

far more than a billion people, far more than half the whole population of the earth, live practically at the starvation limit and do not get two decent meals a day, is a misnomer, to say the least.

That was before this great tragedy of ninety million people in the British Empire and the United States and European countries, being in destitution. Then he says:—

If the whole world had the standard of living of Germany and England, not to mention the United States, the world's food production could increase at double its present rate, that is, the rate of the last five years, for many years to come, without satisfying the demand. Some day this fact possibly will dawn upon economists and bankers.

Well, that this proposition has not dawned on anybody in this country yet is proven by laws that propose to give our wealth over to the Bank of Canada.

The CHAIRMAN: Mr. McGeer, will you allow me to interrupt you a moment. We have had a precis made of your evidence given before the Macmillan Commission, and what you have given us here this morning is almost exactly a repetition of that evidence. If you have anything new to offer the committee we will be glad to hear it. The evidence taken on the Macmillan Commission is a matter of record and it is available to every member of this committee and to the public. I would, therefore, suggest to you, that if you have anything new to offer you might confine yourself to that.

The WITNESS: Yes. Having dealt with that, Mr. Chairman, I will confine myself to what I consider is new, and I want to deal with how the Macmillan Committee report brings to our attention the operation of this system as they found it on their investigation in 1933.

At page 38, we find that our gold reserves were \$69,000,000; our Dominion notes in issue were \$132,000,000; circulating media in the hands of the general public, \$204,000,000; bank deposits or money debts of bankers to depositors \$2,400,000,000.

At page 83 of the report:—

War time expenditures, post war prosperity and depression have affected Canadian bank deposits as follows:—

1914—total deposits	1,100,000,000
1920	2,000,000,000
1929	2,400,000,000
1932	1,900,000,000

By Mr. Geary:

Q. From what are you reading now?—A. Page 38 of the Macmillan committee Canadian report, and page 83.

Q. Tell us when you come to page 83?—A. Page 83 gives the total deposits for 1914, 1920, 1929, and 1932.

Q. In Sir Thomas White's addendum?—A. Yes. The fact is, that while the report does not contain the figures, Canadian monetary transactions consummated by cheque totalled, in 1929, \$46,000,000,000; in 1932 they totalled only \$24,000,000,000, a fall of \$22,000,000,000.

What I want to bring to your attention is this, that a country that can have \$2,400,000,000 of bank deposits with only \$204,000,000 of money in the country must be creating bank deposits out of something other than money. A country that can finance a war that cost something in the vicinity of two thousand million dollars by raising its bank deposits from 1914 to 1920 from \$1,100,000,000 to \$2,400,000,000, must be financing war with something else than money.

[Mr. G. G. McGeer]