

## CHAPTER I.

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### WHAT IS MONEY ?

It is not strange that men should be puzzled by obscure natural phenomena, or should fail to understand the nature of certain natural objects, or animal mechanisms. But it *is* amazing that men should lie under delusions in regard to the nature of a tool of their own invention—a tool, moreover, that is in every-day use, and has been so for ages. The uses and mode of operation of some complicated instruments are not obvious at first sight, but those whose duty it is to use such instruments generally know all about them ; while others do not trouble themselves to theorize on the subject. A telephone is one of the newest inventions, and may be mysterious to those who have never studied it ; but there is no dispute amongst electricians as to what it is or how it operates—there are no delusions about it amongst the ignorant. Those who ought to understand it do understand it thoroughly, while those who have had no opportunity of learning its nature do not profess to explain it. Yet, though money is nearly as old an invention as ploughs, and far more universally employed, and though there is nothing startling or mysterious about it at first sight, as there is about a telephone, there is nothing outside of religious dogma about which there are so many theories, delusions, and even superstitions. Surely this state of things must arise from mistaken methods of study, or from utter lack of study, on the part of those who ought to know the nature and uses of this instrument. Money has defined characteristics, both as a thing and as an instrument, and its nature and operation must be within the bounds of human knowledge, since it is a human invention to serve a certain purpose. Let us study it then scientifically as we would any other invention ; let us enquire what purpose it was intended to serve, and learn from history and observation how it performs its functions.

For what purpose, then, was money invented ?