

ver a legal tender, or to issue Bills of Credit. Inconvertible paper money from that period disappeared in America, until the Federal Government, exercising a power not apparent in the Constitution, repeated, in our own times, the experiment with happier results.

So soon as the new Constitution began to work, it was, of course, necessary to provide a revenue, and to fix values. The first Congress in 1789 passed an Act imposing Custom duties. By this Act the pound sterling was valued at \$4.44, or 4s. 6d. stg. to the dollar. Thus the old par of Queen Anne was restored, and the rate was called *Federal currency*, to distinguish it from the various State currencies. Still, there was no Federal coinage, and coins from all parts of the world were taken at the Custom Houses at a statutory value. In 1792 Congress organized the United States mint, permitting the circulation of the foreign coins for three years longer, until the new national coinage should be ready, and establishing the national standards—the Eagle to be counted at \$10, and to contain 270 grains of gold of the fineness of 22 carats, and the dollar to contain 416 grains of silver .8924 thousandths fine.

Changes in the currencies of Spain, of England, and of America now concurred to disturb the par of \$4.44. In 1772 the fineness of the Spanish dollar had fallen from 11-12ths to 10 $\frac{3}{4}$ -12ths. In 1774 silver had ceased to be a legal tender in England (in sums over £25) excepting at the rate of 5s. 2d. an ounce. The exchange between America and England was thenceforward regulated by the intrinsic value of their gold coins alone, a change which became more apparent in 1816, when England adopted the gold standard exclusively, and made her silver coins tokens only by coining the same weight of silver into 66s., which had previously (since the year 1666) been coined into 62s. The average value of the dollar of Spanish and American coinage in 1795, 1798 and 1803 was 4s. 4d. stg., calculated at the Mint