

Of course bankers' heads may be as good as kings' heads; I am not comparing heads, but I am indicating that something has happened. The symbol of authority has been changed. We have gradually changed from the authority of the sovereign to the authority of a financial group, which put its own physiognomy on the currency of the state. That, I say, indicates that the direct authority has passed from the sovereign, from governments, from parliament, and gone into the hands of institutions that have no responsibility to anybody, institutions whose object is to make profit. Although this is in perfect harmony with the ethical idealism of capitalism to make profit, it is objectionable as applied to money in particular, because that is something which owing to its universality and indispensability is within the prerogative of the state alone, and should not be entrusted to any private individual or corporation whatsoever.

So I say that the resolution is predicated on what we have always regarded as true, that the state should control the issuance of currency and the administration of credit. It would appear that we no longer have that authority, for indeed the state itself must go to that body to which it has delegated this power, to borrow from time to time for the carrying on of its own public business, thus raising by a pyramiding system a national debt which, while Canada is perhaps not as badly off as many countries, cannot be paid in any country of the world where the system is used, and I think that includes every country.

The next clause of the resolution indicates that the transfer of this power has been made; and I have briefly shown that that is the case.

Then the third "whereas" of the resolution, to which the minister took exception, indicates that as this financial system has been administered under private control it has been demonstrated to be not to the best interests of the Canadian people during the present economic crisis. The chief objection of the minister, as I gathered it, was that there may be a number of causes contributing to the present economic situation. Of course I am quite ready to admit that this may be so, and the resolution does not say it is not so. The resolution is not all-embracing; it does not say that the control of finance must be regarded as an explanation for every detail that is wrong in our present economic situation. It does not say that; it does not make any estimate of the effect of finance at all. It merely says that finance, so far as it has a

bearing upon the problems of to-day, has not been handled in the best interests of the Canadian people and I suggest to you, sir, that the minister did not disprove that point, nor indeed did he attempt to argue it. He quoted from the Macmillan report, showing that a number of other elements in addition to finance must be regarded. I was surprised when he went on to say that one of these factors to which the crisis could be attributed was tariffs.

If I had time, sir, I would be prepared to argue—and I should be surprised if the Prime Minister would take issue with me—that one of the reasons why he had to do with the tariff what he has done is exactly a financial reason; that any country owing money abroad can only meet its obligation in regard to those borrowings by exporting goods, and that can be done only by shipping out more than is shipped in. One of the instruments by which it is possible to bring about that result is the tariff; therefore even tariff policy is strictly a financial proposition. No country in the world that owes money to another can wipe out tariffs or lower them, even at the will of a majority of the people, who may not understand that to do so means the financial collapse of that country under the present financial system. Tariffs can be lowered only when the financial system is changed.

What the resolution asks the government to consider is the setting up of a financial system that will not tie us to the apron strings of Wall Street and that will not paralyze the entire economic and commercial life of Canada merely because someone was foolish enough to go to Wall Street to establish credits when we had credits in Canada in abundance, only we did not have either the sense or the will to use those credits, which could have been done without piling up interest charges that were unnecessary. That is the chief reason why this resolution has been moved.

Now we come to the resolution itself and what we ask the government to do. We ask that immediate consideration should be given to the resumption of the responsibility by this government and this nation of the prerogative, if you like, of issuing and controlling the financial requirements of the state. We are asking that consideration. Of course we do not know what is to happen; the government may be going to give us a national banking system. We are not criticising the government at all in that respect, because we do not know what proposals will be made. But surely the only thing a private member