

subject of currency much of their consideration, that not only is the law against the exportation of bullion, whether in coin or in any other form, ineffectual, but that it is also impolitic and unjust; injurious to ourselves only, and advantageous to the rest of the world.

The plan here proposed appears to me to unite all the advantages of every system of banking which has been hitherto adopted in Europe. It is in some of its features similar to the banks of deposit of Amsterdam and Hamburgh. In those establishments bullion is always to be purchased from the Bank at a fixed invariable price. The same thing is proposed for the Bank of England; but in the foreign banks of deposit, they have actually in their coffers, as much bullion, as there are credits for bank money in their books; accordingly there is an inactive capital as great as the whole amount of the commercial circulation. In our Bank, however, there would be an amount of bank money, under the name of bank-notes, as great as the demands of commerce could require, at the same time there would not be more inactive capital in the bank coffers than that fund which the Bank should think it necessary to keep in bullion, to answer those demands which might occasionally be made on them. It should always be remembered too, that the Bank would be enabled by contracting their issues of paper to diminish such demands at pleasure. In imitation of the Bank of Hamburgh, who purchase silver at a fixed price, it would be necessary for the Bank to fix a price *very little below* the mint price, at which they would at all times purchase, with their notes, such gold bullion as might be offered to them. The perfection of banking is to enable a country by means of a paper currency (always retaining its standard value)