

might be rendered certain. Its credit might be unquestionable. But as its offices would necessarily be at a distance from our great seat of trade, it is not probable that its circulation would exceed the circulation of our country banks; that its deposits would be considerable, or that the profits on its active capital would exceed the ordinary rate of profit on banking capital.

Upon the foregoing hypothesis the following estimate of the receipts and expenses of the bank may be predicated.

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| Of the sum of \$1,000,000, proposed to be loaned by the State to the Bank, \$500,000 loaned by the bank to the stockholders at 5 per cent, would yield, | 25,000 00 |
| 250,000 on other real security at 6 per cent, | 15,000 00 |
| 250,000, on real paper yielding with the deposits &c. a profit of 8 per cent, | 20,000 00 |
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| Making a total of profits of . . . | \$70,000 00 |
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| 5 per cent interest on \$1,000,000 to be paid the State, | \$50,000 00 |
| And the expenses of the bank and two branches, | 20,000 00 |
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| Making an expenditure of | \$70,000 00 |
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would absorb all those profits, leaving nothing to meet contingent expenses and the losses to which the most ably conducted institutions are continually liable.

According to this statement the profit to the stockholders under the most favourable auspices could not exceed the saving of one per cent on so much of the capital as should be loaned to them. But those loans ought not to exceed a moiety of the whole cash capital of the bank. The cash borrowed ought to be secured by a real estate capital of at least twice its value; and to provide against the dangers of fluctuating prices in lands, the real estate subscribed as stock ought to be taken at one half of its present value. The profit on the operation should therefore be estimated at about one eighth part of one per cent on the value of the land, which is subscribed as stock.

Our committee are inclined to believe that no prudent man in tolerable circumstances, would risk a productive estate in the perils of a speculation, which in its most favourable aspects promised such moderate profits; and