

value, as they certainly will if not used too freely, money can be raised upon them without the annual
the introduction of canal and rail road certificates. At present when the State bonds are for Messager
ed into market, and sold by suspended banks at a discount of twenty or thirty per cent.
They are not a suitable foundation for a circulating medium. If a State bank were establish-
ed and its notes were payable in depreciated stock, the result would be the immediate depreciation of the
notes; unless they were limited to such an amount as could be raised in the collection and disburse-
ment of the public revenue. If issued only to that amount they would circulate freely for
other purposes; and so would the rail road certificates, under the same limitations; for the
obvious reason, that they might always be applied to the particular use, for which they
would be as current as gold and silver. The issue of certificates to any excess, would be par-
ticularly injurious to the Baltimore and Ohio Rail Road Company, because it is now
receiving a large income from its operations. In proportion as the paper fell in value
a rise would take place in contracts, labour, mechanics' bills, and all expenses paid
by the company, in that medium; while its own charges for freight and passengers would
be paid according to the rates fixed by law, in depreciated certificates, purchased at a
discount for that purpose. There is another objection to this banking system; and that
is its tendency to increase the derangement of the currency. When paper money is is-
sued by banks alone, for sums not less than five dollars, and redeemable in gold and
silver there is a possibility of restraining it within reasonable limits. The banks
have the benefit of its circulation, and the means of ascertaining its amount; and
in times of pressure, have a resource in the coin which fills the main channels of busi-
ness. If the corporations or individuals issue notes for circulation, they embarrass the operations
of the banks and increase the fluctuations in the currency. While they are not paying specie
themselves, they may sell an exchange thus own paper for bank notes, and draw specie out
of the banks. If canal and rail road companies holding perpetual charters and enga-
ged in extensive contracts, were allowed the privilege of issuing paper to supply their
own wants, and not the wants of the public, the present banking system would be made
infinitely worse and complete confusion would be introduced into the currency of the
State.

Legislative measures are required in relation to the banks, private banking, and
the circulation of small notes. But whether the currency will ever be restored to a sound state,
or the operations of banking reduced within proper limits, is a very doubtful question. There
is a tendency in this and every other State to extend the banking system and of course to
weaken it by the multiplication of new banks. Its charters are renewed long before they ex-
pire; none are repealed on account of violated obligations; and the charters of stock banks
are never reclaimed. These last are offered for sale, as if they were still in existence; and
banks that suspend while others are paying specie, revive in times of general suspen-
sion; and are sometimes purchased by new companies, who wish to shelter themselves
under vested privileges; or by old banks in other States, that choose to establish a gov-
ernment in Maryland. Savings institutions, private bankers and individuals, issue their
small notes, ^{indistinctly} in what are called current funds; and paper money bills all the chan-