

not be worth so much. If I hold stock in a bank with a long charter, then the very hour you adopt this amendment, you make me worth so much more money than you do my neighbor who holds stock in another bank with a shorter charter. That is one objection I have to this amendment.

And the result sought is not reached at all, because nothing is done now. You do not prevent the circulation of the banks in the State; you do not prevent inflation of the currency, if there is any inflation now. Things go on just as before, and the only practical result reached is, in my estimation, one which we, as representatives of the State of Maryland, should never be guilty of committing. That is, you make me, by this very act, worth more money, in comparison with another man, than I was when I came into this convention. That is not so very hard, not so very unfortunate, perhaps, in that case. But you must remember that you also probably make many widows and orphans in this State so much poorer in comparison with others. Although the widow or the orphan may own just as much stock as before this provision was adopted, yet by adopting it you make her so much the poorer in comparison with others. That is an act of injustice, and I object to doing any such act.

Mr. STIRLING. I have listened with a great deal of attention to the remarks of the gentleman from Cecil (Mr. Pugh,) and I would say that I do not understand that the right of issuing notes necessarily affects the value of the stock of the bank. I know there is one bank in the city of New York, the Chemical Bank, which issues no notes, has a stock so valuable that you cannot by any possibility get an opportunity of buying any of it.

Mr. PUGH. I do not intend to go into this banking question at all, but the very statement made by the gentleman from Baltimore city (Mr. Stirling) shows one point in which he is seriously in error. We are now talking about the country circulation of the State particularly. The gentleman knows that the banks of the city never depend upon their circulation for making money; they depend upon their discounts. But the country banks make their money all the time by their circulation, and their circulation alone.

Mr. STIRLING. They ought not to do it.

Mr. PUGH. If they have \$100,000 of capital and issue \$300,000 of circulation, they get six per cent. upon their \$300,000, while they have but \$100,000 invested in capital. Now, in the city they cannot do that, because they cannot keep their circulation up; it returns to them too soon. The country banks keep their notes a little below par in order to prevent their being collected in the cities for redemption, because they trust to making their money, not by discounts

alone, but out of the circulation of their notes, which are to a greater amount than the capital they have invested.

Mr. CUSHING. The gentleman says he is opposed to this principle of not issuing any further charters to banks, after their present charters have expired, because it is special legislation; because it affects the property of one individual differently from the property of another. The gentleman is then opposed to all special legislation under any circumstances whatever.

Mr. PUGH. I do not say that. I said I was opposed to special legislation as a general rule. There may be certain exceptions, of course.

Mr. CUSHING. This is a particular case; this is certainly a special case.

Mr. PUGH. Members of the convention will remember that I stated that the adoption of any such amendment had a tendency towards special legislation, while the result claimed by the gentleman from Baltimore city (Mr. Cushing) is not reached at all. Therefore there is no reason for it, even if it had not the appearance of being special legislation. The result claimed by the gentleman was this: that it would have a tendency at this time to curb the circulation of the State. I so understood the gentleman, and that it was for that reason that he was in favor of this amendment. Now I will indorse everything which will tend towards helping the government in a time like this; everything which has any tendency whatever towards curbing the circulation of the local banks of this State. That is making the circulation healthy. And I say that I deny that the circulation is now unhealthy. And I wish also to deny the statement of the gentleman that the banks of Virginia for the last twenty years have been insolvent. Now, I know they have always done a business which has kept them healthy.

Mr. CUSHING. Does the gentleman mean to include the State bank of Virginia?

Mr. PUGH. I am answering the statement of the gentleman which related to all the banks of Virginia. I believe that some of the banks of Virginia, before this war, were some of the best banks in this country. And I believe that the most healthy banks in this State, or in any State, are to-day those which loan money to country people. In prosperous times, I believe the banks in the cities are also healthy, and they are good as long as everything is prosperous. But when disasters come upon the country, they always strike the cities first. But that only raises the whole question of the banking system in this State, and in the country, and I do not intend to go into that question. It is a question about which I believe there are more different views entertained than upon any other question. And without desiring to say anything disrespectful, I will say that in my