

the Bank of England in connection with the Government, in extinguishing monetary panics:—

At the period of the great panic in England, in 1825, when about seventy banks had failed, and when the strongest could hardly sustain themselves from day to day, Lord Liverpool called a Cabinet Council, at which it was agreed to advise the Bank of England to increase its issues largely, the Government undertaking to indemnify the bank, should it find itself under the necessity of suspending specie payments.

The bank commenced at once putting out its *thousand pound notes* right and left, (increasing its discounts six millions in a week) and having found a bale of *one pound notes* which escaped the general conflagration, when the use of the one pound notes was discontinued, scattered them all over the country. The panic was at once allayed. The sight of the one pound notes gave universal confidence, and the bank, which had paid out to nearly its last sovereign, was relieved from the run upon it. Its specie increased rapidly, and consequently suspension became unnecessary.

Again in the year 1847, during the "great panic," when the bank was nearly drained of specie, and when some of the strongest of the London banks could not have sustained themselves another day, Lord John Russell wrote a letter to the governor of the bank, authorizing the issue of bank notes, without a deposit of specie in the issue department. This letter was published in the morning papers, and the panic was at once stopped. The plague was stayed. The bank did not issue a single note in consequence of this letter; the bare knowledge that it could do so, was sufficient for the public; confidence was restored, money came from its hiding places. These facts have been well known, but are generally forgotten.

PAPER VERSUS MONEY.

We abridge from "Harpers Weekly," the following clever pleasantry adapted to the times :

Out they issue, like bees in the spring,
 Red, and green, and yellow of wing
 (Though the yellow's not gold, the humbugging thing)
 Hiving the honey, but leaving the sting
 In the hands of those who trust 'em?
 Made out of nothing, and good for *nix!*
 Stealing our gold with their juggler tricks;
 When wanted, found—'t'other side of the *sticks*
 Of the *bank* whose custody eus't 'em!

Smooth its face as a snug "cashier,"
 Issuing promises, year by year;
 Or placid "president," with never a fear,
 Till panic or crisis troubles.
 Or ragged and rumped, with look forlorn,
 Like the same cashier, on suspension morn,
 Shinning through Wall Street, weary and worn,
 Like a hare that's hunted by hound and horn,
 Doubling as interest doubles.