

of such other measures as might be deemed necessary to meet the extraordinary crisis. The main object presented to our consideration, as though we believed that measures proposed would have been proper, if not not appeared to us of sufficient importance to justify the expense, and inconvenience to the members, at that season of the year, of a re-union of the General Assembly. And we believed that time and further developments were necessary to ascertain what other measures the public interest might require, in consequence of the suspension. We therefore, after a mature deliberation, felt it our duty to decline making the proposed call.

Although we did not think that to authorize the Banks to issue notes of less denomination than five dollars, would, even under the extraordinary crisis of May last, justify a call of the General Assembly, yet we believe that the interests of the community, and the stability of the Banks, would be promoted by a repeal of the restrictions which prohibit such issues. We are aware that in the expression of this opinion we encounter an extensively prevailing prejudice, but, as we firmly believe and think we can demonstrate, great and most pernicious popular error. We think the position, that to withdraw the smaller notes of the Banks from circulation, and supply their place with specie, would improve the general currency, strengthen the Banks, and tend to sustain their credit, and the circulation of their larger notes, is, in each and all its parts, entirely erroneous.

It seems to us very clear that the portion of specie in the Country, which enters into general circulation necessarily narrow, not "widens" as the popular phrase is, the specie basis of the Banks, and this, more especially, is the case, where Bank Notes are redeemed and withdrawn to make good for it.

A resort to the first rule in arithmetic will demonstrate beyond dispute, that with any given amount of specie in the Country, and of Bank Notes, the larger portion of the specie in the Banks, and the less in circulation, the greater would be the proportional means and ability of the Banks to redeem their issues and sustain their credit, at a time of pressure upon them, whether for foreign exportation or from distrust of their solvency - and vice versa.

To make this appear, we will suppose the whole amount of specie in the Country to be \$100,000,000, and of Bank Notes \$200,000,000, and we will then suppose the whole \$300,000,000 to be divided in various proportions between the Banks and in circulation in the community. Suppose the Banks have in their vaults \$90,000,000 of the specie and \$10,000,000 of their notes would be in circulation \$10,000,000 of specie and \$190,000,000 of notes; in this case, the Banks would have in their vaults