

We have not got as far as that yet. We have just got as far as Major Douglas's proposals. The Government has not considered it. But the question arises as to whether Major Douglas did intend taking anything away from the banks or their shareholders, or whether he intended monetizing those reserves in any way without any confiscation ensuing?—Has he not made that clear? Then I suggest that he should do so, because on the face of it his suggestion appears to be confiscation of bank assets. I think Major Douglas should clarify the position.

*Captain Rushworth*: I had the advantage of hearing part of the evidence and it seemed clear to me that his proposals did not involve confiscation, but it is evident that the banks take the contrary view?—That is the case.

*Hon. Mr. Downie Stewart*: The Major said he was going to rob the robbers.

*Captain Rushworth*: That was not in relation to this particular proposal?

*Hon. Mr. Downie Stewart*: Yes.

*Mr. Russell*: Major Douglas quoted an old Spanish proverb which stated that he who robbed the robbers gained a hundred years' remission.

*Captain Rushworth*.] The rejoinder that the banks have submitted to Major Douglas's proposals exhibit a considerable degree of annoyance apparently. I suppose that is the cause of it—I mean the suggestion of confiscation?—I should say if they were annoyed they would be justified in being annoyed.

I suppose other people who had their assets confiscated would probably experience a similar kind of annoyance?—I would not like to speak on their behalf.

Do you know that wherever Major Douglas has been addressing meetings both here and in Australia, immediately afterwards an expensive advertisement has appeared in the newspapers?—I have seen it.

Can you tell me from your own knowledge that the banks are not responsible for that?—I can tell you from my own knowledge that I know nothing whatever where those things come from or how they are put in. You can take that as a definite and honourable statement from me.

I put my question in that way in the hope that you would be able to answer clearly?—Since I do not know I cannot say anything.

Do you know that when this Committee laid down its procedure it was decided that anybody who had anything to advance in the way of monetary reform would have to proceed as plaintiff *v.* defendant?—Is that laid down?

*The Chairman*: I do not think that that was laid down by the Committee. I think somebody did mention it.

*Captain Rushworth*: Very well. Major Douglas rightly or wrongly apparently formed the opinion that this Committee was not prepared to consider the present monetary situation——

*The Chairman*: I think it was all cleared up in the correspondence if you will refer to it. Major Douglas was told that the present monetary system would come under discussion and be considered.

*Captain Rushworth*.] Do you know anything of Major Douglas's famous theory?—I know something of it.

You know that, generally speaking, he propounded some years ago a theory alleging certain defects in the monetary system?—I understand that for a considerable number of years he has been engaged on a theory which has been named the Douglas theory.

Not a system?—It is a suggestion of a system I should say.

You do not know what the theory is?—I have a general idea of what its intention is.

There seems to be a design to accuse Douglas of having invented a "system." I suggest to you as a student that all he has propounded is a theory?—It seems to me that that is the case, but he may have outlined a suggested system. I should not say that it would be any condemnation of him that he had propounded a theory.

You know he has had to leave the Dominion owing to fixed engagements? Did you know the fixed engagements he had were with Governments and Legislatures in the United States and in Canada?—No.

And that one of the most pressing reasons was that he had been urged to call on President Roosevelt as soon as possible at Washington?—I note the information.

Do you know that the British Rotary has issued a booklet indicating that they are convinced of the truth of Douglas's theory?—Is that so?

And that the Southampton Chamber of Commerce and the London Chamber of Commerce also? I am merely putting these to you because I want to suggest to you that if that theory is right, and it seems to have been accepted by intelligent people in every civilized country, then anything that suggests that Douglas is either a lunatic or a knave is to be deprecated. Do you agree?—I agree that if his system is right he is entitled to express his views, and I should say that in any British country he would be entitled to express his views even if they were wrong. Personally I would not label a fellow-man as a knave or a lunatic.

You would not suggest that in the case of Major Douglas?—That is not a fair question. I have no reason to consider that his bona fides and his belief in his own system are simulated.

Have you seen suggestions in the press to the effect that he charged money for admission to his lectures?—I have seen references to it.

Do you know it is quite untrue?—No. I do not know that is untrue. I know that money was paid for admission. Whether he got it was another matter.

*The Chairman*: Surely, Captain Rushworth, this does not affect the Committee? I think it is unfair to put these questions.

*Captain Rushworth*: If you rule them out——

*The Chairman*: I must rule them out. I think it has gone far enough.