

more than two dollars of their notes for each dollar of specie in their
— a situation which will be generally admitted to be sound and safe
and such as would enable them to sustain any probable demand
them. But let us a reverse division of the specie and Bank notes
between the Banks and the community, and see what would then be
the situation of the Banks. Suppose they had but \$10,000,000 of the
specie, and \$90,000,000 of their notes on hand, there would be in general
circulation \$90,000,000 of specie and \$110,000,000 of Bank notes, viz
eleven dollars in Bank notes in circulation for each dollar of specie
in the Banks: a situation which it is presumed would be generally
considered unsafe and dangerous to their credit.

To show the contrast still further, suppose the Banks to
possess but \$1,000,000 of specie and \$99,000,000 of their notes, in such
case there would be in circulation \$99,000,000 of specie and \$101,000,000
of notes, or more than \$100 of notes in circulation for each dollar in
the Banks to meet their redemption: a situation which would not
enable them to sustain themselves, under even slight pressure or
distrust, scarcely for a day.

But to meet and refute the popular error we are
combating more directly — suppose the Banks to have \$50,000,000
of the specie and \$50,000,000 of their notes on hand, and that there
be in circulation \$50,000,000 of specie and \$150,000,000 of Bank notes
— in such case, the Banks would have one dollar in specie for every
three dollars of their notes in circulation: (not far from their ordinary
situation) this would be quite a fair condition, and much better than
many Banks, when in undoubted credit, could exhibit. But suppose
one sixth only, or \$25,000,000 of their circulation to be in notes of the
smaller denominations, that those notes be redeemed by the Banks,
and then placed supplied with specie, the Banks would then have
but \$25,000,000 of specie in their vaults to sustain a circulation
of \$125,000,000 of their notes. Again, suppose that one third of their
circulation be in notes of the smaller denominations, it would require
the whole amount of specie in the Banks to redeem and supply
their place — leaving the Banks entirely without specie, or constrain-
ing them to take out of circulation a part of their larger notes also,
by curtailing their accommodations to the community. And finally
suppose one half of their circulation — \$75,000,000 — be in notes of
ten dollars and under, (and it is believed that such is ordinarily the
case) they could not take them out of circulation with the specie
in their possession, and to enable them to do so, they would have to
curtail their accommodations to the community, twenty five million
of dollars, at the least, and as much more as would enable them
retain a specie basis for their other issues. How then can it be