

and Municipal) to *Canada's Banking System*. The interest on all these debts is paid out of the taxes, tolls and fees that are collected from the people in one form and another, directly and indirectly. In addition there are the debts of companies and individuals. The bank loans alone to companies and individuals on October 31st, 1934, were as follows: (These figures are taken from the Canadian Year Book for 1935, page 973).

Bank Loans to Canadian	Manufacturers	\$214,408,338.00
" " " "	Stock Brokers	205,940,685.00
" " " "	Grain Dealers	150,515,305.00
" " " "	Wholesale and Retail Merchants	117,468,420.00
" " " "	Public Utilities and Transportation	71,358,870.00
" " " "	Trust, Loan and Insurance Companies	69,956,745.00
" " " "	Farmers, (including Cattle Loans and Fruit Loans)	64,229,744.00
" " " "	Building Contractors	21,792,645.00
" " " "	Churches, Hospitals, Religious and Charitable Institutions	19,683,072.00
" " " "	Fishing Industry	6,965,205.00
" " " "	Mining Industry	6,621,121.00
" " " "	All others	66,582,517.00
	Total	\$1,015,472,187.00

Generally speaking the interest rate charged by the banks upon bank loans is 6%. In many cases, particularly in Western Canada and the Maritime Provinces, it is 7% and even higher on small loans. The annual interest collected by the banks on bank loans therefore amounts, in the aggregate, to at least \$60,000,000.

The interest on mortgages amounts to at least another \$100,000,000.00 (This is an estimate based upon the census returns for 1931).

The interest on bonds, other than government bonds, will amount to at least another \$100,000,000.00 (This is also an estimate).

All these items, (1) taxes, out of which interest is paid on government bonds, (2) interest on bank loans, (3) interest on mortgages, and (4) interest on other bonds, amount to an annual charge upon Canadian industry of over \$600,000,000.00. These items are first charges upon industry. If they are not paid, the property of the debtor is seized and sold for what it will bring.

The industry goes out of business and the workers are thrown into the ranks of the unemployed to be fed, clothed and housed with public funds, which further increases government debts and thus increases taxes.

When it is remembered that all revenue originates in industry and that the more of the revenue that is taken for interest on capital (Debts) the less there is left for wages to labour, one begins to wonder how industry survives at all. The answer, of course, is that "industry does not survive. It commits suicide; 90% of all industries fail. The average life of all industry is only seven years. Only 4% of our largest industries are 30 years old.

"It is stated, presumably on good authority, that if One Dollar had been loaned at the birth of Christ at 6% interest, compounded annually, it would now amount to more than the worth of a ball of gold the size of the earth."*

Since November 26th, 1875, the world debt has been multiplying at a tremendously rapid rate. According to Professor Rautenstrauch of Columbia University, New York City, taking the year of 1800 as the origin and 100 years as the unit, the world debt, public and private, is now increasing as the *fourth power* of time; and that in spite of the numerous repudiations of debt, the writing down of debts, which takes place with every bankruptcy, and other methods used to write off debts and start again.

Great Wealth in the Midst of Poverty

All this, of course, occasions an ever diminishing supply of the world's goods and services for the industrial workers and an ever increasing supply of the world's goods and services for the recipients of interest. It is the reason why we have the spectacle of great and ever increasing wealth in the case of a few families and dire and ever increasing poverty on the part of the masses of the people.—The palaces of the Rothschilds, who never have to toil, with their super-abundance of everything their fancy might wish for alongside of the slums of the poorly paid and unemployed;

*"National Dividends Without Taxation," by a Country Banker.