

in moving the motion. The third recital reads:

Whereas, the depressed and chaotic conditions which now prevail would indicate that this financial control, as at present exercised, has proved itself detrimental to the best interests of the people of this country. . . .

As I understand that language, the hon. gentleman takes the view, so common in many quarters not only in this country but in other countries, that the present world depression is largely if not entirely attributable to matters of finance—financial control of the issue of currency, gold coverage, the questions of silver and gold, and all the various matters having to do with finance. As I said at the beginning, any views I have with respect to finance I submit with very great humility. But we can be guided in these matters by the experience not only of the past but of those who have made a study of them; and in this connection I would direct the attention of the house to page 4 of what for convenience, and to avoid confusion, I will call the British Macmillan report. This statement appears:

A period of economic depression such as that which the nation is now experiencing is a testing time for all our institutions, political, social and economic. Systems which in periods of prosperity have worked satisfactorily enough may at such times be found incapable of sustaining the stresses and strains of adversity and may disclose defects hitherto unsuspected. Machinery designed to work within a given range may jam when that range is exceeded. Moreover, there is a natural tendency on the part of the public to seek a scapegoat for any distress which may befall it and preferably to attribute that distress to any cause rather than its own shortcomings. In the search for a cause which should absolve itself from blame the public in the present instance has not been indisposed to find it in our financial system, none the less readily that refutations of the accusation are little likely to be appreciated. Accusation is always easy; defence even though well founded is often difficult. And what is least understood is apt to be most suspected. It has been our main task to examine the available evidence in order to ascertain to what extent, if any, the attribution of the present distress to monetary causes is justifiable, and then, so far as possible, to suggest remedies for any defects in the system we may have discovered.

Perhaps it would not be amiss if I were to refer to one other paragraph while I am on this point:

An important thing to bear in mind is that financial policy can only be carried into effect by those whose business it is. We have in this country a great financial and banking organization, with great experience and great traditions. It is through and with that organization that we have to work, for they alone are the repositories of the skill and knowledge and they alone possess the equip-

[Mr. Rhodes.]

ment necessary for the management of our financial affairs. Their views and opinions, however they may fail to commend themselves to enthusiastic reformers, are factors to be reckoned with just as much as the views and opinions of trade unions have to be reckoned with on questions of wages and working conditions.

On this same point the British Macmillan Commission went into matters at very great length. I do not know that it would be wise to read the whole of their observations as set out in the chapter beginning at page 92 under the title, "The Influence of Monetary Policy on the Price Level." I will cite their opinion, given after they had weighed the evidence carefully, as to the relative effects upon the existing condition, more particularly having to do with the price level, of monetary as against economic causes. Here is their conclusion:

Our view is, therefore, that the price level is the outcome of interaction between monetary and non-monetary factors, and that the recent world-wide fall of prices is best described as a monetary phenomenon which has occurred as the result of the monetary system failing to solve successfully a problem of unprecedented difficulty and complexity set it by a conjunction of highly intractable non-monetary phenomena.

I might read the following sentence for the benefit of my hon. friends, the mover and the seconder of the motion, who were so confident of the ground upon which they stood:

Whether the international monetary system could have solved its problem is a matter on which we should hesitate to express a dogmatic opinion.

And then they go on further along the same lines.

Mr. IRVINE: What is the point about it?

Mr. RHODES: The point I had in mind in making this citation was to indicate that there might be other points of view and that this is not a matter with respect to which one can give an Olympian opinion. I cite this as the mature judgment of a committee that had gone into the matter at length, a committee that has commended itself to the great majority of the members of the house and, if I mistake not, to the gentlemen in the area whence this resolution emanated.

One is tempted in connection with a document of this character to make, perhaps, more quotations than the house would care to listen to, but I cannot refrain from making specific reference to a portion of the one paragraph, No. 297, to be found at page 126 of the report of the British committee on finance and industry. I may say to the hon. member for Camrose that this is an answer to the, if not dogmatic, at least implied, assertion not only in his motion but in his manner of addressing himself to it, that all our ills are attributable