

attached to it, and is a legal tender for debts, and would not be exchanged for bonds until it was worthless for any other purpose; and then it would be bought up by speculators, each receiver of the paper having been cheated out of a part of its value through depreciation.

Such a scheme might enrich Government contractors, and the dealers *in*, and the producers of the material the Government might require, but would not benefit either Government or people. And such would be the case with every increase of money issued by the Government. This was the experience under the issue of every new loan by the British Government during the French war, at the beginning of the century.

A Government currency, although experience has shown that, like a bank currency, it may be abused, is nevertheless now a greater necessity than at any previous period. It is therefore important to enquire how it can be made thoroughly subservient to the public interests without the drawbacks hitherto experienced in its use. There can be no reasonable objection on principle to a Government currency: the difficulty is only with its management. The chief objection brought forward by its opponents is, that Governments have always abused the power of issue. Such an objection, however, ought to have very little weight at present, unless we have come to the conclusion that all Governments, as it was said of the Old Bourbons, "learn nothing and forget nothing," and therefore, that reasoning and experience would be alike useless. Both Chalmers and Mill declared that Governments gained nothing by an increase of money, and that raising money by loans had the effect of doubling the necessary tax on the people, and was no benefit whatever to the Government. Therefore, if this be the effect of an increase of money, applied to consumption through Government loans, the same effect would be produced by an over-issue of Government money. Knowing this, however, there would be neither inducement nor excuse for such conduct on the part of the Government. Then, apparently, all we have to do is to demonstrate these facts to the people. In the first place, as before stated, an increase of money adds neither to the wealth nor to the capital of the community. It only abstracts from the pockets of the consumer, through the process of high prices, a portion of his wages or income, and transfers the amount of the Government loan, or the over-issue of money, as the case may be, into the pockets of the classes previously mentioned. The Government would therefore gain nothing in either case, and the necessary tax would still have to be paid by the people out of some other source, and in the case of a loan, the debt also would have to be paid, or a perpetual interest. Therefore borrowing is one degree worse than the over-issue of Government money, as it would treble the expense of the necessary tax, supposing it to have been collected directly from the people. But if neither Governments nor people can be made to understand the evils of the present practice, so as to insure the alteration of the whole fiscal system, then there will be no help for it. We shall, in company with other nations, still go on to utter ruin and demoralization as fast as the most vicious system of currency and finance can carry us. The value of a currency, as we have endeavored to show, depends entirely on its