

"The General Assembly shall grant no charter for banking purposes, or renew any banking corporation now in existence."

My object in offering this amendment is to bring before the Convention at this time the whole question of currency, and the propriety upon the part of the State of authorizing no banks, farther than those already in existence, to issue any bills of credit. I do it as the first step towards destroying the whole system of State banks, so that after the charters now in existence shall have expired, there shall be no new charters for State banks granted in Maryland. I judge that under the Constitution of the United States the right of any State to allow banks within its borders to issue bills of credit has always been problematical. And I think circumstances have shown that the exercise of such a power has acted very adversely upon the interests of the whole country. The first clause of section ten, article one of the Constitution of the United States provides that—

"No State shall * * * * and coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts," &c.

The State of Maryland has already, during the progress of this civil war, passed stay laws which have allowed the banks in this State not to redeem their issue in gold and silver; making the bills of the State banks in this State a legal tender throughout the State. And this has grown up to be a custom until it has become a matter hard to manage. I think this Convention might now take a stand and prohibit the rechartering of any banks now in existence, or the creation of any new banks. The United States has made ample provision by which the banks can organize under the law of the United States, and provide us with a national currency. And the country will then be free from a currency system under which each State in the Union issues a different currency, and which must be discounted from one State to another, until the losses which have been sustained on those State bank notes have been greater than from any other cause.

Mr. STIRLING. I agree with my colleague (Mr. Cushing) to a great extent. But suppose the Congress of the United States chooses to repeal this national banking system; then we shall have no banking system at all.

Mr. CUSHING. Then all you have to do is, under a provision of this Constitution which will be adopted, to submit to the people of this State the question of altering this section.

Mr. STIRLING. Congress may repeal the national banking system by a single act at once. And it will take us a very long time to amend the Constitution to meet that case.

Mr. CUSHING. The charters of our banks do not all expire on the same day. Nor is it reasonable to suppose that Congress will repeal the system after so many hundred banks

have been organized under it, and so many millions of dollars have been invested in them, without giving a reasonable time to wind up their affairs.

There are banks in the city of Baltimore, with a capital of \$1,500,000, whose issues of notes alone have been as high as \$1,350,000. And some banks have issued notes beyond the whole amount of their capital. And yet gentlemen complain here of the deterioration of our currency. Now, there is so little United States currency in circulation in this country, that a call for \$10,000,000 in New York has run it up to a premium. You have State banks all over the country whose notes are utterly worthless, and which notes they are not required to redeem even in United States currency. You complain that your currency is depreciated, when you have deteriorated it yourselves; because you have not even put a provision in your law that they shall be redeemable in United States currency. And yet we hear tirades every day about the currency. Sir, there is not enough of United States currency afloat in this country, aside from other notes, to sustain the mercantile transactions of this country for one month. It is hoarded up, being the only kind of notes redeemable at all, as people in former times used to hoard gold. There is scarcely a bank in this State, which, if wound up to-morrow and forced to redeem its notes according to its charter, would be found to be solvent. There is scarcely a bank in all the west which is solvent to-day. And there is not a bank in Virginia which has been solvent for twenty years past. Directors of the State Bank of Virginia have told me that if called upon to wind up the affairs of their bank, they would have nothing wherewith to meet their stipulations; that they had notes of families running back for twenty, thirty, forty and fifty years, handed down from father to son, and they did not know how many mortgages covered the estates behind these notes. There are banks in the city of Baltimore, which, while they were themselves able to go on, had to stop specie payments because there were two or three banks which would have failed on the following morning if that had not been done.

This is the proper place to meet this question. Is it the intention of the people of Maryland to support a national currency which shall be at par all over the country, or a currency which changes from State to State? Do they prefer to have notes given to them in Baltimore city which they can pay out anywhere at par, or will they prefer notes which they must sell at a discount in every State in which they go? Do you want the debts which may be due you at the west paid in a currency which you can use at home, or in a currency that sometimes runs down to thirty and forty per cent. discount? Would you