

honestly disposed; they have not that integrity of character and pride of honesty that the white race as a general thing have. They are disposed to involve themselves and care very little for the consequences. I do not know that imprisonment for debt will help the matter, but it might be at least a rod held in *terrorem* over them, and might possibly exert a good influence. I would not provide for it in the constitution, but merely leave the legislature at liberty to provide for it, if in their discretion it is proper and right.

Mr. BARRON. I object to the amendment on several grounds. One is that the negro has no oath in the State of Maryland. Another is that employer can threaten him with imprisonment for debt, and swear an account against him and put him there, or give him his choice to go to jail or work for him. It is a dangerous precedent for us to set. We are revolutionizing the State. We are going to clean out slavery. If we have no imprisonment for debt for the white man, let us have none for the black man. The very moment you adopt it for the black man, there will be plenty of men to say to the negro, "If you don't go to work for me, you owe me so much money, and I will put you in jail." It makes the whole matter compulsory, and I want nothing to do with it. I hope the amendment will not prevail.

The amendment was rejected.

The forty-second section was read as follows:

"Sec. 42. The general assembly shall grant no charter for banking purposes, or renew any banking corporation now in existence, except upon the condition that the stockholders shall be liable to the amount of their respective share or shares of stock in such banking institutions subscribed for and not paid in, for all its debts and liabilities upon note, bill or otherwise. All banks shall be open to inspection of their books, papers and accounts under such regulations as may be prescribed by law."

Mr. MILLER. This is different from the present constitution, which makes the stockholder or the director liable to the amount of their respective shares of stock in such banking institutions. I should like an explanation why that alteration was made.

Mr. SCHLEY. It was made to protect the community against fictitious issues of banks where there was no real capital paid in, or only a small portion of it, and a very large issue of banking currency, and where perhaps the subscribers were not residents and could not be got at.

Mr. PUGH. Was it intended to relieve from responsibility stockholders who have not paid for their stock?

Mr. SCHLEY. No, sir; to the extent that it is not paid in, they are liable. As an illustration, a subscriber holds shares of one hundred dollars, of which five dollars is paid in.

He is liable for the other ninety-five dollars, for all the debts and liabilities of the bank.

Mr. PUGH. Suppose that I am a subscriber to a bank, and have paid in fifty dollars upon shares of one hundred dollars, I should certainly be liable for the fifty dollars I had not paid, but would I be liable for the fifty dollars that I had paid?

Mr. SCHLEY. That is already in.

Mr. STIRLING. That is the property of the bank, and they will take that any way to meet their liabilities, in the ordinary process of law.

Mr. SANDS. I think the difficulty my friend suggests is real. Suppose upon shares of one hundred dollars there are fifty dollars paid in, and the party is liable for the fifty dollars not paid in. Suppose that the fifty dollars paid in has been squandered by the officers of the bank or embezzled. Then the subscriber ought to be responsible for the whole one hundred dollars. That is what we ought to provide, to make him responsible for the whole sum.

Mr. SCHLEY. The intention is to make the party fulfill his implied contract. He is liable to one hundred dollars a share. If he has paid fifty dollars and it is lost through mismanagement, he is still liable for the other fifty dollars, and that is all that he is liable for under his contract.

Mr. MILLER. I have always understood the provision in the old Constitution to mean that the stockholders shall be liable for the debts of the bank, upon note, bill or otherwise, to the extent of the stock which they held in the bank; in order to give a guaranty to the public that their bills or notes shall not be issued, and debts contracted without some additional guaranty to the capital stock of the bank itself. The stockholders appoint the directors of the bank, and the directors appoint the officers of the bank. If the officers of the bank squander the money, it is indirectly the act of the stockholders themselves. It is their neglect and fault that improper officers have been appointed. The community would suffer by the amount of irredeemable money issued by the bank, when the officers had squandered it, if there was no recourse to the stockholders. The effect of the provision in the present Constitution is to provide that notwithstanding they had paid in the \$100, the creditors could come back upon them to the amount of \$100. It was for that purpose I made the inquiry; and I will offer an amendment to restore that.

Mr. STOCKBRIDGE. I desire to offer a verbal amendment; to strike out all after "otherwise," in line six, and insert, "the books, papers and accounts of all banks shall be open to inspection under such regulations as may be prescribed by law."

The amendment was agreed to.

Mr. PUGH. I wish to make myself understood with regard to this article. I indorse