

leges accorded by the terms of its charter.— This provision merely says that when that charter expires it shall not be renewed for a new period, except upon certain conditions. Then where is the injustice? One bank has a charter for twenty-five years, and it expires at the end of five years from this time.— Another bank has a charter for twenty-five years, which expires fifteen years from this time. When their charters shall both have expired, each will have had the same privileges for twenty-five years; the one has had the same privileges for twenty-five years that the other has had. There is no discrimination between them; and the change from one system to the other operates no injustice whatever.

Mr. PUGH. What I mean is this; there are, we will say, one hundred charters granted in this State for different periods of time. By this provision, we state that after the expiration of those charters, banking shall be done in this State upon totally different conditions. The result is, that if I happen to hold stock in a bank whose charter has ten or fifteen years to run, I estimate the value of that stock by all the circumstances; I see that by the organic law of the State of Maryland, after the expiration of the existing charters banking is to be done upon a different basis, and I therefore regard my stock more valuable than the stock of a bank whose charter expires in one or two years. Or if I want to buy stock, I will select the stock of that bank whose charter has the longest time to run.— I know of certain banks in the State of Maryland, for whose stock I would give more, if this provision is incorporated in our constitution, than I would for the stock of other banks, for the reason simply that the time their charter has to run will keep them longer from the operation of this provision than other banks will be kept from its operation. In five or ten years there will be in the city of Baltimore only a certain number of banks in existence, doing business under what I consider favorable circumstances, where there are to-day twenty or thirty, and would I not determine at once that if I want to buy stock, I will buy the stock of those five or six banks in the city of Baltimore, that will then be doing business under what I consider favorable circumstances?

Mr. STIRLING. I would like to ask the gentleman from Cecil (Mr. Pugh) one question. Suppose a bank has a heavy surplus; will not that stock be worth more, even if the charter has but two years to run, than the stock of a bank that has no surplus with a charter that has ten years to run?

Mr. STOCKBRIDGE. I have heard the explanation of the gentleman from Cecil (Mr. Pugh.) I can only say that I understood his position just as well before his explanation as I do now. The value of stock in a bank is regulated partly by the length of the invest-

ment made, and partly by the dividends which the stock is supposed to be able to pay.— Now the first part, the length of the investment in point of fact is not affected at all by this provision, and to what extent does it affect the dividends which is paid upon the stock while it continues? We have often seen in this State, and in many other States, banks come forward voluntarily, as a desirable thing, as an improvement of their investment, and change their position from banks of issue under State charters to national banks upon the basis of the national law. Last winter authority for that purpose was granted to one or two banks in this State, and others are now ready to embrace the same opportunity. Then what becomes of the favorable circumstances spoken of by the gentleman from Cecil (Mr. Pugh?) Suppose all the banks of this State but four or five should become national banks, will those four or five banks be under more favorable conditions, to use the term of the gentleman from Cecil, than the others? On the contrary, will not their bills be avoided both in the State and out of the State? And will not every bill issued by that bank and paid out over its counter necessarily have a limited circulation? Suppose the gentleman wishes to travel to Philadelphia or to New York; would he take the bills of one of those banks and travel with them as readily as he would with bills of a national bank? Not at all. Their circulation is restricted or limited. No sooner is a bill put in circulation than it is turned back upon them at the earliest possible moment, and all the advantages that are ever reached, from being banks for the creation of a circulating medium, are gone from them.

And any advantages which may be enjoyed, after the expiration of the term for which the charter is granted, is but a speculation upon the temper of some future General Assembly of the State. We all know when a bank is chartered, that there is a certain length of time for it to run, and that length of time is the only legitimate basis of calculating the duration of the investment. And when we come to presume upon the amiability of the General Assembly we may be mistaken. Upon either basis we have proof to sustain that the position that this provision is imposing no hard condition upon any bank. It is merely placing them all upon the same basis.

If this provision is not passed, what is there to prevent the Legislature, if they see fit, creating not only the apprehended inequality, but even a much greater one? Because, until the time specified in the amendment of the gentleman from Baltimore county (Mr. Ridgely,) when the last bank charter expires, they may renew each bank charter as fast as the time of its expiration approaches, for ten, twenty, fifty or one hundred years, and practically may perpetuate the system, instead of fixing a time when it shall come