loans. They were moving to fasten onto humanity, a private monopoly of the issue of credit as a substitute for money. About the same time there was a man by the name of DeLisle Brock, living in Guernsey Island. There is a book describing his activities in the library here, entitled, "An Example of Communal Currency" by J. Theodore Harris, publishers, P. S. King and Son, Orchard House, Westminster, London. It is a very small book, and you can read it in a very short time. It tells the whole story of a government that decided to issue its own money to finance public work and social service without borrowing from bankers, and the success of the operation between 1818 and 1837. It offers to you a practical solution for your economic problems in Canada to-day. Brock was a thinker, and this is what he defines as the true basis of such an undertaking:—

> If there is one incontestable principle it is that all matters relating to the current coin of any country have their source in the supreme prerogative, and that no one has the right to arrogate to himself the power of circulating a private coinage on which he imprints for his own profit an arbitrary value. If this is true for metal coins, still more so is it for paper money which in itself has no value whatever.

And even more true is it when banks issue bookkeeping entries as a substitute for both paper currency and money of intrinsic value.

Can you conceive of anything more ridiculous than this: a government that would give to a bank the power to print money and then turn around and exchange the government's interest bearing bonds for that printing press money and to use printing press money of the bank for the purpose of meeting governmental expenses, with the result taxpayers' wealth is actually confiscated to pay the interest on such a loan? Can you conceive of anything more ridiculous than that? And yet in Canada that is exactly what you do. The system that you are proposing to perpetuate under your banking act—the banker is given power to print paper money up to the value of his paid-up capital. Now let us see how that works out. Let us say a bank was incorporated for one million dollars, capital and that capital is paid up. The bank then has one million dollars of working capital in the bank. Under our banking act, the bank can then print another million dollars without any further security whatever. There is no gold and not a penny of security behind that printing press money other than the paid-up capital of a million dollars. The bank then has $2,000,000 of working capital. That banker can take the printing press money and buy with it a national government bond bearing interest. But more than that, he can do this: I walk in to a banker and say to him, I want to sell a $100 bond, and I hand him my bond. He gives me $100 of his printing press money, but I do not carry money with me in Vancouver—I do not know whether you do down here or not—I stick it right back into the bank and then somebody else walks in and wants another bond converted into money. The banker says, sure. And he uses the $100 I have left there on deposit to buy the second bond; and I walk out, and my friend walks out. The banker then has $200 worth of interest bearing bonds and all the money he ever started with and so the racket goes on. We should not marvel that bankers are rich. That is what we call sound money. Sound for whom? It is a credit racket, not a sound money system. Now, people say, why, it cannot be as soft as that. No? Well, unfortunately it is just that easy. And if you want to know how we have pyramided $9,500,000,000 of debts with $200,000,000 in money, you will find that what I have been describing to you, is described by the banker with a specific special term he calls it the "velocity of circulation." With this "velocity of circulation" he has put a stranglehold on humanity and you are writhing under the grip of the dead hand of usury and a system that is thoroughly unsound for everybody but the exploiter of humanity, the usurer. By the Bank of Canada Act you propose to perpetuate that system.

[Mr. G. G. McGeer]