

Mr. IRVINE: I think that is true, Mr. Chairman, but at the same time we were not present to ask Mr. McGeer questions when the Commission was sitting, and the other day when he was here we did not get a chance to ask him anything, and I think one or two of us would certainly like to question him.

Hon. Mr. CHAPLIN: This is a matter for the committee itself to decide, and not a matter concerning Mr. McGeer or the time he has taken. If the committee wants the privilege of examining him, the committee should have that privilege.

The CHAIRMAN: Dr. McGibbon, would you withdraw your motion.

Mr. MCGIBBON: Yes, Mr. Chairman. I look upon this whole thing as nothing but propaganda—to listen to a speech here; it has nothing to do with the task that has been assigned to this committee.

Mr. MCPHEE: I resent that statement. "All is infected that the infected spy, as all looks yellow to the jaundiced eye."

Mr. VALLANCE: Not only that, but this committee has to deal with Bill 19, and further examination is of moment to the committee.

The CHAIRMAN: I think we agree that we will have Mr. McGeer for cross-examination by those members of the committee who want to cross-examine him, but may I express the wish that the time for cross-examination be limited, and that we will get back to real business very, very shortly.

Hon. Mr. MORAND: Do not turn this committee into a study club.

The CHAIRMAN: This committee is not a study club. I do not think the members are right when they say that we are here to study monetary subjects.

Mr. G. G. McGEER, K.C., M.L.A., recalled.

*By Mr. Irvine:*

Q. Before I ask any questions, may I say that I can assure Mr. McGeer that I agree absolutely with his criticism of the banking system and with a great deal of what he said in his suggestions as to improvements in the banking system; but there are one or two points in his evidence upon which I would like to question him so that we may have more clearness and a better understanding, at least, on my own part.

I understood you Mr. McGeer, to say during your remarks—I have not got your evidence here—that orthodox economists accepted and always had accepted the quantity theory of money; did you say that?—A. Yes, and that Bill 19 is based on the quantity theory of money.

Q. Would you mind giving us names of a few of the orthodox economists who agree with that theory?—A. I would say the standard school of economy of Oxford or Cambridge—well at any rate of London University, Edinburgh, Yale and Harvard—I do not know of any university that does not base practically its whole teaching in monetary economy on the quantity theory.

Q. And orthodox economy, as far as the banks are concerned, is practically based on Adam Smith and I think I may say that the bankers here would agree with you in the view that you expressed on money; but, as a matter of fact, I do not think it is correct that orthodox economists accept the quantity theory of money nor that present banking is based on it?—A. I would disagree with you on that.

Q. I understood you, at another time, to say that money had nothing to do with prices?—A. I said that of necessity it did not have anything to do with prices.

Q. I understood you to say that prices were fixed arbitrarily?—A. I think you are probably off. I say that the quantity theory of money which says that prices rise and fall with the expansion and contraction of credit, all things being

[Mr. G. G. McGeer]