loss to follow all the details of what the economists tell us about money. But I may venture to put forward several propositions in this connection. Sometimes we confound money with wealth. This country may be poor so far as money goes, but I submit we have all the wealth that ever we had. We are told we ought to economize, but it may well be that the more we economize the worse off we are. One of the great needs of to-day is that the ordinary people of the country should be given buying power, which they do not at the present time possess. Money is not wealth; at best it merely represents wealth, real or potential. Some of the banks are trying to delude us into the belief that there still exists a gold standard. The interim report of Lord Cunliffe's Committee on Currency and Foreign Exchanges says:

1. Before the war this country possessed a complete and effective gold standard.

2. During the war the conditions necessary to the maintenance of that standard have ceased to exist.

[Mr. Woodsworth.]

I submit that Walker is correct when he says that "money is that money does" and that to-day the cheque currency is the real currency of the country. It is a well-known law of economics that the value of money depends on the quantity in circulation. It depends ultimately on the community credit, but is mechanically controlled by the amount issued. What do we see round about us to-day? That money is a public utility, as Adam Smith said many years ago, a highway through the air, and yet this is monopolized by a comparatively small group of the people. The banks may be quasi-public institutions, but they are managed in the interest of a comparatively small number of people. I have sometimes thought that the financial situation in Canada might be illustrated in some such way as this: Suppose that all this country was dependent upon irrigation for its agricultural production, and suppose that one group of people controlled the Fraser river in the west; another group controlled the great rivers that pour their waters through the Nelson river into Hudson bay; another group controlled the Great Lakes and the St. Lawrence, and so on, and that through underground canals the waters of all these great rivers might be pooled. The men that controlled such an irrigation system as that would be absolute in their control. They could make of Ontario a wilderness, or they could make the prairies blossom as the rose. Have we not the same condition prevailing with regard to our financial affairs to-day? A small number of people, some seventeen different groups, are able to draw a tribute from every country district, from every little hamlet and every town, and through the control of the community credit they are able to determine where things will be produced and what will be produced. Never was there a dictatorship so absolute as that which we have to-day. We are not going to get very far until we recognize that fact frankly, and get at the foundation of the financial control that exists.

The Speech from the Throne refers to the fact that we can never hope to have prosperous conditions in Canada until conditions in the Old World become more stable. I am sure we are all very glad to have seen that commercial arrangements or treaties have been made between this country and France and between this country and Italy. I sometimes wonder why it is that those in authority should feel free to make a treaty with Italy when they have failed to make treaties and failed to enter into commercial relationships with a much greater country, the great country of Russia. I take it, that if we de-