

ally well. But he is floated across to the next upon such a happy ease of statement, such a light superiority to the change of subject and material, that the bulk of the volume cannot daunt, and there is not one topic whose presentation can disappoint. The moral elements which have gone into the making of this book; the patience, the conscience in consulting authorities and strictly guarding the statements which are derived; the sincerity and tolerance; the dread of partisanship; the love of every just and noble thing; the sense for the genuine constituents of every religion,—all these are as conspicuous as they are effective. They conspire with a style as transparent as the heart of the writer to furnish us with one of the most important books of this generation. The style is even jocund; it plays, like a Chinese ball-match, and does not touch the ground. The book must have been a labor of love, kept for years at home, cherished in the long seclusion with delight, and bidden to come forth with pride.

J. W.

2. — *Paper Money, the Money of Civilization. An issue by the State, and a legal tender in payment of taxes.* By JAMES HARVEY. London: Provost & Co., 36 Henrietta Street, Covent Garden. 1877. pp. 247.

In a book having the words Paper Money printed in large letters on its title, we might naturally expect to find the various kinds of paper money didactically defined, classified, and discussed. Of paper money I would say we might reckon five kinds: Representative, Speculative, Absolute, Fraudulent, Undefined.

1. Representative paper, which is what Lysander Spooner advocates, simply amounts to a title-deed of an individual article of property existing somewhere, or of a definite share in that property. As there is no valuable thing in the world—gold, silver, land, houses, furniture, canals, ships, cattle—that cannot be represented by such paper, and as commercial activity never can reach such a degree as to require more things to be exchanged at one time than actually exist, the only obstacle to the natural supply of the world with such a currency, absolutely sound, and issued by the public or by private parties in the exact measure of the requirements in large or small bills quotable in a free market, is found in the present legislative prohibitions.

2. Speculative paper is paper not representing a thing which exists, nor even a future thing actually included in its causes, as prospective

labor covered by insurance, but promising a thing which the issuer of the paper has merely an honest hope of producing, or obtaining, before the bill becomes due. Such is the written promise of a skilled hunter to deliver on a certain day the skin of a bear which he expects to kill. Such is also the promise of the United States to redeem at a certain date certain bonds, by means of an amount of gold which custom duties are expected to furnish. Such paper has degrees of soundness.

3. Absolute paper money is paper which neither represents any thing nor promises any thing, but simply exists and tells its name. A dollar it is, if the law calls it so; and a dollar in absolute paper money is worth just what it will be bought for as pulp at the paper-mill. With such paper money,—which is really *pulp specie*,—provided you have enough of it, you can buy stationery, or any thing else, on the same principle as with gold or silver specie. Yet gold and silver are in most respects a better currency than pulp specie. The respective values of the various alloys of gold and silver can be stated with a chemical precision which cannot apply to the various grades of pulp. Gold and silver owe their intrinsic values to their use as ornaments, in industry, and in plugging teeth; and pulp to its use in making paper. But though an increasing amount of pulp is required for paper-making, the value of the total amount of pulp existing in the world is much less than the value of the total amount of gold and silver owned by mankind. The difference is due in part to the perishability of pulp on the one hand, and the relative imperishability of gold and silver on the other. The over-supply of gold and silver, of which the amount owned is probably sufficient for all surgical, industrial, and other requirements of the world for five hundred years to come, depreciates the whole mass to probably an enormous extent. Yet it does not make it absolutely valueless; and the part not required for current consumption can in the meantime be put to a secondary use by being hoarded against eventualities or circulated as currency. But an over-supply of pulp sufficient for the needs of five hundred years to come would have absolutely no value. Not only would it be a drug on the market, but it would rot, and become a pestilential sewage expensive to destroy. As to sufficiency, there is not, in value, gold and silver enough—much less pulp—to furnish a medium of exchange adequate to present commercial needs.

