

whether they will be chartered as national banks.

It seems to me that if you strike out of existence our country banks, as you will do by this provision as now amended, and consolidate all the moneyed interest of the State in the city of Baltimore, you will do an infinite amount of injustice to the country people. The country banks are invaluable to us; all of us go to them to obtain money when we need it, and if we have character and standing in the community we can get it. We cannot go to Baltimore city and obtain money of the banks there, because we are not known there. But if a man in the country is well known to be honest and reliable, he can get as much money as he wants for fair and legitimate speculations and operations. But he cannot get it in Baltimore unless he has two or three acquaintances there of means and standing who will indorse his application to the banks. I think the country banks are in quite as good repute as the city banks, and better than some of them. And the banks of Carroll county are in better repute than almost any other banks in any State outside of cities. Let us leave this matter to those who are the most deeply interested in the operations of those banks. The people of the whole community are interested in them, and should be left to control the matter, through their representatives, as they may see proper.

And a very important matter which this Convention ought to consider is, not what section or article can we adopt here by a mere majority vote, but what sort of a constitution can we frame which will secure the approval of the people. If you incorporate in the constitution we are now framing articles or provisions which are obnoxious to the people of the State, you thereby imperil the success of the constitution when it comes to be acted upon by the people, and it would be infinitely better that we had not assembled here at all, than that the constitution we may adopt shall be defeated by the people. If you strike down the country banks in this State, you will array against this constitution almost every man in all the counties, because they are nearly all directly or indirectly interested in the country banks. That is a matter which I think we better take into consideration. I do not think we ought to insist upon our private prejudices in this matter. We should consider what is for the public good, and what we can carry through by the vote of the people. We should guard against incorporating any provision in the constitution which may run counter to the sentiment of the great body of the people. I am very sure that nine-tenths of the people of my county are opposed to any interference with the banks, and that if you insert a provision here striking down their banks, they will vote against this constitution.

Now, I want the constitution which we shall frame here to be adopted by the people. I want all our action here to be approved by the people. And I think the worst thing we can do will be to insert a provision in the constitution which is against the prevailing sentiment of the people of the counties of this State.

Mr. CUSHING. Will the gentleman state how the country banks are interfered with by this provision?

Mr. SMITH, of Carroll. They are interfered with indirectly, if not directly, by concentrating all the moneyed interest of the State in the city of Baltimore.

Mr. CUSHING. How is that done?

Mr. NEGLEY. If the gentleman will allow me, I will answer that question. It is done in this way: it is a notorious fact that the banks of the city of Baltimore, do not make their money by their circulation. They do not care anything about their circulation. They make their money by their deposits. The country banks cannot compete with the city banks in point of deposit and if you cut them off from the benefit of circulation, they must go under. The regular statements of the city banks show that they very seldom have more than a circulation of about one-fourth of their capital, because their deposits are so enormous. Their rules are such that before a man can get accommodation at a bank in the city, he is required to have a certain amount of deposits there all the time. We do not require anything like that in the country.

Mr. SMITH, of Carroll. And to pay two-and-a-half or three per cent. discount, besides having his deposit in the bank.

Mr. NEGLEY. Yes, sir. He must have a certain amount of deposit in the bank before he can get accommodation.

Now what is the use of interfering with this matter at all? The object is to get out of circulation, to strike out of existence, all bank paper except that guaranteed by government securities. Now, if the little State of Maryland, by anything we could do in this convention, could accomplish such a result as that I would vote for it. But can we do it? What use is there in our striking down our State banking institutions, when Pennsylvania and Virginia on either hand, are allowed to multiply such institutions *ad infinitum*, to reap the benefit of a circulation in our midst? We can do nothing in this matter that will accomplish anything.

And the object designed by gentlemen from Baltimore city will be reached very soon in this way: The Congress of the United States has now imposed a tax of six per cent. on all the circulation of State banks beyond ninety per cent. of their capital. In other words, a State bank having a capital of \$100,000, has no inducement to put out more than \$90,000 of notes, because it must pay a