

said, that the company was answerable for the current of things which it was called upon to stem. The wild system of speculation so extensively engaged in, in this country and in Europe, superinduced a pressing demand for money, and of course as the demand increased, the value of it increased in the same ratio. Few were disposed to make investments in public securities, when they had every facility to realise much larger sums for the use of their money, by loaning it to those whose pressing wants made them an easy prey to the wealthy.

The committee have had before them the testimony of gentlemen competent from their position and means of knowledge, to state accurately the state of the money market in July and August 1839. Mr. Swan, the President of the Merchant's Bank of Baltimore, and Director in the Baltimore and Ohio Rail Road Company, testifies that the usual rate of interest given in New York in the months of August, September and October, 1839, "was very high—say from 1 to 2 per cent per month;" Mr. Jones, President of the Western Bank of Baltimore, referring to the sale of the bonds hypothecated with that institution, says, "about the time of this sale, the Bank had determined to send a portion of the bonds, to New York for sale; but after our agent had left for that city, the President of the canal company called and stated that he would greatly prefer to have money borrowed upon the bonds, even at one per cent per month, than to have them sold in the then condition of the money market, and requested that an effort might be made to this effect. The agent of the bank was instructed to act in accordance with this request, and was making an effort to fulfil it, when the suspension of specie payments by the Banks of Philadelphia and New York, rendered any further negotiation, in relation to the matter for the time being, unnecessary." He further states, "that the usual rates of interest and commission charged by Talbot Jones & Co., of which house I am the senior partner, for the loan of money at any period, is six per cent per annum for the former, and two and a half for the latter. It may be proper for me further to say, that looking at the extreme embarrassment of the money market, at the period indicated, I have no doubt that much higher rates, upon both items, were demanded by moneyed men; which rates were no doubt often regulated according to the necessity of the borrower and the nature of the securities." John S. Gittings, Esq. President of the Chesapeake Bank and Commissioner of Loans