

The currency of all nations on a so-called gold basis is really a paper currency, with a very limited base of gold, which flows about to the different parts of the world under the direction and control of the gold syndicates and capitalists to suit their interests, they reaping the benefit of the whole superstructure of credit by controlling the base—gold.

CONVERTIBLE NOTES.

Thus the truth is, that of the enormous superstructure of convertible notes and of credit based on gold, less than 50 per cent of the convertible notes, and not any of the other forms of credit, could be redeemed in gold. Then what is the utility of this fictitious gold basis, which causes, by its fluctuations, such instability of values, except to the capitalists as a tool to monopolise the wealth of the world?

As an investment for savings to crystallise wealth, gold does not exist, as saving and investment must go on *pari passu*—otherwise accumulations of a single year (in England, for instance) would absorb the entire metallic currency; the investments for savings, therefore, cannot be made in cash.

As a basis of currency, to secure a so-called "standard of value," and "measure of value," it is useless and delusive; though the term "standard of value" is nonsensical, and the notion of money serving as a common "measure of value" is wholly fanciful—the very phrase indicates a misconception—value is a relation; how can there be a "standard of value"? and a relation may be expressed but not measured. Therefore that function of money is to express the value of other things, and itself should be an invariable scale. And, therefore, any money, of whatever material it be composed, is merely a counter or ticket for that purpose, to transfer, record, and circulate credit.

In establishing a national currency, then, history will guide us, first by the examples of the grand civilizations of antiquity; second by the experience of modern countries, attempted, more or less, on the same refined conception, and we find that the success of the latter has corresponded to strict adherence to the conception of the principles of the former.

Then let us shake ourselves free from the incubus of the gold shackles which are binding us in a horrible industrial slavery, by a gold taxation of 50 per cent on every exchange; and let us work out our own destiny in our own money—a money which would be a public institution—then the State and the people will be one.

As described by the continental address to the people of America in 1779, "That paper money is the only kind of money which cannot make wings unto itself and fly away; it remains with us; it is ever ready and at hand for the purposes of commerce or taxes, and every industrious man can find it."

A NATIONAL CURRENCY.

The principles of a national currency are:—

- (1.) That the State-note be the sole and exclusive legal tender (no other money circulating co-ordinately with it), as the value of the integers of money depends on their numbers, that is, that the unit of money is all money; therefore, that the value of money depends upon its volume, and not on the material of which it may be composed.
- (2.) On specific limitation and regulation of the issue by the State.
- (3.) On the monopoly by the State of the fabrication and issue of money, with the strictest guards against counterfeiting.

The Hon. W. D. Kelly said in Congress in America in 1870:—"Beyond the sea, in foreign lands, the State-note is, fortunately, not money; but when have we had such a long and unbroken career of prosperity in business as since we adopted this non-exportable money?" H. C. Carey to Hon. W. Field, 1873:—"Does or does not our duty to ourselves, and to the world at large, demand that we maintain permanently a non-exportable currency? The affirmation to this question is also in harmony with the practice and experience of great nations, and in harmony with the teachings of sound economic science."

These opinions are of weight, because the system these

statesmen uphold was really then very imperfect, as the original Currency Bill of Stevens had been emasculated by the exception clause, "except interest on the public debt and duties on imports payable in gold." This clause virtually created two kinds of money, and destroyed the scientific conception, which is the power and virtue of a national currency.

INTEREST-BEARING BONDS.

Under this system the issue of interest-bearing bonds would not be needed, therefore, no more bonds for ever. Bonds increase the burdens of the people to pay interest on their own money and lead to slavery.

Suppose a National Currency Bill passed by the New Zealand Legislature, and counterfeiting made felony—treason against the State, currency commissioners would be appointed by and responsible to Parliament and who would control the State bank department (for Government business only). The issue of the State note would be limited to the amount sanctioned by Parliament and registered, such issue being the sole currency of the country, and a record—open to the public—kept of every note issued or withdrawn from circulation; and Parliament would sanction a further issue only on the report of the commissioners recommending such to meet further increased circulation of industry.

The State would thus control absolutely the currency of the country, and could regulate its value on the law of money—that the value (or purchasing power) depends on the whole volume in circulation, *i.e.*, in inverse ratio to its quantity.

ADVANTAGES.

The direct and immediate advantages would be the saving of probably £200,000 annually in interest on the issue—or corresponding to the amount issued—then a further sum of probably £150,000 annually would be saved in present bank charges for agency, commission, exchanges, etc.

But the greatest and permanent advantages would be the power, the scientific utilization of that power to advance the industries and wealth of the country and protect the interests of the people.

For every public work, railways, roads, etc., and the utilization of the public lands in large areas as co-operative farms could be aided by this system, and the unemployed problem proved a ridiculous bug-bear, the outcome of economic ignorance, for no matter how many thousands arrived, all could be made wealth-producing citizens, the greater their number the most to be welcomed, not feared; as Carlyle says "a white European man standing on his two legs with two five-fingered hands on his shackle bones and a marvellous head on his shoulders is worth 50 to 100 horses."

Take a hypothetical example—say Parliament sanctioned the issue of six millions in State notes, of which three millions would probably be required by the banks, as the basis of their own trade operations, thus placing these institutions also on a solid foundation and independent of the treacherous and fictitious gold basis, and for which three millions in State notes the Government would doubtless take the drafts on London of the respective banks—taking two millions as the present requirements of Government for expenditure and emergencies, this would leave one million in hand for present urgent public works, etc.

ANALOGY.

As analogy—let us use the commercial principle, as laid down by the great advocate of "An Aristocratic Republic of Bankers"—heaven defend us—in expounding the great cash credit system of the Scottish banks, the dirty £1 note—in using this credit they made capital of the expected profits of the future, not only has almost the entire progress in agriculture (in Scotland) been effected by these cash credits, but all public works of every description, roads, canals, docks, harbours, railways have also been made by cash credits."

"It is thus seen how credit can be applied to the formation of new products equally well as the transfer of existing ones, as a purchasing power it may be applied to the purchase of