"Statistics like the foregoing," says the writer, "might be indefinitely extended, but enough has been presented to prove our position that a mixed currency is constantly fluctuating both in quantity and quality. Fixing our eye steadily on this great fact, we are enabled to account for all those frightful convulsions in the monetary world which we know take place, those disturbances of trade, that spirit of overtrading, speculation, and gambling, that fearful recklessness and disregard of mercantile obligations, so rife among us. If no true faith can be placed in the currency, no true faith ought to be expected anywhere; if the *standard* of mercantile obligation is destroyed, what is left? This is the characteristic and most important fact in relation to such a currency. It is a fact on which every other seems to hinge, and it cannot, therefore, be too deeply fixed in the mind of every one who wishes to comprehend the various phenomena of a mixed currency system.

We proceed to examine in detail the consequences which we should naturally infer would, and which we find actually do, take place wherever such a currency exists.

I. A mixed currency stimulates credit at one time and depresses it correspondingly at another.

While the banks are expanding the currency, that is, increasing the quantity of credit money, they are very desirous to make loans, and all who apply with fair paper (good notes, &c.,) are sure to get "accommodated," even if the paper they offer has five, six, or in many cases eight months to run. Money is thus made plentiful; everything advances in price; business men feel willing to give their own notes, because it is so easy to get money with which to pay them, and they are willing to give credit, and long credit too, because the notes they take are so readily cashed at the banks. It is now "good times." Every body can pay, therefore all are not only ready but anxious to sell on credit. In this manner and for these reasons, credits increase with the most astonishing rapidity; men seem to lose all sense of fear, and confidence is universal.

Now comes the reverse of the picture. The banks from necessity commence a contraction; they have overtraded as well as their customers; many of them owe ten, twenty, thirty dollars *payable on demand* to every dollar they have in their vaults; they are called on for specie and they at once stop all loans. This they must do, or fail. Business men go to the banks as usual to borrow money, but can get none; they call on their debtors to pay, but money is scarce and getting scarcer every day; the ablest of their debtors can pay but little, the weakest none. The money market grows worse and worse, and country merchants, city merchants, manufacturers, and tradesmen of all kinds begin to feel the pressure. The wheels of business are clogged; confidence, once so high and general, is nearly annihilated; most transactions are made for cash; men are now as unreasonably suspicious, as they were before kindly confiding—all, in the expressive language of trade, is "stagnation." How many times has this game been played over in Great Britain and the United States! And how certain is it that it must be again and again repeated while such a currency exists!

II. These fluctuations of a mixed currency cause numerous bankruptcies.

This we have in fact already seen. The bankruptcies which take place in any community are just in proportion to the expansibility and contractibility of its currency. This is a fixed law—it must be so in the nature of things