

MARYLAND GAZETTE AND POLITICAL INTELLIGENCER.

VOL. LXXV.

ANNAPOLIS, THURSDAY, AUGUST 7, 1817.

No. 32.]

PRINTED AND PUBLISHED BY JONAS GREEN, CHURCH-STREET, ANNAPOLIS.

Price—Three Dollars per Annum.

MARYLAND GAZETTE.

Annopolis, Thursday, August 7.

For the Maryland Gazette.

AN ADDRESS

to the People of Maryland, on the

Necessity of establishing a Bank

for the benefit of Agriculturalists.

BY THE PEOPLE OF MARYLAND.

Before the introduction of

banks into the state of Maryland,

freeholders found no difficulty

borrowing money on mortgage

for the cultivation and improvement

of their estates, as those persons

had money were glad to lend it

at the legal interest of six

per cent. on mortgage of their land;

and considering this the best

mode for the payment of both inter-

est and principal; but in conse-

quence of the establishment of

banks, the freeholders, from being

able persons who could obtain

money, have become almost

entirely unable to do so on any

terms whatever. This

is in their circumstances was

caused in the following manner:

1. The Seal of the State of

Maryland, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

ered to the Chancellor, was

lost; and the great seal of

the State, which had been deliv-

which are taken in payment as specie, to create what money they please; and the freeholders of Maryland have been reduced to the distressful situation of not being able to borrow money, as they used to do, nor indeed upon any terms whatever, except in a few instances, and as a very great and special favour.

2d Setting aside the interest of the stockholders, these banks are calculated solely for the advantage of commercial men resident in Baltimore, or rather for the benefit of the directors of those banks, and their particular friends; for any two persons in that place, (although destitute of property) who happen to be in favour with the directors of a bank, by endorsing one for the other, can obtain money to large amount, (\$27,000 for instance and in some cases a much larger sum) can get their notes renewed for a long time by the favour of the directors; can employ the money as a capital in trade; can let it out at exorbitant interest (called shaving); can carry on what speculations they please with it, and may even use it to fit out vessels for piracy, or expeditions for the invasion of foreign countries.

3. But the inhabitants of Baltimore, and other cities, in which commercial banks are established, who happen not to be in favour with a director, cannot borrow any money out of them on their own notes, nor on the notes of the most eminent merchants, but are forced to obtain money from shavers (as they are called) by paying them the exorbitant interest of two or three per cent. per month.

4. Since the establishment of these commercial banks, a freeholder of Maryland is worse off even than those inhabitants of cities who are not in favour with the directors of these banks, for he cannot borrow money on any terms whatever to stock his farm and repair his buildings; his cultivation therefore is languid and unproductive, nor can he save any thing to set his children forward in the world, but he falls continually behind hand, and is forced to sell his land for want of money to improve it. His situation is in this respect inferior to that of an owner of land in any christian country in Europe, who can borrow what money he pleases on mortgage, even to half the value of his estate, and that not as a favour, but as a matter of course, without even seeing or being known to the person of whom he borrows the money, the business being transacted by solicitors employed by the parties. This freeholders in every other country are the first people in the country, (and they were so considered in this before the introduction of commercial banks,) they alone are necessarily connected with the welfare of the state, the cultivation of the land being not only the most honest way of acquiring wealth, but of all employments the most useful and most profitable to the state, as land once brought into good cultivation will continue to be productive for ages; for which reason the Great Frederick calls the cultivators of the land the true nursing Fathers of the State; and he and his successors, the Kings of Prussia, have been careful to lend money to the owners of land to put their estates in order. The honours paid to agriculture in China take their date from the remotest antiquity, and through the purer ages of the Roman Republic it was held in the highest estimation. In England the name of Russell stands preeminent among those who have patronized this noble art; and in our own country, the great founder of American liberty, when the toils and dangers of warfare were ended, retired to the cultivation of that soil which his valour and his virtues had rendered free. But merchants and speculators belong to no country, they may flourish and get rich, though the country be ruined, their speculations being most profitable when the people are most distressed; and they can then transfer their wealth and themselves to another; and yet such is the situation of the freeholders of Maryland, (and not of them alone, but of all the freeholders in America, the proprietors of one thousand millions of acres) that they cannot borrow money for the most useful and necessary purposes, in consequence

