

and issuing paper, it is money in hand, and no withdrawal of wealth from the people. The magnitude of the figures does not alter or modify the principle, which is just as erroneous, if it is erroneous, for our present \$400,000,000, invested under legal force, as for four thousand millions—yes, as erroneous for one hundred thousand dollars as for four thousand millions, if the system is false and wasteful. To pay one dollar in capital for the use of a paper dollar does not seem an economical way of getting paper money, which in all other countries costs the next thing to nothing. We will not argue the question, nor will we refer, other than as a mention, to the fact of the production of silver progressing on a great scale after we have our four thousand millions, and no market for the new production, and our hoard constantly threatened by a descending price.

This brief sketch of our currency in its present shape and future uncertainty is mainly for readers abroad. At home the present condition and future dilemma are understood.—*Bankers' Monthly*.

LOANS ON LANDS.—In Europe, as in the United States, land owners have suffered from the high rates of interest they were forced to pay on loans based on their property. Forty years ago, in many parts of Europe, the rates of interest charged on loans on lands averaged as high as those now charged in any part of the United States. Since then, however, there has been a great change, and even in the poorer countries of Europe money may be obtained by land owners at a rate not above 5 per cent. per annum. The change has not been brought about by the increase of wealth, making money more plentiful, but by deliberate efforts on the part of governments, or private companies acting under their authority, to provide the sources of money supplies needed by the agricultural interest, which was suffering greatly for the lack of them.

These institutions are generally known as mortgage banks, and were organized for the special purpose of making loans on land. The British foreign office has been inquiring into their operations, and the *Pall Mall Gazette* of London publishes an article giving the statistics thus gathered. The Hungarian experience is given first. In 1848, when the emancipation of land took place, so that the nobles were deprived of certain rights over the peasants, the question of labor became of vast importance to the land owners. Free labor had to be hired, and the capital to do it with was not on hand. The interest rate was prohibitory. The situation became so embarrassing that the National Bank, in 1857, undertook to relieve the land owners by advancing loans. The first efforts were not promising, and the relief which finally came was through the organization of an institution by several leading landed proprietors. This organization, known as the Bowden Credit Institute, has opened up a new era in Hungarian agriculture. It does not claim to be a joint stock company, working for a profit, but is instead a patriotic undertaking, carried on for the benefit of land owners, who may secure through its officers loans on safe and easy terms. The institute does not actually furnish the money, but procures it at far more reasonable terms than the individual could possibly secure, and at the same time satisfies the lender with the necessary guarantees. The interest rate has steadily