

the wants of the community, then the withdrawal of any of the specie portion of it from circulation, must be supplied with more paper till the vacuum be filled up. But even supposing this drain of specie to be continued till it began to encroach on the reserves of the banks, still, as the approach of the drain, towards the coffers of the banks, had been gradual, having first drawn off much of the coin from the various channels of circulation throughout the country, the reduction of discounts, on the part of the banks, would not require to be either so sudden or so great, as has hitherto frequently been the case, when the banks have had calls for specie for local purchases of grain, and a demand for bills on New York, at the same time that the state of the exchanges did not enable them to replenish their vaults except at a loss.

I refer to Table No. IV. in the Appendix, to shew the relative fluctuations in the issues of one of our Banks, (which may be taken as a criterion of the others,) and of the Bank of England; and it will be there seen what extraordinary ebblings and flowings there are in our Bank circulation, while that of the Bank of England is comparatively steady. I do not hesitate to ascribe this difference, between the action of the two, chiefly to the circumstance of the one having a sound and speedy corrector, and the other being almost without an efficient control over it.

The longer our present Metallic Currency remains unaltered, and in proportion as the issues of paper money encrease, without a sound specie basis; so will the difficulty to be encountered, in effecting a change, and the hardships of that change, on some portions of the community, be enhanced. The crowns are about 2 per cent., and the half crowns about nine per cent. a legal tender, above their intrinsic worth, making the entire Metallic Currency of the country, on the supposition of its being composed of these two coins in equal portions, overrated $5\frac{1}{2}$ per cent. Now, the paper