of their having been persuaded by a few artful men in seaport towns, most of whom are foreigners, to make laws establishing commercial banks, by which all the money of the country is at the disposal of the directors of those banks, and their particular friends, to be employed by them in enormous speculations, and in trades of little or no benefit to the people at large, or to the nation, while the landed interest is greatly depressed, and reduced to the subjection of a few men in those towns.

5. The consent of the legislature to the passing of the laws establishing these commercial banks, was obtained by representing to it, that these banks would be greatly beneficial to the land owners and the whole state, as the merchants, being amply supplied with money from the banks, would be able to give us a better price for our grain and tobacco, and furnish us with the articles we wanted from foreign countries cheaper than they could do if they had not this supply of money. Instead of which a very great part of the money lent by these banks has been employed in carrying on a trade between the Spanish colonies and the continent of Europe, and between the European settlements in the East and West Indies, and the countries in Europe to which those settlements belong, trades of very little advantage to the people of Maryland or the United States, as few or no articles of our growth were sent to these countries: But the interruption of this trade was a leading cause of the war from which we have been so lately delivered. While this contest was raging into which they themselves had plunged us, the merchants and speculators were so far from giving us a good price for our tobacco, that they took advantage of the general distress and poverty, and borrowed of those banks money, which had there been no such banks would have been lent to us for the improvement and cultivation of our lands, and bought with it our tobacco at two and three dollars a hundred, which they sold again in a few months at eighteen. Nor have those banks been of general advantage even to the inhabitants of Baltimore, for such enormous sums have been lent by them to great merchants and speculators, that they have been unable or unwilling to advance moderate sums to sober and industrious tradesmen in that city. The mode adopted by these commercial banks of lending money on promissory notes, with an endorser, is very dangerous, and has caused the ruin of many persons; for instance, A. and B. two men without property, but with a good address, each of whom has a friend who is a director in a bank, set up as merchants, and obtain large loans of money from the banks, by the one endorsing for the other; they get into large houses, which they furnish expensively, give great dinners, to which they invite the principal merchants, and acquire the reputation of merchants in great business; at length it is discovered by some of the directors of the bank from which A. obtains loans, that B. who endorses for him is likely to fail, and his friend the director informs him that he must get another endorser instead of B, upon which, in an unguarded moment, he surprises C, a man of opulence, or reputed so, and who is one of his numerous acquaintance, into an endorsement for a large sum; the bank is secured, A fails, and the bank calls upon C, who has endorsed for him to pay the money, and he is obliged to pay it; in this manner some of the most prudent and richest men in Baltimore have been taken in and lost large sums of money, and others not so rich have been entirely ruined. The necessity of making a shew of being rich, in order to obtain endorsements, has led persons in Baltimore, who have little or no property, but have credit with the banks, into a very expensive manner of living, which has produced many instances of insolvency, attended with circumstances disgraceful to the parties, and to the character of the state; such as buying up their own debts, under par, through their friends; secret conveyances of their property to their friends and relations, to be restored to them after they have obtained an act of insolvency; and their lives, as expen-

sively after their insolvency as they did when they were supposed to be rich. Another great evil arising from the establishment of these commercial banks is, that the banks in one town will not take the notes of a bank of another; the consequence of which is, that persons residing in the country, who have taken the notes of the bank of one town, supposing that all the banks pay specie as they pretend to do, when they bring them to another town, find that they will not pass there, and are forced to sell them at a discount from two or three to twenty-five per cent. under what they took them for, by which means they are cheated to the amount of what they paid for the discount, to the great profit of bank directors and exchange brokers, who have contrived these methods of making money by exchange.

