

pare themselves for a return to specie payments, within the shortest practicable period, after the next meeting of the convention." It is proper to enquire whether such preparation has been made. The banks in Baltimore have increased their specie to a considerable amount since May 1837; but as this has been done chiefly by purchasing it at a premium, their liabilities have increased in a greater proportion than their means. Their increase of specie is not more perhaps than the amount drawn from general use; and the increased circulation of their notes has kept pace with it.— Their loans and discounts are greater than they were at the period of suspension, or in January 1837; which last period is the most proper for a comparison with the present. A reduction of loans and discounts is the only effectual preparation for a return to specie payments. This measure, to which they were pledged by the proceedings of the New York convention, has not been adopted. The convention was held in November, and from that time to the last statement their loans and discounts, instead of being reduced, were enlarged. Some of the banks curtailed, but in the aggregate there was an extension of business.

A regular course of curtailment would have produced some inconvenience; but specie payments can never be restored without adding to the embarrassment of those who are indebted to the banks. If discounts had been made principally upon business paper, as stated, a considerable portion of it must have been repaid as it became due; and the business of the banks might have been contracted by this means, without a severe pressure upon those who were not able to comply with their engagements. From their present condition it appears that none of this business paper has been taken up, or that the money paid in was loaned to other persons as fast as it was received. They admit that the rate of exchange, the diminished importations, and the general reduction of the business of the country are favorable to a resumption; but on the other hand urge, that these circumstances may be reversed at some future time. They speak and act as if there was something in the price of specie; something in the failure of crops; something in the fluctuations of exchange; and something in the measures of the general government, past, present and to come, which controlled all their operations, and rendered their efforts unavailing. They perceive nothing of this kind in their own condition, or in that of their debtors; nothing in the condition of other banks, or in their increased number and operations. It is obvious that a continued suspension and the refusal to fix a period for its termination, will increase the irregularity of domestic exchange, and aggravate all the difficulties that are now considered as impediments in the way of a resumption of specie payments. A more plausible objection to resuming is founded upon the circumstance, that the Virginia banks are indebted to those of Baltimore; and that the latter cannot meet the demands of New York, until they can at the same time avail themselves of the balance due from the former. This bal-