



ment of her own debts. It has been also proposed to divide the proceeds of the public lands among the different States, for purposes of internal improvement. The friends of education are competitors for this fund. Whether it will be applied to either or both of these objects, or to the purposes of the General Government, is a question which will probably not be settled, till our rail roads and canals are beyond the reach of assistance.

It has been proposed by those, who are aware of the uncertainty of aid from the General Government, that the internal improvement companies should be authorised to issue paper money, based on the credit of the State, for the purpose of prosecuting their works. The Chesapeake and Ohio Canal Company has frequently resorted to the expedient of issuing scrip, to relieve itself from existing debts, which it had no other means of discharging. For the same reason, it has recently issued notes bearing interest and payable in State bonds. It has been lately determined by the Baltimore and Ohio Rail Road Company, to issue certificates for circulation, based on the credit of the stock which is to be paid for the city subscription of three millions of dollars. The stock is to be placed in the hands of Commissioners, for the redemption of the rail road certificates as fast as they are presented, in sums not less than one hundred dollars. This is one of the means relied on, for the construction of the road between Harper's Ferry and Cumberland. A company, constantly receiving and paying away money, may issue a certain amount of this kind of paper on the basis of its own operations. As much of it as is required for the payment of tolls and other charges, may be kept continually in circulation; not on account of the security upon which it rests, but because it answers all the purposes of money. To this extent, it is more valuable than State or City stock, and will not be funded in either. When more is paid out than will freely circulate, the operation of funding will begin; and then the paper will sink below the value of the stock into which it is convertible. It will be distributed in small sums, along the line of the works, among laborers and others, who do not deal in stocks, and who are not able to make permanent investments. It will be purchased at a discount, by brokers and speculators, and sold to capitalists at a profit, for something less than the price of the stock. The depreciation of the stock, suggested the idea of issuing other paper in its place. If it could have been sold at par, or exchanged for bank notes, or had been available in any other form, the scheme would not have occurred to the companies, of issuing a paper currency, not to a small amount for circulation, but to such an excess as to coerce the conversion of it into depreciated funds. If the State and City stocks rise to their proper value, as they certainly will if not used too freely, money can be raised upon them without the intervention of canal and rail road certificates. At present, when the State bonds are forced into the market, and sold by suspended banks, at a discount