6. When the legislature passed the acts for the establishment of the ten commercial banks in the city of Baltimore, they did so under the persuasion that the state in general would derive benefit from them, but in truth no part of the state has received any benefit from them, except the city of Baltimore. That city indeed, and its immediate neighbourhood, have been greatly improved. The immense sums thus obtained, which have been expended in improving that city, and in making wharves, and deepening its basin, would, if lent to the freeholders, have put into a complete state of improvement half the estates in Maryland. Whilst Baltimore has increased in riches by the monopoly of all the money in the state, to such a degree that a few square yards of ground in that city will sell for more than a large plantation in the country, and foreign adventurers have acquired immense riches by loans from commercial banks of that money which, if there had been no banks, would have been lent to the freeholders for the improvement and cultivation of their estates, the freeholders themselves have been reduced to such distress, for want of money, being unable to borrow it upon any terms whatever, that many of them have been forced to part with their negroes to raise a little cash for present use, and the land being unproductive without negroes, they have been forced soon after to sell the land itself; and the country people in general have fallen so low in consequence of their having deprived themselves of the power of borrowing money, by the whole of it being collected in the commercial banks of Baltimore for the exclusive use of persons in that city, that they have become objects of contempt and derision to the Baltimoreans; and the state of Maryland is fast approaching to that worst of governments, the government of a city over a territory, where all the laws are made with a view of aggrandizing that city, by the impoverishment and ruin of the inhabitants of the subject territory.

7. It being disgraceful to the freeholders of this state, and contrary to their interest, to be kept in a state of dependence and subjection by a few foreigners in Baltimore, who have artfully contrived to get almost all the money of the state into their hands, by the management of commercial banks, it becomes a duty which the freeholders owe to themselves and their children, to extricate themselves from this state of wretched dependence and poverty. This may be effected by establishing a bank, which will afford to them the same facilities of obtaining money for the cultivation and improvement of their estates, which persons engaged in commerce obtain from the commercial banks, often with very slender security, for the carrying on of trade. This it is proposed to do by the establishment of a bank to be called The Freeholders Bank of Maryland. The intention of this institution is not to enable men to get money to buy lands in order to speculate in them, but that such persons as already possess farms may be enabled to purchase stock, to build barns, stables, &c. on them, and cultivate them to the greatest advantage, and that they may be able to set their children forward in the world, without being under the necessity of selling any part of their land. This institution is intended for the exclusive benefit

of freeholders, without any commercial man having any concern in it, except as a mere stockholder. It is not intended to be a party machine, but to benefit freeholders of all parties, by a liberal indiscriminating policy; neither is it intended to enable any men to engross large sums of money to their own use, and that of their particular friends.

8. In order that monied men may be induced to subscribe to the capital of the bank, they must be satisfied that the principal will be safe, and the interest regularly paid, and be at least equal to what they can get by any other safe employment of their capital. That the principal may be safe, it is proposed that no more be lent on mortgage of any land than one fourth of the value of the land, estimated according to a very moderate valuation. That a law be passed by which all mortgages, and other conveyances of lands, shall date their validity from the time they are recorded, and not from the time of their execution; and that the banks shall not advance any money on any mortgage before the mortgage is recorded, and that effectual remedies be given for the speedy recovery of both principal and interest when due. It cannot be expected that any man who has money will lend it when he cannot get payment of either principal or interest without waiting a long time for them, and without the expense and delay of an action at law or suit in equity. It is for this reason principally, that men will not lend their money on mortgages, and prefer vesting it in government securities and bank stocks, where the interest and dividends are paid regularly. Therefore, if the owners of land wish to obtain money on loans, they must consent to give the lenders effectual remedies for the speedy recovery of the money lent, and the interest due thereon, without which they will not lend it. That the recovery of both principal and interest may be effectual and speedy, it is proposed that upon the non-payment of the interest, when due, or upon non-payment of the principal, the land, or such part thereof as may be necessary to pay off the principal, interest, and all costs, shall be sold within sixty days, without any power in the directors to protract the time of payment, or dispense with such sale, without the formality of foreclosure, and without any equity of redemption; and that the surplus, after paying to the bank what is due to it, shall be paid to the mortgagor or his representatives. This strict enforcement of payment of both principal and interest is absolutely necessary, and is for the real advantage both of the bank and the mortgagor; for if the mortgagor has any hopes that the time of payment may be extended through the favour of the directors, he will become inattentive, and neglect to make provision for the payment of the money when due, and the directors of the bank cannot calculate with any certainty on the payment of either principal or interest, the affairs of the bank will be thrown into confusion, and the bank will be disabled from making regular dividends, and from lending money to more industrious persons who may be in want of it. This strictness will also produce one great advantage to the borrowers of the money, and to the freeholders in general, by making them more attentive to the management of their affairs than land owners generally are, the necessary consequence of which will be that they will become independent and rich.

