of turning Canada's physical possibilities into financial possibilities, to make what is physically possible, financially possible. This task should not be too difficult if we bear in mind that a dollar bill is only a ticket, a ticket to goods and services; that it is only a claim, much as a theatre ticket is a claim to a seat in a theatre. The Hudson's Bay Company made-beaver was a token standing for or representing the skin of an adult male beaver in prime condition. The made-beaver token was worth, or would be a token to or a claim to any goods or services in western Canada in those days to the value of such a beaver skin.

Our word "pecuniary" is derived from the Latin word "pecus" meaning cattle. Presumably, in the far-away days of Latin history, Latin men used for money a token, ticket or tag made of leather and most likely representing or backed by the cow.

The question arises: who is to create the tickets to the goods and services in a community? I took the position that the government of that community ought to have and exercise that power and function. I pointed out that our fathers of confederation placed in the British North America Act provisions giving the parliament of Canada the power to create Canadian dollars. I pointed out also that parliament began to provide for the assumption and exercise of that power when it passed the Dominion Notes Act of 1868 granting the dominion minister of finance the power to create Canada's dollars in accordance with certain conditions. I briefly sketched the historical development of that act through the years down to the passage of the Finance Act of 1914, in virtue of which the minister of finance had the right to create dominion notes backed by any one of several different kinds of securities, including dominion bonds. This was a very definite step forward. I discussed the question of what makes money funny and what makes money sound.

Let me ask the question now: a dominion one dollar note created by Canada's finance minister with twenty-five cents worth of gold behind it, created and lent to one of the chartered banks of Canada—was that dollar note sound, or funny? And why? A one dollar dominion note similarly created and lent to a bank by Canada's finance minister under the Finance Act of 1914 but backed by a Dominion of Canada bond—was that dollar sound, and why?

Or one of the 16 million dollars created under the Finance Act of 1914 by the minister of finance, backed by only railway securities and spent into circulation rather than lent, that is spent for government purposes. Was that sound, or not? Or, finally, was one of the 10 million one dollar dominion notes created by the minister of finance under the Finance Act of 1914 with no backing at all except the credit of Canada, that is Canada's ability to deliver goods and services where, when and as required, the notes being spent into circulation—was that note sound or not?

The answer would be that each of these notes was sound, provided there were enough goods and services in Canadian markets to absorb that note without causing a scarcity of goods accompanied by a rise in price resulting from that scarcity of goods.

Now it is most important, Mr. Speaker, that we should divest ourselves of one of the most erroneous concepts which has grown up during the last few years, namely that inflation is just a rise in price. In actual fact, inflation is a rise in price resulting from a scarcity of goods.

In chapter IV of the royal commission on banking and currency for Canada, Lord Macmillan and Sir Charles Addis, the two commissioners representing certain big interests in the city of London, England—which is a most important thing for Canadians to recognize—made statements and conclusions to justify themselves in criticizing the Finance Acts of 1914 and 1923 as being deficient and inadequate, and for recommending the setting up in Canada of a central bank, the Bank of Canada.

The two main Canadian members of the commission, Sir Thomas White and Mr. Beaudry Leman, strongly and firmly disagreed with the two big interests men from the city of London, England. Sir Thomas White expressed his opinion in a masterfully reasoned and emphatically worded memorandum of dissent from that part of the report which is recorded in paragraphs 141 to 148 inclusive of the report, dealing with bank deposits in Canada under the finance acts of 1914 and 1923, this first of Sir Thomas White's memoranda appearing on page 83 of the report.

Sir Thomas White submitted an even more comprehensive and unanswerable memorandum of dissent as regards the finance acts of 1914 and 1923, setting forth convincing evidence of their unexcelled success in financing the Canadian economy from August 1914 through world war 1, through the reconstruction period and through the depression down to October 3, 1933, the date of the handing in of his memorandum. This memorandum is found at pages 85 to 91 of the report. Mr. Beaudry Leman, the other main Canadian commissioner, also wrote a vigorous memorandum of dissent from certain of the London men's arguments and conclusions in the main report. Mr. Leman's memorandum dated September 27, 1933, appears at pages 95 to 97 of the report.