

**THE MONEY AND THE FINANCES OF THE
FRENCH REVOLUTION OF 1789.
ASSIGNATS AND MANDATS: A TRUE
HISTORY. INCLUDING AN EXAMINATION
OF DR. ANDREW D. WHITE'S "PAPER
MONEY INFLATION IN FRANCE", PP. 1-65**

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STEPHEN D. DILLAYE

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BY

STEPHEN D. DILLAYE.

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THE MONEY AND THE FINANCES OF THE FRENCH REVOLUTION OF 1789.

A publication of recent date, entitled *Paper Money Inflation in France*, by the Hon. Andrew D. White, President of Cornell University, has attracted public notice. The reputation of its author as a historical scholar, and his high position at the head of one of the most progressive institutions of the age, give importance to the pamphlet; and yet neither the reputation nor position of Mr. White should shield his historical sketch from criticism, if in its statement of facts it is wanting in fairness, fullness or candor. That it lacks each of these elements of accuracy I shall undertake to demonstrate.

Mr. White has been frank enough to leave no doubt as to his purpose in producing, at this time, the history of French paper money during the Revolution of 1789. His object is to depreciate American credit, stability and honor. By showing how paper money came to be issued—by the Revolutionary Government of France—"What it brought," and "How it ended"—he undertakes to convince the American people that because Assignats failed and became worthless, the currency known as Greenbacks and National Bank notes, based upon the credit, resources and honor of the United States, must also fail and become worthless.

In a word, Mr. White's pamphlet is the production of a noted *scholar, capitalist, and politician*, to convince the American people that Sir Robert Peel was right when he laid the foundation for the Bank Charter Act of 1844, by declaring that "*Value means and can only mean a certain weight of precious metal, of a certain fineness;*" and that no bank paper, or national paper for circulation, can be worthy of credit, or safe as a medium of exchange, unless that bank paper, or national

paper for circulation, "*is based upon an engagement to pay on demand a definite quantity of that metal (gold) of the required fineness;*" that no paper should be put in circulation, unless it has an actual gold basis, and actual gold for its redemption.

The effort of his pamphlet is to overthrow our paper currency; to destroy confidence in our stability as a government; to question our honor as a nation, and our honesty as a people, by producing the history of French paper money, and showing by its failure and worthlessness, an example and illustration to convince us that because the French Revolutionists failed in establishing a paper currency worthy of confidence, we must fail; that as they repudiated the obligations they created, the government of the United States must repudiate the obligations it has created or may hereafter create.

Mr. White's argument amounts to this—or it amounts to nothing. In giving the true history of the Assignat, and of the origin of paper credit in France, the circumstances and facts which led to its expansion, and the final causes of its failure and worthlessness, I shall do what Mr. White assumed to do, but failed in doing. Mr. White would stigmatize and depreciate our National Credit: I would applaud and uphold it. I would make it the best and the strongest, and the government the most reliable and durable in the world. For credit is the vital element of national power: with it, governments grow into grandeur; without it, they sink into insignificance and decrepitude. Mr. White has undertaken to show that our basis of paper credit is no better than that of the Revolutionists of France, who built their system on robbery, confiscation and hate. To my mind the comparison is an insult to the intelligence of the age—at all events it is time that the true history of the Assignat should be written, and I undertake the task. I might pause to ask, What is our system of credit? Is it good, or is it bad? Is not its foundation on the rock of established constitutional liberty, stayed by industry unrivalled—by resources without limit—and by national integrity without a stain? But I leave the answer to the people who created it, to the intelligence which characterized it, and to the experience which a century has marked with honor, and filled with integrity, riches and renown.