

of twenty and thirty per cent., they are not a suitable foundation for a circulating medium. If a State bank were established, 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 used in the collection and disbursement 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 particularly 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 funding system; and that is its tendency to increase the derangement of the currency. When paper money is issued 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 minor channels of business. If other 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 or exchange their own paper for bank notes, and draw specie out of the banks. If canal and rail road companies, holding perpetual charters, and engaged 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 be ever 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. Old charters are renewed, long before they expire; none are repealed, on account of violated obligations; and the charters of broken 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 suspension; 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