

Mr. HANSON (York-Sunbury): How many countries are not contributing at the present time which would be contributing under special circumstances?

Mr. MACKENZIE KING: As stated previously, it was not possible to assess any contribution for 1941 from nine member states whose territories have been occupied by Germany or the soviet union. The proportionate contribution assessed against other member states which have suffered greatly by the war, including France, China and Finland, have been cut in half for 1941. In addition, three other states, Spain, Hungary and Peru, have given notice of withdrawal from the league, which will take effect this year.

Mr. NICHOLSON: What services are now being performed by the permanent court of international justice, and where are its headquarters?

Mr. MACKENZIE KING: Just sufficient to keep the court in existence at the Hague. The members of the court have been scattered, but the physical court is still at the Hague.

Mr. JAKES: I agree with the remarks of the hon. member for Broadview (Mr. Church) with regard to the League of Nations. So far as my studies have carried me, it seems to me beyond question that in the past the league has been fundamentally anti-democratic. The league failed because it was a league of governments and therefore a league of central banks. We have heard a great deal about foreign relations; we have heard of the diplomats on the world stage, but we have not heard anything about the forces which control the strings by which these diplomats are made to dance.

It is said that we are fighting for democracy which has been defined as government according to the will of the people. In the last twenty-five years we have had two major wars and twenty years of economic depression, bankruptcy, unemployment and so forth. It is fantastic to believe that those conditions have been according to the will of the people either of this country or of any other. I could fill Hansard with quotations from various authorities to prove what has been behind the power of all governments for the past twenty-five years, but I shall content myself with a few quotations at random. I remember a former deputy governor of the Bank of Canada saying this a few years ago—I forget the year but I put it on *Hansard*. He said that in some countries the policy of the central bank agrees with that of the government, but no self-respecting central bank would accept from its government a policy with which it did not agree. Is that democracy?

[Mr. Mackenzie King.]

Let me read a statement made by Sir Josiah Stamp. He said:

Never in the history of the world has so much power been vested in a small body of men as in the federal reserve board (of the United States). These men have the welfare of the world in their hands, and they could upset the rest of us either deliberately or by some unconscious action.

Is that democracy?

Mr. Ludwell Denny, an American banking authority, in his book "America Conquers Britain", published in 1930, says:

All nations must tremble before our federal reserve board. High money rates in the United States of America early in 1929, for instance, forced an increase in the official bank rates at once in England, ten European countries, in two Latin-American countries, and two in the far east; and in almost every case that action restricted business and brought suffering to millions of foreign workers. That blow hit Britain hardest of all.

Is that democracy?

Speaking in the congress of the United States in 1931, Mr. L. T. McFadden, who at that time had been chairman of the committee on banking and currency of congress for the fourteenth year, said:

I wish to emphasize the fact that international finance is almost exclusively German. The federal reserve board and the federal reserve banks have pumped so many billions of dollars into Germany that they dare not name the total.

He continues:

Do you know that Germany has been lending our money to soviet Russia as fast as she could get it out of this country from the federal reserve board banks? Do you know that she is the author of Russia's five year plan, that she has armed and supplied soviet Russia with our money? Do you know that Germany and soviet Russia are one in military and industrial matters?

I mention that because up to the time that Russia more or less joined up with Germany and partitioned Poland, our socialist friends were under the delusion that there was a distinction between Germany and Russia. But, as I said last session, I think it was, the only difference between Germany and Italy and Russia is the difference between three eggs. You may say that Germany is a hard-boiled egg, Italy a scrambled egg, and Russia, if you like, a fried egg. I would add a fourth egg, and that is finance, which is a rotten egg. But they are all eggs and nothing but eggs. You will get nothing but eggs out of any of them. There is no difference between them as history has now proved.

Mr. McFadden, again speaking in congress in 1932, and speaking of his own country—remember, I am quoting a member of the United States congress—said:

We have in this country (the United States) one of the most corrupt institutions the world