

currency. Thus the United States had accepted the theory that it was a proper exercise of power by a government to enforce by law the passage of any instrument as money, and while some only sought to excuse such action by the necessities of the war, others were ready to argue that the power to issue paper money should be enjoyed only by the government.*

PRESENT RESPONSIBILITIES OF THE UNITED STATES TREASURY

By following the incorrect principles above stated the United States treasury now stands deeply involved. The issues for the redemption of which in gold the government is directly or indirectly responsible were at 1st December, 1896, as follows:—

Legal tenders authorized during the war.....	\$346,681,016
Silver certificates issued under the Bland Act, which are legal tender for payments to the government	367,903,504
Legal tender notes issued for silver purchased under the Sherman Act.....	121,677,280
United States National Bank notes	235,398,890
Total.....	\$1,071,660,690

*NOTE by the author on the subsequent course of events:

At the end of the war it was found that the debt of the Federal government exceeded \$2,800,000,000, of which only about \$1,100,000,000 was funded, while of the remaining \$1,700,000,000 as much as \$1,540,000,000 was in treasury notes, and of these \$684,000,000 were a legal tender. In this year, 1865, Secretary McCulloch and the House of Representatives both expressed the view that the issue of legal tender notes was a measure only justified by war, and that the currency should be contracted "with a view to "as early a redemption of specie payments as the business interests of the "country will permit." Some contraction followed, but in 1868 this course was arrested owing presumably to opposite views.

In 1869 (March 18th) a bill was passed "to strengthen the public credit." It pledged the public to pay in coin or its equivalent all obligations except where it was stipulated that payments might be made in "lawful money." It did not, however, pass without strong opposition. In the preceding presidential election the Democratic party had pledged itself to the principle of paying *all* public debts in paper, and in pursuance of this policy Mr. Garrett Davis, seconded by Mr. Bayard, offered the following amendment: "That the just and equitable measure of the obligation of the "United States upon their outstanding bonds, is the value at the time in gold "and silver coin of the paper currency advanced and paid to the government "on these bonds "

Again, in the 42nd Congress, which met in December, 1871, it was urged that a government as strong as the United States could issue fiat money enough to stimulate every industry, while violent prejudice was expressed to the national banks. The sounder element once more urged the resumption of specie payment at the earliest possible time.