

Yesterday you made some references to mortgages ; there is a point that requires clearing up ; you said that the total mortgages registered are valued at £200,000,000 ?—No, I did not mention registered ; I referred to £200,000,000 quoted by the Treasury official.

£200,000,000—that is the total mortgages ?—Yes.

Are not a number of these mortgages duplicated so far as money is concerned ?—What do you mean by that ?

One mortgage will be granted on property, then there would be a second mortgage and so forth on the same property ?—You would not call it duplicating because the second mortgage would not be for the same amount as the first. It might be two different persons altogether. The first mortgage might be for £100, the second for £100—two separate mortgages on the same property.

It is the total we are dealing with, not the individual mortgages. We are dealing with the money represented by the mortgages ?—We are dealing with the amount of the money.

The point I am dealing with is the money represented by those mortgages—that is the question I want to put to you—where the money originates ?—The money originates in the value of the land. I would like to point out if you are referring to money in the sense indicated by Walker you exclude currency in the form of a cheque, and I do not see that the question has much application, because who can tell how money is used in respect of mortgages.

You used the expression yesterday to this effect that the banks only issue so-much money and there was so-much more used in mortgages suggests that there was money in existence that did not originate from the banks ?—Not at all, I suggested debts in existence not due to the banks.

Do these debts in so far as they represent money—the money that causes the debts—originate from the bank ?—I should not say that money causes debts.

Could you have debts without money ?—Yes, certainly.

Expressed in terms of money ?—Expressed in terms of currency. Currency not necessarily money.

Can you have a form of currency not money ?—That has already been answered in the banks' statement. If you read those words of Walker's and that other statement by Sykes you will see the difference made between money and currency—their definitions.

You do not want to answer the question ?—I have answered the question.

I will put it to you again. You say there are forms of currency that are not money, will you give me one ?—According to the definitions that were given by us a cheque is not necessarily money.

Is it currency ?—A cheque may be currency. That is in accordance with the standard definition.

So far as this money is concerned that is mentioned on the mortgage debts : Where does that money originate ?—Are you referring to the purchasing-power ?

The money referred to in the mortgage : Where does that come from ?—On our definition it is not necessarily money.

Where does the debt originate ? Each mortgage proclaims the fact that some money is due by the mortgagor to the mortgagee ?—That is so.

Where does that money originate ?—That money originates in a claim of the mortgagee on the mortgagor.

How does it come into existence ?—It is lent by the mortgagor to the mortgagee.

Where does the mortgagor get it from ?—Do you mean the mortgagee ?

Where does the money originate ?—The money is lent by the mortgagee to the mortgagor.

Where does the mortgagee get it from ?—The mortgagee would get it from his savings.

Where does he get his savings ?—As claims on the various resources.

He receives the money from somebody else ?—Any one who receives money receives it from some one else.

I want to take it right back from where that money comes from—where does the mortgagee get his money from ? I want you to answer that ?—But I have given the answer in the questionnaire. I gave you various cases of origins of money.

Where does the mortgagee who lends to the mortgagor get his money from ?—He gets it from his own resources.

Do you mean he makes it himself ?—No, he might get it from various resources.

Cannot you tell me where he gets the money from ?—He may get some of it from a bank if he has a deposit.

Supposing no deposit ?—If he has no deposit in the bank he may have a deposit elsewhere.

Such as where ?—He may have borrowed it from some one who has a deposit from some other firm.

Carry it back as long as you like, as far as you can take—I want to get to the root of the thing—how comes the money into existence in the first instance. Where does it come from ; does the mortgagee make money himself ?—No, he does not make the money.

Who does ?—Money is not made as such at all ; the money is an evidence of value possessed by somebody.

How is the money brought into existence, who by ?—It all depends what you mean by money, whether you mean a cheque.

No, I mean the money—the money that the mortgagee lends to the mortgagor, whatever form, tangible or intangible, that money comes into existence at some time. Who brings it into existence ?—It never becomes money at all, it merely remains currency. If the mortgagee gives the mortgagor the right to write a cheque on the bank, then he is the transferee to the mortgagor of a claim which he already had on the bank.

You mean that the money originated with the bank ?—The bank is not the origination of the money, because the bank is the place where the claim already existed and it represents the transfer of the money.