$250, which is left in bank, and acted upon as principal for ten years, when the first dividend of profits is to be made—and when made, A's position is this,—of the $5000 he borrowed of the bank to pay his old debt, one-fourth being the first payment, becomes due, viz: $1250—at the same time A. is entitled to his ten years profits on his stock, to wit: $2,500, which enables A. to pay his instalment of debt, and leaves him, besides, $1250 to apply towards the improvement of his land. In short, the position of A. at the end of the charter, would be this, under the simple operations of the Bank:—He still holds his farm, improved by the means and facilities the bank afforded him, his old debt of $5,000 is paid, and he puts in his pocket $5,000 besides.

This is not chimerical or mere supposition, for if the Bank only clears 2 1-2 per cent. profits, the result is as certain as figures—Now that the Bank, if administered with common honesty and prudence, will realise 2 1-2 per cent. profits, may be shewn thus,—the Bank borrows its capital, $10,000,000, at 4 1-4 per cent. and the expenses of conducting it will be, say 1-4 per cent. Total interest and expenses, 4 1-2 per cent. which, on the whole capital, would be $450,000.

Profits arising from the business of the Bank, say 7 per cent.	$700,000
Deduct interest and expenses,	450,000
Nett annual profits,	250,000
Deduct one-eighth for the use of the State,	31,250
Leaves a clear profit to the Stockholders, of	$218,750

These profits to be made a part of the capital, as they accrue every year, for ten years, necessarily strengthens the Bank, and at the same time yields to the stockholders a profit in the nature of compound interest. By endorsing the bonds of the Bank, the State incurs no direct responsibility, as she would necessarily do, in case of a Bank founded on her scrip. Indeed, the responsibility is not only indirect, but in the extreme, remote, and depending upon a contingency that is barely possible.

Such a Bank may fail, and the sky may fall, but the possibility is so improbable, that the contingency, in the estimation of the most timorous, cannot be considered a risk. A Bank, whose substratum is *land*, and whose superstratum is *specie*, and which can divide *no profits till its debts are paid*, will not be asked a high rate of premium, for insurance against all risks—yet it is proposed to give the State 1-8