

ment was astonishingly rapid, 'not only in agriculture, but in commerce,' whilst, on the contrary, wherever those institutions were not established, the land lay mostly uncultivated—agriculture and commerce made slow advances, and the needy inhabitants were kept in wretched indolence." The celebrated work of Sir James Steuart, on political economy, is strong in support of this position. In countries where a scarcity of the circulating medium prevails, credit, he says, must be little known; and those who have solid property find it difficult to turn their commodities into money, without which industry cannot be carried on, and every improvement is disappointed. Under such circumstances it is proper to establish a bank which must issue upon land and other securities. Of this nature are the banks of Scotland, and to them the improvement of that country is entirely owing, so says the learned author.

Referring to a report in the Legislature of an eastern state, to demonstrate the advantages of such institutions to industry and trade, and the whole economy of national welfare, the committee might truly aver, that the currency which is proposed as a medium of circulation, can only act as the representatives of coin and public credit. This system of credit has now become indispensable in all commercial countries, it is the most powerful agent in generating and accelerating the prosperity of a nation; it essentially increases the active capital, which, in turn, extends the productive labour, and in producing commodities for exportation tends to a favourable commercial balance.

Together with the influence of our free institutions, an adequate supply of the circulating medium is all essential to develop the resources, and call into action the effective energies of the body politic. A free government is peculiarly adapted to the prosperous existence of such institutions; and to make them productive of the greatest advantages, they must be established upon liberal principles for the good of all, and not for the benefit of a privileged order or a favored few.

In writing to the Chairman of the Committee on the subject, an enlightened member of the Convention which formed the Constitution of the United States, and who subsequently presided as Chief Magistrate, says:—"Your experiment will be interesting, whether its results be a guiding or a warning light." The Comptroller General of South Carolina, in speaking of the beneficial effects of