

per cent. interest by transferring their capital to New York.

Then there comes in another grave question. Your savings banks in the State of Maryland have deposits from poor people, and in the city of Baltimore, one of them has deposits solely from poor people, ranging from five dollars up to a thousand; and in the aggregate, it amounts to millions of dollars. That money must be employed by the bank, and by law at six per cent. interest. Out of that has to come the hire of the clerks of the bank, much increased beyond what it was at the time when living was less expensive than now. The tax of the United States, and the tax of the State of Maryland, must be paid out of that six per cent. So that when the time comes for the bank to declare its extra dividend, the poor people must be told that out of this six per cent. the bank has not been able to make enough to declare the dividend. All of the money goes to the poor; not one cent to the men who conduct the bank, not one cent to any stock, because there is no stock. All the money they make goes to the poor who deposit in the bank; and at six per cent. interest, they cannot make enough to declare the extra dividend to the frugal poor who there deposit their savings.

So far then, from the operation of the amendment being, as the gentleman from Howard described it, against the poor people, it is a benefit to the poor people; because the bank at seven per cent. would make one per cent. more, and it would distribute the money among the poor.

Mr. SANDS. I suppose the poor people are the stockholders of our banks.

Mr. CUSHING. There are no stockholders to the savings banks. I am glad the gentleman asked the question, because it shows that he argued the question before the house without the mere fundamental elementary knowledge of it. He comes before the house and treats a question of finance as a question of stump oratory, or question of antagonism between the rich and poor, altogether ignoring the fact that by a just use of money the poor are benefited, ignoring the fact that by the proper use of money in your State the majority of the people in your State must be benefited. He treats it as a question of oratory, forgetting that the judicious use of money for the interest of the moneyed class, is also for the interest of the laboring class; that as soon as you depress the use of money, and drive money out of the State, your poorer classes go down; making no distinction between the question of the appointment of an attorney general, and the question of dealing with the finances of your State; as if to the people of your State the questions were synonymous at all, to be treated in the same way, or to be argued on the same grounds. It is to be expected that in the

formation of a constitution, gentlemen shall give a consideration to questions in some direct ratio to the importance and character of the questions themselves, and not take everything as a case of declamation before the body, and to be treated under political prejudices.

The gentleman from Kent (Mr. Chambers) introduced, or gave notice of an amendment which, after an argument against the injurious effects of an unlimited rate of interest, gives up the whole principle, and allows an indefinite rate of interest always to be charged. Examine it, and see if that is not the effect of it. The gentleman declares that it is utterly indifferent to him whether six or seven per cent. is charged.

Mr. CHAMBERS. Not indifferent. I said I preferred six to seven; but objected particularly to the additional authority legalizing any rate agreed upon.

Mr. CUSHING. The provision which the gentleman introduced to take the place of that second clause, is a provision that in all cases the borrower shall pay all the United States, all the State, and all the county taxes. That is to say, every man in your community that loans money shall forever be free from all share in your taxes; that he shall always be released by law—

Mr. CHAMBERS. It is not an obligation but an authority.

Mr. CUSHING. Because the amendment proposed here gives only authority to make such contracts, and not an obligation, do you suppose that the lender would not always force the borrower to pay the tax? They will always do it. Is it not human nature, that when you give authority to enforce the payment of the taxes by the needy man, he will always pay them? The provision of the gentleman from Kent is eminently wise, for the interest of bank stockholders, and eminently unwise with regard to any other class of people.

The amendment as proposed, to raise the interest to seven per cent., protects the interest of the stockholder of the banks; yet it does not throw upon the borrower from the bank the *onus* of paying all those taxes. In any bank the money used is not the capital of the bank, but the deposits in the bank. You would then have the deposits in the bank used by the bank, not paying one cent of taxes from the bank, but rolling up dividends to the stockholders in property amounting in some cases to five or six times their capital. For instance, a bank has a capital of one million, and deposits amounting to five millions of dollars; and uses the whole deposits to loan, on which it receives interest at six per cent. Under the provision of the gentleman from Kent, it would receive on the capital loaned, in addition to the six per cent., the United States tax upon the bank, the State tax upon the bank, the county tax upon the bank, and