

Richland 21<sup>st</sup> Apr 1835

My dear Sir

I have rec<sup>d</sup> your favor of the 5<sup>th</sup> inst. on the subject of the proposed Bank in Maryland to be based on real Estate.

During my passage through Frederick & Washington I did, in casual conversation, express an opinion unfavorable to such a Bank. It was certainly expressed with no intention to influence the fate of the measure, and with no expectation that any importance would be attached to it; for it deceived none. I do not recollect how the subject was introduced, nor even to whom I expressed the opinion. I am quite sure that the conversation was altogether casual.

Entertaining the opinion, however, I would gladly comply with your request to communicate the reasons of it, but that it would require me to write an essay, which would be an infliction upon both of us. I must therefore content myself with a few brief observations.

The objects of Banks, constituted as they are in this Country, are 1<sup>st</sup> to furnish Capital to those who want it, for longer or shorter periods, by embodying that which is possessed by persons not wanting to use it themselves, and 2<sup>d</sup> to supply a circulating medium to the Community. It is therefore immaterial what name is given to a Bank, or on what it is proposed to be based. It may be based upon Land, Houses, Slaves, Horses &c. It may be called Farmer, Planter, Mechanic &c. If it accomplishes the above objects it will fulfill the purposes of its creation, and it will not, if it does not. The name is nothing. To enable it to perform the purposes of its institution it must be able to fulfill, and must in fact fulfill, all its pecuniary engagements. To do this, it must have a specie solidity. Nothing can supply the want of this. It is in vain to say that it has real estate or any other property for its foundation; if it cannot redeem its notes on demand, and discharge its specie obligations, it will fail.

I have not seen the details of the Bank proposed for Maryland, and therefore

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