

tion to the holder's hope that this promise would be ultimately fulfilled. The only instance, we believe, known to history, in which legal tender bills long remained at par, was that of some of the States of Holland during their war of liberation against Spain; and in this case the reason why depreciation did not take place was that absolute confidence being felt in the commercial honour of the States the hope of payment in gold never declined. But the present proposal, as we understand it, is to issue a national paper currency, bearing no promise to pay, but irredeemable avowedly and for ever. The value and purchasing power are to be conferred simply by the fiat of the State. When we give a dollar bill for goods we are apt to fancy that we buy with the bill, whereas the fact is that we buy with the dollar, that is, a certain amount of gold, stamped as good and of the proper weight by the State, which the bill represents, and which the taker can have if he chooses to apply for it. In the same way when we use a cheque, that with which we buy is not the cheque but the gold to which it entitles the holder. For the bill or cheque itself, nobody would give us anything. In this little illusion, we are convinced, the whole theory of inconvertible currency has its origin. Instead of depreciating gradually, like the legal tender currency with a promise to pay, the fiat currency would, we are persuaded, be absolutely valueless from the beginning, except in so far as it might be made a compulsory tender for existing debts, to which extent it would be simply repudiation. Of subsequent debts there would be no question, for no money would be lent, nor would any goods be sold on credit from that moment. It is a pity the plan cannot be tried in Liberia or Bolivia, because one experiment would certainly be enough. Some of the advocates of N. C. appear not to be without an inkling of the fact that their currency would be worthless, since they wisely provide that it shall not be received for customs; there are others whose faith is more robust, and who would be ready to take it for customs and debts to the State generally without any limitation. It is alleged that the currency would have a value as