

He resolved to put Johnnie out of his mind, and went on with his work with redoubled energy; but only himself knew the effect it cost him. His pupils found him a harder task-master than ever; and even Clare, absorbed as she was in her own troubles, saw that her uncle was depressed and out of spirits, and tried to make talk for him at their silent meals.

"Do you remember little Johnnie Hall?" she asked one day. "I mean the little boy who used to come in here sometimes."

Her uncle nodded coldly. Johnnie was nothing to him now, or at any rate he thought so.

"I saw Mrs. Hall this morning," pursued Clare, with the gentle regret with which we announce other people's troubles, "and she told me that Johnnie has been ill all the month. He has scarlet fever, and the doctors don't think he will get through the night."

All her life Clare Fletcher never forgot the strange cry her uncle gave, or the look in the stern dark face. He got up like one distraught, and walked straight across the square to the Halls' house and rang the muffled bell.

"I want to see Johnnie," he said, in a hoarse peremptory voice; and when the servant demurred and said she would ask her mistress, the unauthorised visitor strode after her up the stairs and into the sick child's room.

"I know he will see *me!*" he said, with an odd sort of sob in his voice.

And indeed, as Johnnie saw him, a sweet sudden smile lighted the wan little face.

Mrs. Hall made way for the professor, with a grateful look.

"He has asked for you often," she said, "but we did not like to trouble you—and it is infectious, you know."

The professor's answer was to kneel down and take Johnnie's head upon his arm, and draw the frail little figure to his breast. And whether it was, as Mrs. Hall always insisted, that Johnnie's contentment in his recovered friend soothed the fretted nerves, or, as the

doctor suggested, that the medicines had begun to take effect at last, certain it is that Johnnie fell into a sleep sweet and deep as only little children know—a sleep the waking from which would be life and not death.

The dawn was rosy in the east when the professor went home. All through the night he had knelt by Johnnie's bed, with the fair little head pillowed on his arm. And now he was going home, with a strange sense of joy and thankfulness in his heart, of peace, and of something deeper, and better, and holier still. To the withered heart, and wasted life, had come the Divine gift of love, a gift that a child's hand had brought in its small pink palm, but whose source was higher than the professor thought, and whose course would be wider than he knew.

Already Clare, meeting him in the golden light of the spring morning, and hearing how he had passed the night, was wondering if this could be the stern, unloving uncle she had known—or *not* known—all her life. Already her sympathy in Johnnie's danger, her rejoicing in Johnnie's safety, was moving her uncle to a sympathy and affection for the orphan girl he had never felt before.

By the time that Johnnie could climb the stairs to his friend's study again, the professor had withdrawn his objections to the engagement, on which he found that Clare's happiness depended; and when Johnnie, with an invalid's privilege, demanded the song he loved so well, Charlie's voice blended with Clare's as they sang—

"Love is passing—passing while ye lie asleep."

"Only he didn't pass," said the professor, stroking the golden curls. "He stopped and came in, and will never go away any more."

"Did he?" said Johnnie, staring at this new version. "I wonder what his name was?"

"I don't know what his name was to other people," said Professor Fletcher. "I only know that when he came to me his name was *Johnnie.*"



PAPER MONEY.

ALL the way from China, and from a period dating more than a hundred years before the time of Christ, there comes to us a story in which some writers appear to see the origin of bank-notes. Amongst the Celestials it was customary and necessary, so the story goes, for courtiers and princes, whenever they came into the royal presence, to veil their faces with a piece of skin. Now it so happened that at one time the Imperial purse was far from full, and it fell to the lot of the Prime Minister to discover some expedient for remov-

ing this source of inconvenience. He accordingly spent many tedious hours, and pondered over many schemes, before he could exclaim, like Archimedes, "Eureka!" ("I have found it!") The result of his profound meditations was a decree to the effect that for veiling the face in the presence of royalty only the skins of certain white deer belonging to the sovereign should be allowed. Of course, his Majesty possessing a monopoly of these deer, could sell pieces of their skin at whatever price he liked. This made them very valuable; they consequently circulated amongst

the upper classes of Chinese society as a convenient form of money, and thus we read, "Bank-notes were invented in China."

