

“ The Panic in the money-market having subsided, and the pecuniary transactions of the country having reverted to their accustomed course, it becomes important to lose no time in considering whether any measures can be adopted to prevent the recurrence in future of such evils as we have recently experienced.

“ However much the recent distress may have been aggravated in the judgment of some by incidental circumstances and particular measures, there can be no doubt that the principal source of it is to be found in the rash spirit of speculation which has pervaded the country for some time, supported, fostered, and encouraged by the Country Banks.

“ The remedy therefore for this evil in future must be found in an improvement in the circulation of country-paper; and the first measure which has suggested itself to most of those who have considered the subject, is a recurrence to a gold circulation throughout the country, as well as in the metropolis and its neighbourhood, by a repeal of the Act which permits Country Banks to issue One and Two Pound notes until the year 1833, and by the immediate enactment of a prohibition of any such issues at the expiration of two or three years from the present period.

“ It appears to us to be quite clear that such a measure would be productive of much good; that it would operate as some check upon the spirit of speculation and upon the issues of Country Banks; and whilst, on the one hand, it would diminish the pressure upon the Bank and the metropolis, incident to an unfavourable state of the exchanges, by spreading it over a wider surface, on the other hand it would cause such pressure to be earlier felt, and thereby insure an earlier and more general adoption of the precautionary measures necessary for counteracting the inconveniences incident to an export of the precious metals. But though a recurrence to a gold circulation in the country, for the reasons already stated, might be productive of some good, it would by no means go to the root of the evil.