

ernment may relieve itself of its debts and make itself rich and prosperous simply by means of a printing press:—fundamentally the theory which underlay the later American doctrine of "flat money."

There came mutterings and finally speeches in the Jacobin Club, in the Assembly and in newspaper articles and pamphlets throughout the country, taking this doctrine for granted. These could hardly affect thinking men who bore in mind the calamities brought upon the whole people, and especially upon the poorer classes, by this same theory as put in practice by John Law, or as refuted by Turgot, but it served to swell the popular chorus in favor of the issue of more *assignats* and plenty of them.*

The great majority of Frenchmen now became desperate optimists, declaring that inflation is prosperity. Throughout France there came temporary good feeling. The nation was becoming inebriated with paper money. The good feeling was that of a drunkard just after his draught; and it is to be noted as a simple historical fact, corresponding to a physiological fact, that, as draughts of paper money came faster the successive periods of good feeling grew shorter.

Various bad signs began to appear. Immediately after each new issue came a marked depreciation; curious it is to note the general reluctance to assign the right reason. The decline in the purchasing power of paper money was in obedience to the simplest laws in economics, but France had now gone beyond her thoughtful statesmen and taken refuge in unwavering optimism, giving any explanation of the new difficulties rather than the right one. A leading member of the Assembly insisted, in an elaborate speech, that the cause of depreciation was simply the want of knowledge and of confidence among the rural population and he suggested means of enlightening them. La Rochefoucauld proposed to issue an address to the people showing the goodness of the currency and the absurdity of preferring coin. The address was unanimously voted. As well

* For Turgot's argument against "flat money" theory, see A. D. White, "Seven Great Statesmen in the Warfare of Humanity with Unreason," article on Turgot, pp. 169, et seq.