4. Fraudulent paper money is a paper promise of the fulfilment of which there is no reasonable expectation.

5. Undefined paper money is paper money which is issued without any efficient definition, formal or circumstantial, of the class to which it pretends to belong. This is left to be determined afterward, ac-

ording as the creditor or debtor shall happen to be the stronger at the time of payment or at any intermediate time. In this category are the present greenbacks. A greenback dollar is a promise of the United States to pay bearer one dollar, but without saying when, nor whether in gold, silver, or another greenback dollar. These points left in blank — *when*, and *whether in gold, silver, or another greenback* — are precisely those which must be filled, in order to determine the class to which the greenback belongs, and therefore its value. If it is a promise to pay a paper dollar by means of another paper dollar, it belongs to the third class, — it is pulp specie, absolute paper money. If it is a promise to pay gold or silver not presently held for redemption, the greenback is speculative paper. Its "present value" (in the commercial, not representative, sense) is that of its face, *deducting interest up to redemption*, the necessity of that deduction making the importance of the question *when*. If the payment is to take place in twenty years, when, through the gradual depreciation of precious metals, a gold dollar will be worth probably one-half of what it is worth now, then the present value of a greenback is the half of its face value. If redemption is to take place in a year, the greenback is speculatively worth its face value less a year's depreciation; and as a year's depreciation of the precious metals amounts to less than the difference of value between gold and silver, a paper dollar, payable in gold in a year, is presently worth more than a silver dollar. If redemption is to take place in a thousand years, this practically amounts to no redemption at all, or to pulp specie. If the greenback was issued with the intention that the points left in blank should be matters of probability, fluctuating through legislation, and threats or promises of legislation, enabling politicians alternately to bring greenbacks down to the value of pulp, or up to the value of gold, according as they have greenbacks to pay their debts with, or gold to buy greenbacks with, repeating the operation as many times as they please and setting at each operation a handsome percentage, until the whole property of the country has passed into their hands and those of their friends, — then the greenback is fraudulent paper money.

Such a classification of the various and enormously different kinds of paper money — made, I do not say from my point of view, but from that of the author — I expected, but vainly expected, to find in every successive next chapter of his extremely interesting book. Mr. Harvey's sympathies for paper money seem to embrace it in its most various kinds, from that of the Pennsylvania Colony (page 60), which gave such prosperity, and belongs to No. 1, to that of the Grand Khan of Tartary (page 170 and Appendix), which belongs to No. 3 or No. 5. The history of the vicissitudes of paper and specie legislation, which is

the burden of his first chapters, is given to show that every recurrence to an issue of paper money either had the effect of averting an impending crisis, or was followed by a time of commercial prosperity; whereas every return to specie payment had the reverse effects. But he forgets to give sufficient attention to what has been so often answered, — that paper money never led to commercial prosperity unless it was readily accepted in payment for commodities; nor was it ever so accepted except under the assurance that there would be a redemption in specie, which redemption infallibly was to lead to a crisis, even if the issue of paper had not led to it before.

What leads to panics and financial ruin is neither the issuance of paper money — unless of bad kinds — nor the spontaneous collapsing of currency within the limits of the precious metals, should the latter, at a period of slow but sound commercial activity, adequately meet all wants, independently of any legal restriction. What leads to panics and the confiscation of the property of the whole people by a set of sharpers is the power given to government — that is, to a *camarilla* composed of such sharpers — to tamper by legislation with the values of the entities with which commerce deals; and that in a manner favorable to the speculations of that set of sharpers, who know beforehand what is to happen, but disappointing to the honest commercial calculations of all who are not in the secret.

Not only does Mr. Harvey fail to classify and compare the various kinds of paper currency, the kind which he specially favors is not even fully discussed; and I could not read his proposition without objections crowding into my mind, which he does not seem to anticipate, but which will occur to every reader. In order to give his paper money a value other than that of the pulp, he proposes, as said in the title, to make it receivable for taxes. But in order to cut it off from all fancied or actual relation to any quantity of gold or silver, in order to de-bullionize the currency, — this is exactly, or nearly, his expression, — he does not allow it to take the form of a promise by Government to pay a pound sterling, or say a dollar. It is to be in the following form: —

A. D. 1900 [or say any other date].

I promise to receive this note as legal tender for the sum of ONE POUND
[or say ONE DOLLAR] *in payment of Taxes or Customs in the United*
Kingdom and the Colonies [or say *in the United States and Territories*].

