make the necessary amendments to the act so that the state may be able to determine the allocation of the credit as it is now proposed through a central bank to determine the volume.

That this is important is readily recognized if any hon. member will follow the records of the last few years. From 1926 to 1929 the banks in Canada went on a splurge, with all their wisdom, with all the sound intelligence and common sense they were supposed to possess, they inflated; they inflated with their eyes wide open; they increased the volume of call loans abroad and at home, of domestic loans, of bank notes, and they were assisted in doing so by the Department of Finance through the Finance Act. They deliberately assisted a speculative market to a greater degree than any other enterprise in the country. Then they became frightened at the balloon they had sent up, instead of letting a little of the inflation out of it and allowing it to come back to earth in decent fashion, they plunged the knife of deflationary despair into the balloon, bringing the whole economic structure in collapse around us. If that is not an accurate picture of what happened, I shall ask any hon. member to describe it better than that. One of our best economists, Professor Curtis, in his pamphlet entitled Credit Control in Canada, had this to say at page 107:

> Such a condition was precisely what developed in 1929, with the result that Canada, extra-legally but effectively, abandoned the gold standard.

Further on he deals with inflation of currency and credit, but I have not time to give that to the house. I may be called upon to justify further my contention, if that is really necessary with intelligent men, that this vast power to dominate the very life of the community should again be taken by the sovereign power of the state itself. I do not wish to go into too elaborate details in that connection. I am willing to take my common sense and experience in life with the reading I have done for many years, but I am enormously supported and encouraged in my view when I read the following:

> In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

I pause there because the next passage is even more important to this particular question:

[Mr. E. J. Garland.]

> This pawer becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying so to speak, the life blood to the entire economic body, and grasping, as it were, in the hands the very soul of production, so that no one dare breathe against their will.

That is the position to-day, not only in Canada but in every so-called modern civilized nation on earth, yes, in every nation; those who control the credit and its allotment hold us in the hollow of their hand.

Mr. MACKENZIE (Vancouver): What is the quotation from?

Mr. GARLAND (Bow River): The encyclical letter of His Holiness Pope Pius XI, entitled Social Justice and Charity. I continue:

> This accumulation of power, the characteristic note of the modern economic order, is a natural result of limitless free competition which permits the survival of those only who are the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience.

I pause just to make this comment on that passage. I doubt if it is really right to refer to the strongest. If the reference had been to the slickest, the cleverest, the greediest, the most unconscionable, I would agree with it, because to-day it is not the creator, the constructor or things, the builder in the nation, that is of this rank; it is the man who sits around the mahogany table and plots, plans and schemes the best and quickest methods of skinning the public. Those are the men to-day who are the dominant force in the community. I continue the quotation:

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Some hon. MEMBERS: Go on.

Mr. GARLAND (Bow River): With the permission of the house I continue the quotation:

> Unbridled ambition for domination has succeeded the desire for gain; the whole economic life has become hard, cruel and relentless in a ghastly measure.

We in this corner hold views that differ from those of other hon. members. I now conclude with this point; we urge in connection with this matter that the first and prime essential of a just social condition is state control and operation of the social credit of the state. This is our firm belief, and it is strongly supported by this remark found at page 33 of the same encyclical:

> For it is rightly contended that certain forms of property must be reserved to the state, since