Even though the foregoing story were true, we nevertheless fail to see any resemblance between these pieces of skin and bank-notes, further than between any other article possessing exchange value that may be used as a circulating medium and bank-notes. The skins in question were valuable on their own account (their value was certainly very much enhanced by reason of the law that made their use compulsory), just as gold or an ornament or any article of clothing is valuable. Bank-notes possess no such value: in themselves they are worth no more than the paper they are made of, as any one would possibly very soon discover if he held notes issued by a bank that had failed. Besides, a bank-note is simply a written promise to pay so much silver or gold to the holder on demand; these skins had nothing of the nature of a promise about them. If, then, the Chinese are to get the credit of having invented bank-notes, their claim must be based on grounds different from those set forth in the foregoing story.

Sir John Maundeville, who flourished in the fourteenth century, amongst the marvels that he encountered during his travels in Tartary, speaks admiringly of the facilities with which the Great Khan was able to raise money. "This Emperour," says Sir John, "may dispense als moche as he wile, withouten estymachioun. For he dispendethe not, ne maketh no money, but of lether emprented, or of papyre. And of that money is som of greater prys, and som of lasse prys, afre the dyversitee of his statutes. And whan that money hath the ronnes so long that it begynneth to waste, than men beren it to the Emperour's tresorye; and than thei taken new money for the olde. And that money gothe thorghe out all the contree and thorghe out all his provynces. For there and beyonde hem, thei make no money nouthor of gold or of sylver. And therefore he may dispense *ynow* and *outrageously*.* It is a common failing on the part of rulers, even where they are jealously checked by restraints never dreamt of by the Grand Khan, to spend "*ynow* and *outrageously*," as is very well known to the English ratepayer!

The history of Guernsey furnishes a curious and perhaps instructive instance of the kind of uses that paper money may serve. It was determined to build a meat market, and £4,000 were voted to defray the cost. Notes were issued by the authorities for that amount, and were guaranteed on "the whole of the property of the island, said to be worth four millions." These notes were worthless outside of Guernsey, and so they were never exported. They were one-pound notes, and were numbered from 1 up to 4,000. With them the contractor was paid, he paid his workmen in the same money, and those that supplied him with materials. Tradesmen took them for goods, landlords for rent, and the authorities for taxes. "In due

season," to quote from Jonathan Duncan, "the market was complete. The butchers' stalls, with some public rooms constructed over them, were let for an annual rent of £400. At the expiration of the first year of tenancy, the States called in the first batch of notes, numbered 1 to 400, and with the £400 of real money received for rent, redeemed the £400 of representative money expressed by the 'Meat Market Notes.' At the end of ten years, all the notes were redeemed through the application of ten years' rental; and since that period the meat market has returned a clear annual revenue to the States, and continues to afford accommodation without having cost a farthing in taxes to any inhabitant."

In the course of their history, the Americans have had to adopt many different kinds of paper money, and in such difficulties have they been placed, that we find instances of their being induced to depart from the first principles of sound finance. The consequences of such a course are very well illustrated by the fact that in 1779 an English officer in Maryland paid his hotel bill, which amounted to £732 in paper money, with four guineas and a half in gold. The paper currency had been depreciated by being over-issued.

There are besides bank-notes a great many other forms of paper money. Amongst the best known of these are cheques, bills of exchange, post-office orders, postal orders, and even postage stamps; for all these are used in making payments, they all help to perform the chief function of money, viz., facilitating exchange. They have certainly not entered into circulation to the extent of bank-notes, and are not likely to do so for several reasons.

As regards cheques, if they were circulated from hand to hand as freely as a bank-note, there would be opened up for the unprincipled splendid opportunities for fraud. Besides, suppose the holder of a cheque fails to present it within "reasonable time"—that is, before the bank closes on the day after the receipt of the cheque—he forfeits his claim against the drawer, if the bank in the meanwhile should happen to have failed. The reason for this regulation is, because the drawer of the cheque loses the deposit that he left with the banker to meet the cheque, and it is held that he ought not to suffer on account of another's lack of diligence.

