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CREDIT AND CURRENCY
NATIONAL AND INTERNATIONAL

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BY

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DEDICATION

**TO THE MEMORY
OF
MY MOTHER AND SISTER,
AND TO
MY WIFE,
THREE LOVING WOMEN,
TO WHOSE DEVOTED CARE AND MINISTRATIONS
I OWE IT, THAT IN MY 76TH YEAR I AM ABLE TO
OFFER THESE THOUGHTS TO MY FELLOWS.**

" Get leave to work !

In this world, 'tis the best you ever get at all.
For God in cursing gives us better gifts
Than men in benediction. God says 'Sweat
For foreheads,' men say 'Crowns,' and so we are crowaed
Ay, gashed by some tormenting circle of steel
Which snaps with a secret spring. Get work, get work.
Be sure 'tis better than what you work to get."

E. B. BROWNING—" *Aurora Leigh*."

" Genuine Government

Is but the expression of a Nation, good
Or less good—even as all Society
Howe'er unequal, monstrous, crazed and cursed,
Is but the expression of men's single lives,
The loud sum of the silent units."

E. B. BROWNING—" *Aurora Leigh*."

PREFACE

EARLY in 1922 I published a pamphlet entitled *A Fluctuating Exchange and the Remedy*. It was an immature production, but in the confusion then prevailing in every department of production, commerce and finance, it was difficult to find reliable data on which to found convincing arguments, or to serve as a basis for reform.

Following the publication came a long threatened breakdown, and for the last five years I have been practically bedridden, and so many have been the physical interruptions that the book is a veritable 'Benoni.' By slow degrees its plan and scope took shape. It was not to be a history of currency nor a treatise on financial economics, but a simple enquiry—what Credit and Currency were, whence they derived, and how, after lengthy development, they came to fulfil, or failed to fulfil their purpose and to function as designed. In the course of my enquiries, I was led to ask myself, and later to put the question to others—What constitutes a sound money? The oft-expressed opinion that it was 'currency based on gold' failed to satisfy the essential of stability, and so I was led to formulate the three-fold definition herein expressed.

The object of the book, therefore, is to diagnose the monetary ills from which the world is suffering, with a view to suggest a remedy at once sound, practicable and universal—no other can avail. The method adopted was to start from indisputable fact and, working by a process of deduction confirmed by other facts, to demonstrate when and where the original purpose of currency had been lost sight of, and money finally transformed from servant to master. The language has been kept simple and free from technical terms, that readers without previous knowledge of the subject may be able to follow the line of reasoning.

I agree with Browning—"The best way of removing abuses is to stand fast by truth. Truth is one, as they are manifold; and innumerable negative effects are produced by upholding one positive truth." There is no defect in our social economy which may not be remedied by a careful enquiry into truth and referring its development step by step to the economic principles which truth reveals. Thus adherence to the prime purpose and functioning of currency has disclosed wherein it has failed to fulfil them, and, until these defects have been remedied, finance will continue to dominate production and commerce. The duration of that period it is in the hands of the public to determine. There is no defect in social or political economy for which the members of the body-politic are not individually and collectively responsible, and this responsibility cannot be devolved. As a preventive to unemployment, and as a bond of international peace, a stable medium of exchange is alike to be desired, to be fought for and achieved.

The book has its imperfections, but these, I trust, will prove no hindrance either to the acceptance of truth or to the earnest endeavour to achieve such reforms as the truth demands.

I would avail myself of this opportunity to tender sincere and grateful thanks to the many Embassy and Departmental officials, bankers and others, who have most kindly supplied facts and figures, or thrown light on points of procedure and other matters.

But specially am I indebted to Mr. Charles Alexander Buckmaster, M.A., J.P., for his kindness in reading the typed sheets, and for bestowing valuable hours in the investigation of points for which no books of reference were at hand; to Miss Elizabeth Pike, who most kindly gave of her scant leisure to typing the earliest chapters; to Mr. H. H. Gray, who, as an uninitiate, read through the typed copy and pointed out sentences which for such readers needed clearer expression; and last, but by no means least, to Capt. G. F. Jeanes, for literary criticism of the book and, specially, for his valuable assistance in arranging its publication.

WALTER GOODLIFFE.

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