

and she will confer a blessing on suffering humanity, for all nations who are sufficiently enlightened would quickly follow our example, and slay the hydra-headed monster—interest—which now enslaves them.

Comparatively few persons clearly understand the nature of money. What is money? I will quote from the *New Monetary System*, Vol. 11, No. 11:—"Money is a public necessity created by law. It is made a legal tender to enable us to fulfil our contracts, pay our debts, etc. It is the tool of trade just as much as the plough is the tool of the farmer, or the saw and hammer the tool of the mechanic. Without it, trade, beyond the barter system, would be impracticable. It is the life blood of commerce—just as well expect a healthy body physically with a deficient flow of blood as to expect a healthy community financially with a deficient flow of this life blood of commerce." And Blackstone says:—"The coining of money in all states is the act of the sovereign power."

Now, in a democratic country like New Zealand, the sovereign power lies with the people! The money-lending fraternity are loud in their objection to the State issuing notes for the purpose of public works, and the reason is obvious—they live by interest—they declare the notes could not keep on par with gold, and instance the greenbacks of America, carefully omitting to state the reason they failed to do so. The greenbacks were not full legal tender; they could not be received as payment for duty on goods, or as interest on bonds, which rendered them simply a class money, money for the poorer class, while gold was the money of the rich. By this inequitable system the American people were saddled with a debt many millions of dollars in excess of the whole cost of the war, and what should have been a blessing, was converted into a curse by these "exceptions."

In the early days of the American colonies they issued notes on land. A settler having land could obtain from the Government a loan on his land to half its value, which notes he circulated in payments. To

prevent the public from being overwhelmed by the notes, two means were employed: first, the notes issued to any one person must not exceed a limited sum; secondly, every borrower is obliged to pay back into the public office every year one-tenth of the notes so borrowed. The whole was thus annihilated in ten years, after which he was permitted to again borrow to half the value of his land. By this means the colonies prospered to such a degree that Edmund Burke, discussing American finances and taxation, said:—"Nothing in the history of mankind is like their progress." These words were uttered in the House of Commons, April 14th, 1774, and when Benjamin Franklin was questioned before Parliament as to the cause of their great prosperity, he stated it to be the "convenience they found in exchanging their various forms of labour by the paper money which had been adopted, and which had been declared a legal tender." This money, instead of falling below par of gold, was sometimes two and three per cent. above par of gold and silver, being a legal tender, it was generally preferred. The British Government no sooner discovered this than they passed laws prohibiting its use, which produced widespread misery, and was one of the chief causes of the revolution, which resulted in the loss of her colonies, and the lowering of her pristine valour.

I was once asked—when in conversation on the subject—would England allow us to issue notes and make them a legal tender as they would not be accepted in payment of the interest on our public debt? My reply was there would be no less gold obtained then than at present, but probably through the great increase in trade a great deal more would find its way into the treasury, and so long as we kept faith with our creditors, England with all her boasted power would not dare to interfere after her severe experience with the American colonies; and I asked in return if my interrogator thought the inhabitants of New Zealand were to remain the slaves of English capitalists for ever?