

"It is absurd to say that our country can issue \$30,000,000 in bonds and not \$30,000,000 in currency. Both are promises to pay: but one promise fattens the Usurer and the other helps the people.

"It is the people who constitute the basis of Government credit. Why, then, cannot the people have the benefits of their own gilt-edge credit by receiving non-interest-bearing currency—instead of bankers receiving the benefit of the people's credit in interest-bearing bonds? If the U.S. Government will adopt this policy of increasing its national wealth without contributing to the interest collector—for the whole national debt is made up of interest charges—then you will see an era of progress and prosperity in this country such as could never have come otherwise."

* * *

ANDREW JACKSON said:

"If Congress has the right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or to corporations."

* * *

HENRY FORD has also observed:

"The function of money is not to make money, but to move goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp; it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Some one will have to get out and fix it."

* * *

JAMES A. GARFIELD stated:

"Whoever controls the volume of money in any country is absolute master of all industry and commerce."

5

The HON. JOHN G. CARLISLE, in the House of Representatives, on March 1, 1881, told of this very power of bankers in these very words:

"The banks have it in their power to contract the currency and produce financial distress, involving every interest in the country and embarrassing the operations of the Government itself, whenever they may think it will promote their special interest to do so."

* * *

The late HON. CHARLES A. LINDBERG, SR., of Minnesota, in his book, "The Economic Pinch," writing of the panic of 1920, says:

"Under the Federal Reserve Act, panics are scientifically created; the present panic is the first scientifically created one, worked out as we figure a mathematical problem."

* * *

Here is what SALMON P. CHASE, Secretary of the Treasury under Abraham Lincoln, said:

"My agency in procuring the passage of the National Bank Act was the greatest financial mistake of my life. It has built up a monopoly that affects every interest in this country . . . It should be repealed. But before this can be accomplished, the people will be arrayed on one side, and the banks on the other, in a contest such as we have never seen before in this country."

* * *

ABRAHAM LINCOLN feared the bankers' powers, as shown in what is commonly known as the Lincoln Prophecy, which reads:

"I see in the near future a crisis arising that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow until all of liberty shall be lost and the Republic destroyed. God grant that my fears may prove groundless."

Distributed by The Bureau of Information, Legislative Bldg., Edmonton.

Expert Opinions

ON THE

Private Money Monopoly



THESE SHOULD END
ALL FURTHER ARGUMENT

aissez pas succomber à la tentation—livrez-nous du mal.—Amen.

Will You Believe the Experts?

"Banks lend by creating credit. They create the means of payment out of nothing."

RALPH M. HAWTREY,
Asst. Secretary of the British Treasury.

* * *

"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banks in fact are able to create and cancel modern deposit money. They can in fact inflate, mint and unmint, the modern ledger-entry currency."

MAJOR L. L. B. ANGAS,
"Slump Ahead in Bonds."

* * *

ROBERT H. HEMPHILL, former credit manager of the Federal Reserve Bank, of Atlanta, says in the foreword of Irving Fisher's book, "100% Money":

"If all bank loans were paid, no one would have a bank deposit, and there would not be a dollar of currency or coin in circulation. This is a staggering thought. We are completely dependent on the commercial banks. Some one has to borrow every dollar we have in circulation, cash or credit. If the banks create ample **SYNTHETIC MONEY**, we are prosperous; if not, we starve! We are absolutely without a permanent monetary system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible—but there it is. It (the banking problem) is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects remedied very soon."

MR. ECCLES, head of the Federal Reserve Board, is quoted in Collier's, June 8, 1935:

"The banks can create and destroy money. Bank credit is money. It's the money we do most of our business with, not with that currency which we usually think of as money."

* * *

IRVING FISHER, Professor Emeritus of Economics at Yale, says:

"When a bank lends or invests, it extends credit, i.e., creates cheque-book money. When it gets loans paid or sells investments, it contracts credit, i.e., destroys cheque-book money. In normal times such creation and destruction of money roughly balance. But when they do not balance the nation's money is inflated or deflated and causes a boom or a depression."

* * *

LEWIS W. DOUGLAS, former Director of U.S. Budget, wrote in the Atlantic Monthly, in the fall of 1935:

"The nation's banks today hold approximately 53% of the entire Federal debt. Banks, when they buy Government Bonds, rarely pay for them with cash that some one has deposited in the bank. Instead, they create a book-keeping credit, against which the Government is entitled to draw . . . In a country in which more than 90% of all business is done by the use of cheques, there is no essential difference between the creation of bank deposits by fiat and the creation of printing press money. Bank deposits—not currency—constitute our chief circulating medium."

* * *

SUMNER H. SLICHTER, Professor of Business Economics at Harvard, says in his "Modern Economic Society":

"When banks grant credit by creating or adding to deposits subject to cheque . . . new dollars are created."

It is true that the new dollars are not stamped out of gold. They are credit dollars and they are created by the stroke of the pen rather than by dies and the stamping machines, but their purchasing power is not less than that of the dollars coined at the Government mint. In other words, the principal way in which dollars are created in modern economic society is by borrowing. This means that the number of dollars in existence at any particular time depends upon the willingness and ability of banks to lend. The volume of purchasing power fluctuates with men's state of mind; the growth of pessimism may suddenly throw millions of men out of work, or the growth of confidence may create thousands of jobs over night."

* * *

THOMAS EDISON said:

"The only dynamite that works in this country is the dynamite of a sound idea. I think we are getting a sound idea on the money question. The people have an instinct which tells them that something is wrong and that the wrong somehow centers in money."

"Don't allow them to confuse you with the cry of 'paper money.' The danger of paper money is precisely the danger of gold—if you get too much it is no good. There is just one rule for money, and that is to have enough to carry all the legitimate trade that is waiting to move. Too little and too much are both bad. But enough to move trade, enough to prevent stagnation on the one hand and not enough to permit speculation on the other hand, is the proper ratio."

"If our nation can issue a dollar bond it can issue a dollar bill. The element that makes the bond good makes the bill good also. The difference between the bond and the bill is that the bond lets money brokers collect twice the amount of the bond and an additional 20 per cent., whereas the currency pays nobody but those who contribute directly in some useful way."