

I think most of us will agree with that. And (4):

The system, in its international aspect, should render it impossible for any one nation, prepared to support a lower standard of living, to under-cut and so drag down the standards of living of the more advanced nations, thus reducing purchasing power and creating unemployment.

The scheme that they have put forward could be used to help an individual country or in an international way to settle international balances. The London Chamber of Commerce recommends in their scheme the setting up of central banks in every country which will accept their scheme. They place a great deal of stress on the development of the rediscounting system. The rediscounting would be of eligible commercial bills, and they advocate that currency should be issued dollar for dollar against these rediscounts. We recognize that for every dollar of currency in circulation today there is, at a very moderate estimate, at least ten dollars of credit for which there is no actual money to show. Everybody who has given study to the subject knows that the balance is carried by the cheque system, banking having largely developed into a bookkeeping system. The London Chamber of Commerce recognize this and therefore says, let us put into circulation sufficient currency to meet the demands of commerce, and do not let us regulate it by some metal, but by rediscounting eligible commercial bills which have the backing of actual production behind them. As I say, trade activity would be reflected by the rise and fall in the value of rediscounted bills held by the central bank.

The London Chamber of Commerce also recommends a central bankers' clearing house, if several countries go in for this scheme. It is suggested that all countries forming the original group should then send their respective central bankers into a central bankers' clearing house and work to fix exchanges. They recognize that one of the greatest difficulties today is that of exchange between different countries. That factor alone has probably done as much during the last two or three years to interfere with international trade as has anything else. There is a recommendation that central bankers meeting in a central bankers' clearing house should get together and agree upon relative values. Having once agreed upon relative values they state no change should take place. They go farther than do most other suggestions put forward concerning monetary reform. I was delighted to find this recommendation coming from such hard-headed business men as those represented on the council of the London

Chamber of Commerce. They ridiculed the practice prevalent today of the shipment of gold bars backwards and forwards from one country to another, whether it be across oceans or international borders. They say this will be quite unnecessary, and so far as my study goes I agree with them.

Differences between nations would be adjusted in the central bankers' clearing house in a way very similar, so far as bookkeeping is concerned, to the way differences are settled today between different bankers in the same country. I am sorry the time allowed each member does not give me the opportunity I should like to discuss other important details of this scheme. There are other points upon which I should like to have elaborated at greater length. I might state however that the report also deals with:

1. Price levels in equilibrium;
2. The consequences of raising price levels;
3. Efficient and higher standards of living and
4. Internal taxation.

I have never read any scheme put forward with as great care and in as much detail. Probably study in this subject has not been as careful in this country as it has been in Great Britain and Australia. The chamber to which I have referred has come forward with these most outstanding proposals, and they are not alone in their support. The plan I have attempted to place before the house, one which was outlined in this city by Mr. Leigh, secretary of the London Chamber of Commerce, has been endorsed by the Central and Associated Chambers of Agriculture which have joined the London Chamber of Commerce in joint committee. Also the Trades Union Congress, the Federation of British Industries and the Associated British Chambers of Commerce I understand have been approached to join. Surely, Mr. Speaker, with that galaxy of power and of force behind such a scheme it must be of sufficient importance to enlist the careful consideration of this house.

Whether the committee did or did not investigate the matter I do not know; there is no reference at all in the report made. The very fact however that the chairman was changed from the first committee and another headed the subcommittee, would probably have something to do with the fact that no reference was made to this all-important report. It is without doubt a most constructive report, and is supported by a body of business men of world renown. Therefore I suggest it is not too late for the house to give the report sympathetic consideration,