for the manufacturers to satisfy their customers. It is easy to see that prosperity of this kind must very soon find its limit.* * * * When a further fall in the *assignats* took place this prosperity would necessarily collapse, and be succeeded by a crisis all the more destructive the more deeply men had engaged in speculation under the influence of the first favorable prospects."*

Thus came a collapse in manufacturing and commerce, just as it had come previously in France: just as it came at various periods in Austria, Russia, America, and in all countries where men have tried to build up prosperity on irredeemable paper.†

All this breaking down of the manufactures and commerce of the nation made fearful inroads on the greater fortunes; but upon the lesser, and upon the little properties of the masses of the nation who relied upon their labor, it pressed with intense severity. The capitalist could put his surplus paper money into the government lands and await results; but the men who needed their money from day to day suffered the worst of the misery. Still another difficulty appeared. There had come a complete uncertainty as to the future. Long before the close of 1791 no one knew whether a piece of paper money representing a hundred *livres* would, a month later, have a purchasing power of ninety or eighty or sixty *livres*. The result was that capitalists feared to embark their means in business. Enterprise received a mortal blow. Demand for labor was still further diminished; and here came a new cause of calamity: for this uncertainty withered all far-reaching undertakings. The business of France dwindled into a mere living from hand to mouth. This state of things, too, while it bore heavily upon the moneyed classes, was still more ruinous to those in moderate and, most of all, to those in straitened circumstances.

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* See Von Sybel, "History of the French Revolution," vol. i, pp. 281, 283.

† For proofs that issues of irredeemable paper at first stimulated manufactures and commerce in Austria and afterward ruined them, see Storch's "Economie politique," vol. iv, p. 223, note; and for the same effect produced by the same causes in Russia, see ibid., end of vol. iv. For the same effects in America, see Sumner's "History of American Currency." For general statement of effect of inconvertible issues on foreign exchanges see McLeod on "Banking," p. 186.