9. To induce monied men to subscribe to the capital of the bank, they must also be satisfied that they will make as much interest of their money as they can by any other employment of it. The multitude of notes which have been issued by the commercial banks, and the Bank of the United States, will render it impossible to keep in circulation a sufficient number of the notes of the Freeholders Bank to enable it (unless it receives more than six per cent. on the money lent) to make such dividends as will induce men who have money to subscribe for the stock. It is therefore proposed to allow such freeholders of this state as are desirous of borrowing money of this bank, to borrow it

FOR SALE... offers at private... following terms... South River, in Anne... to wit: A Tract of... White's Hall, now... of Mr. Stephen... 200 acres. The... well adapted... Corn, Wheat or... improvements, consisting... dwelling-house, kitchen... and quarter, all lately... complete repair; there... fine water, and a young... of the choicest fruit... farm is nearly adjoining... contains about 30... and is not inferior to... is under good footing... modious dwelling-house... tobacco-house... The above lands... great benefit from... and from their healthy... pleasant neighbourhood... desirable residence. They... from the city about... subscriber invites persons... purchase to view the... terms, which shall be... will be made known... T. Barber... March 27... Agency Charles Ridg... Esquire, Governor... OCLAMATION... is provided by the... of the constitution... ment, that "The Co... power to make the... late, which shall be... sellor, and affixed to... sions, grants, and... as has been heretof... is State." And where... virtue of the said... e lately caused to be... ed with certain de... ds "Seal of the State... scribed thereon. And... same hath been deliv... cabler the Chancellor... used as the great seal... have therefore thought... is my proclamation... so as aforesaid mak... to the Chancellor, and... to be the great seal of... yland. Given under m... e seal of the State of... tenth day of June, in... Lord on the eighth day... eventeenth day of... DGELY of Hampton... Agency's Command... Ninian Pinkney, Clerk of the Council... That the foregoing... ublished eight times in... Gazette, Federal Gue... ublican and Telegraph... wn Herald, the Wor... luegany Federalist, and... Easton... Ninian Pinkney, Clerk of the Council... FOR SALE... subscriber will sell... Thomas's Point... ds adjoining, lying on... Bay, South River, O... Creeks. These lands... ship timber, and wood... y description. There... ty of firm marsh being... me low ground, which... into meadow at a... ere are several small... The whole contains be... four hundred acres. A... markable for fish, o... on to the above lands... will also sell the lands... the whole will contain... and seven hundred acre... or five hundred pur... ning from the Head of... Smith's Creek, will ex... and. This half of the... siderable quantity of... ing to it, two teams... of good water. The... of being made one of... g farms in the state... J. T. Clerk... Valuable and Highly... proved FARM... n by the name of the... AYLANDS... near fifteen hundred... miles below Annapolis... ble waters of Rhode... particularly described in... uary and February last... l for sale. If desired... will be divided into... and sold separate. A... to me in the city of... be attended to... 72. James Carr... THE... and Proceeding... t Legislature—a few... this office.—Price \$1