Other reasons, even though the credit of the drawer of a cheque were undoubted, militate against their entering into circulation; for instance, there is the fact that they are usually drawn for odd sums, and then there is the force of habit which makes people prefer to receive payments in the customary way. Mr. Jevons tells us that "when our bronze pence were quite a novelty, I happened to take some with me into a remote part of North Wales, and they were rejected." Again, the same author remarks, "this (the force of habit) may go so far that a dirty bit of paper, containing a promise to pay a sovereign, will be actually preferred to the beautiful gold coin which it promises. The currency of Scotland is a standing proof of this assertion; and the same may be said in Norway, where, until 1874, no gold at all was in cir-

* For the above passage in modern spelling, see the Edition of Sir John Maundeville's Travels in CASSELL'S NATIONAL LIBRARY.

ulation, and notes for one, five, or ten dollars formed the principal part of the currency."

There is one broad distinction between bank-notes and other kinds of paper money, such as a cheque. A bank-note cancels a debt the moment it is transferred from the debtor to the creditor; not so, however, does a cheque. For instance, one man owes another five pounds, and writes out a cheque for that amount, which he gives to his creditor; his debt, however, is not yet discharged, for when his cheque is presented it may be dishonoured; he may not have any money at his banker's to meet it. Suppose, on the other hand, that instead of a cheque he hands over a five-pound bank-note to his creditor; from that moment his debt is dis-

the more paper is used instead of gold to make payments with.

There is another advantage on the ground of economy derived from the use of paper as money. We cannot do better than describe this advantage in Adam Smith's words:—"The judicious operations of banking, by substituting paper in the room of a great part of this gold and silver, enable the country to convert a great part of this dead stock (the gold and silver circulating in a country) into active and productive stock—into stock which produces something to the country. The gold and silver money which circulates in any country may very properly be compared to a highway, which, while it circulates and carries to market all



THE FIRST ONE-POUND BANK OF ENGLAND NOTE.
(In the possession of Messrs. Dakin and Co.)

charged. This is a distinction that is doubtless obvious to everybody.

A great many reasons have induced modern communities to adopt the use of paper as money to so large an extent. These may all be brought under the general headings of economy and convenience. Our space will allow us just a few words as to the economy of paper money.

It is much cheaper to keep up a paper currency than to keep up a gold or silver currency, as was exemplified in the Chancellor of the Exchequer's Budget of 1884, when he proposed to issue ten-shilling pieces of gold containing only nine-tenths of the amount of gold at present in half-a-sovereign—these ten-shilling pieces to be tokens for half-a-sovereign. It appears that there are about 90,000,000 sovereigns and 40,000,000 half-sovereigns in circulation in the country. More than half of the sovereigns (50,000,000) are not legal tender; they are light through the wear and tear that they are subjected to in passing from hand to hand and other causes. The half-sovereigns are in the same predicament, 22,000,000 of them being light. Altogether, our gold coinage, it is computed, has been worn to the extent of about £800,000 worth; in other words, that amount of gold has been lost. This loss is, of course, avoided

the grass and corn of the country, produces itself not a single pile of either. The judicious operations of banking, by providing, if I may be allowed so violent a metaphor, a sort of waggon-way through the air, enable the country to convert, as it were, a great part of its highways into good pasture and corn-field, and thereby to increase very considerably the annual produce of its land and labour." This is effected by the silver and gold that is released by the introduction of paper money being sent abroad, and thereby invested in productive undertakings.

The whole cost per annum of the metallic currency in this country is shown in the following table, which we take from Jevons's book on "Money":—

Loss of Interest	£4,262,000
Wear of Coin	48,000
Mint Establishment	42,000
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Total	£4,352,000

"From this amount," Mr. Jevons adds, "ought to be subtracted the profit which the Mint makes out of the seignorage upon silver and bronze coins; but we may set off this profit against the wholly unknown amount which the public loses by the accidental dropping of coins."

W. B. R.