

It was urged, then, that the issue of four hundred millions of paper, (not in the shape of interest-bearing bonds, as had at first been proposed, but in notes small as well as large), would give the treasury something to pay out immediately, and relieve the national necessities; that, having been put into circulation, this paper money would stimulate business; that it would give to all capitalists, large or small, the means for buying from the nation the ecclesiastical real estate, and that from the proceeds of this real estate the nation would pay its debts and also obtain new funds for new necessities: never was theory more seductive both to financiers and statesmen.

It would be a great mistake to suppose that the statesmen of France, or the French people, were ignorant of the dangers in issuing irredeemable paper money. No matter how skillfully the bright side of such a currency was exhibited, all thoughtful men in France remembered its dark side. They knew too well, from that ruinous experience, seventy years before, in John Law's time, the difficulties and dangers of a currency not well based and controlled. They had then learned how easy it is to issue it; how difficult it is to check its over issue; how seductively it leads to the absorption of the means of the workingmen and men of small fortunes; how heavily it falls on all those living on fixed incomes, salaries or wages; how securely it creates on the ruins of the prosperity of all men of meagre means a class of debauched speculators, the most injurious class that a nation can harbor,—more injurious, indeed, than professional criminals whom the law recognizes and can throttle; how it stimulates overproduction at first and leaves every industry flaccid afterward; how it breaks down thrift and develops political and social immorality. All this France had been thoroughly taught by experience. Many then living had felt the result of such an experiment—the issues of paper money under John Law, a man who to this day is acknowledged one of the most ingenious financiers the world has ever known; and there were then sitting in the National Assembly of France many who owed the poverty of their families to those issues of paper. There was a man in the country who had not heard those who issued it