going to get that money. Is there any other way of getting it than the three ways which have been mentioned? Every proposal of the government and every desire of every Canadian requires more money. That money should be provided without increased debt and without added taxation. Trade helps. Of course trade is good, but it is not good enough.

In our economic system, money can be likened to water in an irrigation system. There are people throughout this country who because of their dishonesty or ignorance are contending that the social credit people say that money is the only solution. Nothing of the kind. You might as well say that water is the only thing in an irrigation system. You could have no irrigation system without water. In the economic life of a country money is as water in an irrigation system. Water is not everything in such a system, but it is indispensable. You may spend considerable money on elaborate ditches, laterals, head-gates and the like, but what good will they be without water? So it is of industry without money.

Money consists of currency and credit. Social credit maintains that currency should be state created. There are a good many who smile when that statement is made. Those who say that it cannot be done will have their attention arrested if they turn to the report of the royal commission on banking and currency in Canada, published in 1933. On page 22, paragraph 47 of that report they will find these words:

> In the war session of August, 1914, parliament raised the partially covered issue of $50,000,000. Subsequently an issue of $16,000,000 was made against a deposit of railway securities guaranteed by the dominion government, as well as an uncovered issue of $10,000,000 for governmental purposes.

Twenty-six millions were created—there is no laughing that off. They did not cause inflation, although there was no gold behind them. The new money did not cause a rise in prices. It was sound money. If you had $1,000,000 of that money to-day it would buy $1,000,000 worth of any commodity in the Dominion of Canada, and perhaps anywhere on the face of the earth. That was good money. But the government created it. Some men will say, "Oh, you cannot trust the government with the creation of money." The government handled that money, did it not? It stopped at $26,000,000. Why did it stop there?

Now if the government could create $26,000,000, will any man who knows tell me that they could not have created $27,000,000? That is an important consideration.

Apparently here is what we are doing. We have turned over the power to create money, the power to create almost a limitless supply of water, to use the irrigation illustration, to the Bank of Canada. Every dollar we get, we have to borrow. Will anyone tell me how we are any better off than we would be if the Bank of Canada was owned by the greatest financier in the world? If this is to be the case, if this is the way we propose to handle the Bank of Canada, if this is the way we are to get money from the Bank of Canada, then for the last ten or fifteen years the people of Canada have been deceived by one of the greatest hoaxes in the history of the dominion. The man on the street had the idea that when the dominion got control of the Bank of Canada, it would have control over the money created by that bank. We have given away the power to create money. The question now is: can we get it back? The question is: will we get it back?

There is the currency. How much could Canada in 1916 have created? Might it have been $200,000,000? I asked an eminent banker in my neighbourhood a series of questions about this matter. I asked him if it could have been $30,000,000, and he said, "I believe it could." I asked if it could have been $35,000,000, and he replied, "I believe it could." "Forty-six million"? "Yes." Then I asked him if it could have been $50,000,000, and he replied, "There is a place where you have to stop." I asked him to tell me where that place was, but he did not know.

We have never taken the pains to teach our members of parliament, the heads of our banks or anyone else in this dominion upon what the amount of money that a nation can create depends. The result is that we are all helpless. We are just as helpless as our ancestors of three hundred years ago would be if they were placed in a modern power plant. They would not dare to move for fear that they would touch the wrong button and blow themselves up. That is the position in which we find ourselves with respect to our monetary system. We just do not know.

We now come to the matter of credit. Where can we get credit for money? If hon. members will turn to the findings of the Macmillan committee on finance and industry, they will find where credit can come from. The first fifteen or sixteen lines on page 34 of that report are quite enlightening, but I shall not take the time to read them. Next let us turn to a passage which was read into Hansard last year; it will be found in a book entitled The Canadian Banking System, published in 1938 by James Holladay, Ph.D., professor of economics at the university of Alabama.