

cloth manufactories. Every cause except the right one was assigned for this. Heavy duties were put upon foreign goods; everything that tariffs and custom-houses could do was done. Still the great manufactories of Normandy were closed, those of the rest of the kingdom speedily followed, and vast numbers of workmen in all parts of the country were thrown out of employment.* Nor was this the case with the home demand alone. The foreign demand which at first had been stimulated, soon fell off. In no way can this be better stated than by one of the most thoughtful historians of modern times; who says, "It is true that at first the *assignats* gave the same impulse to business in the city as in the country, but the apparent improvement had no firm foundation, even in the towns. Whenever a great quantity of paper money is suddenly issued we invariably see a rapid increase of trade. The great quantity of the circulating medium sets in motion all the energies of commerce and manufactures; capital for investment is more easily found than usual and trade perpetually receives fresh nutriment. If this paper represents real credit, founded upon order and legal security, from which it can derive a firm and lasting value, such a movement may be the starting point of a great and widely-extended prosperity, as, for instance, a splendid improvement in English agriculture was undoubtedly owing to the emancipation of the country bankers. If on the contrary, the new paper is of precarious value, as was clearly seen to be the case with the French *assignats* as early as February, 1791, it can confer no lasting benefits. For the moment, perhaps, business receives an impulse, all the more violent because every one endeavors to invest his doubtful paper in buildings, machines and goods, which, under all circumstances, retain some intrinsic value. Such a movement was witnessed in France in 1791, and from every quarter there came satisfactory reports of the activity of manufactures."

"But, for the moment, the French manufacturers derived great advantage from this state of things. As their products could be so cheaply paid for, orders poured in from foreign countries to such a degree that it was often difficult

* See De Goncourt, "Société Française," p. 214.