

Annual
Message

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 times 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 were intended to redeem their notes is altogether uncertain; though there has been occasionally a rumor that they were ready to resume, whenever a similar movement was made by the banks of Pennsylvania, Virginia and the West. But to make an assumption in Maryland dependant 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 expence 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. The reason generally assigned by the banks for not resuming is, that it cannot be done without serious injury to the community. Individuals might give the same reason for not paying their debts, that is, that they could not collect the money which they had loaned out, without putting their debtors to irreparable ruin. This excuse might be urged at all times, and if sufficient would justify a perpetual suspension. It has also been urged, as a reason for not resuming, that the exchange is too much in favour of the eastern cities. Baltimore notes are at a discount of three or four per cent. in New York, because they are not paid in specie. This is not the rate of exchange between the two cities, but a difference of value between the paper of their respective banks. And it is hardly necessary to add, that the depreciation in the paper of our banks having been caused by their refusal to redeem it ought not to be urged as a reason for their continuing suspension.

It is supposed that the banks of this State find it more difficult to redeem their paper, because they are not permitted like those of New York, to issue