For the Chancellor of the Exchequer

[or say *the Treasurer of the United States*],

Registered.

JOHN DOE

RICHARD ROE.

That this note will be received by Government at its nominal value of one pound [or one dollar] for taxes I have not the least doubt. The question is, What will government be able to buy with such paper, and for what value will it pass as a general currency? If Government issues it to the amount of only one year's taxes by paying in it its employees and contractors, giving to the public the option of paying their taxes in this currency or gold, the tax-payers will, of course, prefer to pay in paper, which they can buy from the Government officials at a slight discount. If the tax-payers have the option of paying in gold or paper, but the paper is issued in advance of many years' taxation, and is irredeemable except in the way of taxes, the value of the paper will be depreciated in proportion to its inflation, and the employees paid in it the next year will have to starve, or support themselves by stealing. In neither case will the amount left floating suffice for currency. Besides, Mr. Harvey excludes both cases by excluding the option for tax-payers of paying in silver or gold. Then the tax-payers, being compelled to pay their taxes, and being able to pay them in nothing else than the tax paper, will have to buy it at the price at which its holders—namely, the Government officers and contractors—shall choose to sell it. If said officers and contractors say they will not sell it unless they receive as price all the gold, silver, land, furniture, and other property of the tax-payers, and, besides, the persons of the said tax-payers and their wives and children as slaves, all that the tax-payers will be able to do will be to comply. It will be the touching story of Joseph over again. But if the tax-payers have the option of paying their taxes or not, just as they please, as was almost the case in Louisiana and some other Southern States until lately, then the paper whose only value, besides its intrinsic value as pulp, is founded on its being required for paying taxes, will lose that additional value, sink to the level of pulp specie, and, as such, be inadequate to supply the country with a currency for general use.

Mr. Harvey's leading idea is that nothing used as currency should have an intrinsic value. I believe it is in advocating *his own* plan to that effect that he does himself the least justice. The book is in fact much more than its title indicates. It is a powerful and eloquent philippic against the gigantic system of frauds which pervades all branches of commerce and politics, and the outline of a new political economy. Among the subjects to which the author gives a vigorous touch are popular degradation through factory life, the usury question, that of national debts, and that of a venal press supported by advertisements and patronized by monopolies. Not the least valuable parts are found in the Appendix, and the book is rich in fresh citations, and very sug-

gestive throughout. If the author raises more questions than he can settle, his mind is in this respect the image of that of his age. His feelings are what the feelings of every hater of wrong and longer after truth ought to be.

J. F.

- 3.—*History of French Literature.* By HENRI VAN LAUN. Vol. I. From its origin to the Renaissance. Vol. II. From the Classical Renaissance until the end of the reign of Louis XIV. New York: G. P. Putnam's Sons. 1877.

MR. VAN LAUN is already well known to the reading public as the translator of Taine's "History of English Literature." He now appears as an author also, and two volumes of his work upon the history of French literature have been published. The first of these brings the narrative down to the time of the Renaissance. The greater part of the second is devoted to the literature of the reign of Louis XIV. We presume that one more volume will complete the history to the present time.

In an introductory chapter to the first volume, Mr. Van Laun explains at some length his opinion as to what the history of a literature ought to be, and the method which he believes should be adopted in preparing such a history. To this introduction one naturally turns to learn what characteristics the author intended to give to his work, and what new results he hoped to accomplish. In it, he intended, without doubt, to give to his readers a clew which would explain why, in his opinion, previous histories of the same subject have failed, and why his work has a reason for existing. "The history of a literature," he says, "is the history of a people; if not this, it is worthless. To know merely what books have been written and who wrote them is to know a number of dry facts which may encumber the mind, but cannot inform it." We cannot comprehend what our predecessors have thought and written, without being familiar with the circumstances of the age in which they lived. A book is a part of its author, as he is a part of his time and generation. We cannot understand the literature, unless we also understand the history. "The literary productions of an individual writer cannot be thoroughly studied and mastered apart from the history of the race and of the epoch." But it must not be forgotten, he suggests, that such a literary production is, when once created "an active organism having a distinct and independent energy of its own, whereby it forthwith begins to react upon its creators, and to a