

not sufficiently recognized in the policy of Cleveland's administration. His guiding principle was stated, in the annual message, December 3, 1894, as follows: "The absolute divorcement of the Government from the business of banking is the ideal relationship of the Government to the circulation of the currency of the country." That ideal, however, is unattainable in any civilized country. The only great state in which it has ever been actually adopted is China, and the results were not such as to commend the system. The policy

which yields the greatest practical benefits is that which makes it the duty of the Government to supervise and regulate the business of banking and to attend to currency supply; and the currency troubles of the American people were not removed until eventually their Government accepted and acted upon this view.

Not until his message of December 3, 1894, did President Cleveland make any recommendation going to the root of the trouble, which was, after all, the need of adequate provision for the currency supply. In that message he sketched a plan devised by Secretary Carlisle, allowing national banks to issue notes up to seventy-five per cent of their actual capital, and providing also, under certain