and therefore cannot speak of them particularly. But, I suppose, either that the Capital is to be made up by subscriptions founded on real estate, or, if it is contributed of specie, this specie is to be loaned out, for longer periods than usual, on the security of real Estate. In the first case, the Bank will begin without money, in the other, it will shortly end without money (that is specie) to operate upon. The holders of notes and obligations on the Bank, when they demand payment of them, will hardly be satisfied by an answer from the officers of the Bank that they have no specie in their vaults but lieu upon very good real Estate or fee.

Whatever may be the popular form or name given to a Bank, the real question for the legislator to decide, when it is proposed to be chartered, should be, does the State require another Bank, and if it does, whether the security to the public, on the terms proposed, be adequate. The question for Maryland, therefore, is whether the interest of the Commonwealth demands additional Bank facilities?

But I think it would be unfortunate for an agricultural community to have the real Estate of its members pledged, in any way, to a Bank. The amount of debts which prudent farmers ought to contract should be regulated not by the value of their Estates but by their annual income from them. I mean, of course, this as a general rule. There may be exceptions growing out of extraordinary circumstances. If a farmer puts his Estate in Bank how is he to meet the debt if an unforeseen necessity to call it in arises?

Situated as the Banks of this County now are, with 24 States creating them at will, without concert, not unfrequently under peculiar influences brought to bear upon the legislature, and in the absence of any controlling institution, such as the present Bank of the U. States would have been, if its charter had been renewed, it is, I fear, impossible for us to escape an explosion for any great length of time. When an alarm arises (a failure of the Southern crop & other events may produce it) it unfortunately happens that the same necessity which would drive one Bank to call in its resources would extend to all. The contagion would become general. But at the moment when a debtor, pressed by his creditor bank, flies to other Banks for relief, he finds the doors of all closed against him. In such a state of things, if he be a farmer who has mortgaged his Estate to a Bank, what is he to do? There is no alternative but a sale of his Estate. There being however a great demand for money, and much property thrown into the market to obtain it, he perceives that his Estate must be sacrificed, and his family brought to ruin. When money is plenty & Bank issues abundant, property rises, and it falls in the opposite state of things; falling too in a ratio disproportionate to the cause which produces the decline. The former, I think, is the general state of the Country at present. I wish the latter may not soon be our condition.

Unfavorable impressions were made on my mind too, with regard to Real Estate being the basis either of Capital or loans of a Bank, by the experience which we had in this State of the Commonwealth's Bank, as it was called. It was authorized to lend on mortgage security; and serious losses have been sustained by false values, defective titles &c. The Bank was only allowed, at the same time, to lend to a limited proportion of the estimated value of the Estate.

You address me several questions respecting the Union Bank of Louisiana. I have not read its Charter, nor am I able to answer your questions. I have heard a good deal, from time to time, about it. There has hardly sufficient time yet elapsed, since it was granted, to form an opinion about the experiment. I am afraid however that Louisiana would be an unsafe State to derive lessons of prudence from about Banking. I have seen it lately stated that at the last session of her legislature Banking institutions to an aggregate amount of fifteen millions of Capital were created; which added to the pre-existing Banks makes a total capital for that single State of fifty millions! When the present Bank of the U. S. was established, its Capital was thought by many to be too large for the whole U. States; and yet it is less by fifteen millions of dollars than the Banking Capital of Louisiana.

I confess to you, my dear Sir, that I look forward with painful apprehensions from our Banking system. When the Country is in a state of high prosperity, as, at present, it generally is, all may be well enough But the evils of the days of adversity, which must certainly come, will be greatly aggravated by the existence of Banks. If the ~~farmer~~ agricultural class

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