fixed value which endured during nearly all the period we have been concerned with, and which, although it has disappeared in outward form, is yet present latently in every exchange calculation made even at this present day—we mean the old Spanish dollar. We have already seen how it became the almost universal coin in America, and during nearly the whole Colonial period, namely, up to the year 1772, it contained the same quantity of pure silver.

There were in circulation four kinds of dollars, viz:—"Seville pieces of eight," "Mexican pieces of eight," "Pillar pieces of eight," "Peru pieces of eight." These pieces, of the value of eight reals spanish "old plate" were called "dollars," and were all of the same weight—17 dwts. 9 to 12 grains of silver, of a standard fineness of 11 parts pure silver to one of alloy. But the legal par at which they passed differed very much in the colonies. At the time of the Revolution it was 6s. in Massachusetts, 8s. in New York 7s. 6d. in Pennsylvania, and 4s. 8d. in South Carolina. Very early in Colonial history the inconvenience of a varying par was felt by many, and the governors especially urged the Home authorities to put a stop to it. Accordingly in 1707, the sixth year of Queen Anne, an Act was passed by the Imperial Parliament, declaring the value at which foreign coins should pass in the colonies. This enactment was based upon careful assays, and fixed the value of the Spanish coins as follows:—

Seville pieces of eight	"old plate,"	-	4s. 6d. Stg.
Mexico	" "		4s. 6d. "
Pillar	" "	-	4s. 6¾d. "
Peru	" "	-	4s. 5d. "

It was also enacted that in future the dollar should not be accounted for in any of the colonies above the rate of 6s. currency. This Statute was utterly disregarded in America, and like most other Imperial Statutes, became a dead letter. Some attempt was made in New York by the governor to enforce it but the proclamation was withdrawn, because, as the governor alleged in excuse, "it "was injurious to the trade of New York to cry down "the value of the dollar while the neighbouring colony "of Massachusetts treated the Statute with contempt." The letters of New York officials of those days are very plaintive concerning the misdeeds of the Boston people, who seem always to have done as they liked, and to have paid no attention to an Imperial Statute which might not meet their approval. This Statute had, however, the effect of placing an authoritative value in sterling money on the coin in use in America.

The value of the Spanish dollar was based not only upon its weight and fineness, but, of course, upon a comparison with the weight and fineness of the British silver coins then in use. The standard remained unchanged for silver in England from the time of Queen Elizabeth to the year 1816. One pound of silver of the fineness of 11 oz. 2 dwt. was coined during all that period into £3 2s. 0d. stg. There were therefore 5,328 grains of pure silver in 62s. stg., and the dollar contained 385 grains pure The proportionate value of the dollar is then easily seen to have been 4s. 5½d. precisely, and as, at that time, the standard value of silver was in reality less than its commercial value, 4s. 6d. was fixed upon by the Statute. This was practically underrating the dollar, and as fast as they arrived in England they were sold as specie and exported.

It thus happened that the par of 4s. 6d. stg. to the dollar became a fixed standard, to which all American values could be referred. And such it has continued during 164 years down to the present day, for this IS PAR, or $4.444 to the £ sterling. It is sometimes called old par—it is the par with which all our books of exchange tables commence—the par upon which all our calculations are based, from Montreal to New Orleans. The present legal par in Canada is a 9½ per cent premium on that par. The Spanish dollar has changed, the British silver coins have changed, and the currencies of America have fluctuated, but the par of 1707 remains yet as the one fixed point in the sea of confusion.

We come now to revolutionary times. The extraordinary expedients of the Revolutionary Congress are among the best known incidents of history. The war was fought on the American side with paper money up to the time when the French expedition under Rochambeau landed, and brought the specie which was as necessary to success as bayonets. It would be tedious to narrate the steps by which the Continental money depreciated from 1000 to 1—until it finally disappeared. The leading spirits of the Revolution saw the necessity of laying direct war tax, but they could not obtain the consent of Congress. "Do you think," said a member of Congress (quoted by Greene; Historical studies) "that I will consent to tax my constituents, when we can send to the printers and get as much money as we want?" The farmer who refused to take this money for his produce was treated as a traitor, and had his property taken from him for his disloyalty, but no enactment could keep it from depreciating. Meantime the presses of the different States teemed with issues of their own during the war, and up to the period of the full consolidation of the Union in 1790. Their paper added to the volume of the currency and to the utter confusion of values.

Immediately after peace was declared the efforts of all thinking men were turned towards consolidating the Union, and for several years the proposed Constitution was discussed in every town and hamlet. But even then the lurking attachment to paper money was evident. Some of the States were unwilling to resign the right of issue, and it was not until 1790 that Rhode Island joined the Union, and its citizens finally relinquished their cherished habit of paying their debts in paper. The State Governments were forbidden by the new Constitution to make anything but gold and silver 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 Customs 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 1782 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 892.4 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 10¾-12ths. 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