

Nothing is more common than to ascribe public embarrassments to some other cause than the real one, and consequently to provide remedies which frequently aggravate the evil. Prior to the explosion in 1825, a bank partnership could not consist of more than six persons; and it was supposed that the mischiefs of the banking system were caused in a great measure by that regulation. Accordingly, joint stock companies were established, without any limitation as to the number of partners. Three of these companies commenced operations in the year 1826; in 1835, the number had increased to fifty-six; in 1836 forty-five new companies were formed; and many of these having numerous branches, it was computed that two hundred joint stock banks were established in that year. They immediately commenced the work of adding to a paper currency already redundant, and continued to increase their issues till late in December 1836; when the credit system, having been strained to its utmost limits, suddenly gave way, and a change from artificial prosperity to real distress, such as invariably attends the excessive use of paper money, immediately took place in every part of England.

This sketch of the English banking system shows, that the Bank of England, for half a century past, whether in time of peace or war, or during the continuance of specie-payments or a general suspension, has been unable to control joint stock or private banks, or to regulate their issues, or even to protect itself from the effect of their mismanagement. It is therefore difficult to conceive, how the banking system of the United States, pushed as it generally is to the verge of bankruptcy, can be regulated by a national bank or a fiscal corporation. There can be very little doubt, however, that the banks of every State may be controlled by the authority from which they derive their charters.

Whether the banks of this State ever intend to redeem their notes is altogether uncertain; though there has been occasionally a rumour that they were ready to resume, whenever a similar movement was made by the banks of Pennsylvania, Virginia, and the West. But to make resumption in Maryland dependent on the course pursued elsewhere, is to postpone it to an indefinite period. If the banks of each State were permitted to act as they pleased, till those of other States chose to comply with their obligations, the consequence might be, that instead of encouraging each other to resume, they would enter into a general combination to prevent it.

It has been frequently remarked, that the people owe the banks, and the banks owe the people; and that if the first will pay, the latter will do the same. Individuals, and not the people, are indebted to the banks, and are often accommodated and indulged at the expense of the whole community. The great mass of the people, especially in the country, do not apply for bank loans, and could not obtain them if they did; but they all have an interest in the value of the paper which is daily passing through their hands