

is as clear as day to any one who will study Appendix B to Mr. Del Mar's *History of Monetary Systems*, page 479, where a continuous chain of facts and evidence is given, extending from 1696 to 1891. The statements in the quotations made are not the hasty conclusions of an inexperienced money theorist. They are the matured judgments of the ablest living writer on Money, a man of the very widest knowledge and experience of his subject, and who, as Director of the Bureau of Statistics of the United States of America, and as a member of numerous International Commissions and Conferences on Monetary matters, has been in the very heart of Money movements. Moreover, he had nothing to gain pecuniarily, but much to lose by promulgating the truth about Money.

Besides, there are rather manifest dangers in the future if the British Colonies are kept dependent on British money dealers for the supply of Money, and do not each obtain its own independent Mechanism of Exchange. All of them are deeply in the mire of Public as well as Private Debt—so deeply that practically *there is nothing* further available to tax in order to pay their way. And New Zealand is by no means an exception. History often repeats itself, and to the person who thinks and looks ahead present conditions point not indistinctly to the circumstances under which the American colonies were lost last century to the British Empire. This very question of Money was the root cause of the Rebellion. For long years these colonies had enjoyed unexampled prosperity by the use of a paper money of their own (known as "Continental" Money). The British Government, under the influence of usurious money dealers, resolved to compel the colonists to abandon their own mechanism of exchange, and to depend wholly on British money at usury. Laws were passed prohibiting the issue of "Continental" money; but the money was used in spite of the prohibition. Then the British Government, in order if possible to destroy the value and usefulness of the Continental

money, had enormous quantities of counterfeit Continental money prepared and shipped off to the colonies for circulation there. All this even did not have the desired effect, but it brought to the colonies distress and want, where before there had been plenty with peace. The last straw was the imposition of the Tea duty, and the colonists at once declared for independence, and fought for and won it, with no better money than their despised Continental paper. Like conditions now exist in the British colonies only under a modern guise—the guise of public and private debt. We have no money, except British money, at usury; and that money is not "honest" money in any true sense, because it is only metal, by weight and fineness, the stock of which is easily controlled, as in fact it is in London. So that thereby both money and markets are under private control—a control which can, and does, take all manner of shapes and disguises, including Trusts and Combines of all kinds. How long are modern colonists likely to submit to such conditions when they shall have wakened up to a knowledge of the facts? The present system means to the colonist: "Heads you win; tails I lose;" and once they realise that colonists will not "swap" with the Mother Country on such terms—I should say rather *will not swap* with the money dealers in the Mother Country—as the body of the British people know as little about the matter as do the people of New Zealand, perhaps less.

In a short paper like this it is impossible to elaborate in detail any scheme for a State Bank. Anyone desiring to work out a scheme will find, in a Pamphlet published by me in February, 1901, the Draft of a Bill prepared in 1896, designed to do so. A copy of the Bill was sent to the Premier as a Christmas box. The most that I can attempt in this paper is to give a brief outline of the principal features of such a Scheme. But before doing so I shall here anticipate, and answer, a question a good many people may, likely enough, at once ask. Is the basis of the money you propose to be Gold, or Paper bond on all kinds of Wealth?