were not about to forget the lessons which we had learned. It might be that events, not now foreseen, might take place greatly affecting the receipts from our works of internal improvement, and by which the supply from that source might be arrested. At all events, whenever there was a surplus of money in the treasury, he thought that all of it, over and above what might be required for the education of the people, should go back into the pockets of those who had had to raise it.

Mr. SPENCER replied to the argument of Mr. DONALDSON, that there would be a large surplus revenue from the public works. If such a state of things was to arise, what necessity was there that that revenue should be pledged to meet any ry debt which might be incurred? If there was to be an excess of revenue, there would be no necessity to pass a law for the creation of a debt. The appropriation of the credit of the State for purposes of internal improvement had been the great flood gate by which the State had been inundated with debt, and it was now proposed to reverse the principle. He believed that as great evil would fall upon the State by a converse rule as by the operation of the original rule itself.

Mr. MERRICK said:

He thought there was much sound sense and wisdom in the proposition of the gentleman from Anne Arundel, (Mr. Donaldson.) He was quite willing to deny to the legislature the power of appropriating in future, to works of internal improvement, the actual money or the credit of the State, if gentlemen would be content with that—but there were other great purposes for which it was wise and expedient, the legislature should have power to raise money by the use of her credit. There was yet a heavy public debt to be paid off, and a proper use of such a power by the legislature, would, in all probability, greatly facilitate this interesting object and materially lighten the burthens of taxation. No observant man could mistake the indications every where given of the great change now in progress, in the monetary affairs of the world. We had passed through a period of long and distressing scarcity of money, and consequent depression of prices, and things were now rapidly tending in the other direction. Confidence was being restored, credit revived, money becoming plenty and cheap, and labor and all the productions of labor, were rising in price. This was likely to be carried farther than usual, with such oscillations, because there was now a new additional and powerful cause acting in concurrence with the ordinary causes, which was the great actual augmentation of the precious metals which was taking place from the gold mines of California. The amount already added to the solid currency from that source, was very large. But supplies from that source were going on to increase in geometrical progression; to what extent it might go, none could calculate—for the mines were found every day to be more and more extensive, and the supply of metal less and less capable of exhaustion.

The consequence was and must be a fall in the value of money, and depression of the rate of interest. Already this has taken place to a great extent. But a few years since, stocks, government stocks, (which are the things most sensitive to such changes, and give most decisive indications of their approach or advent,) were below par; even the six per centum loans of the United States could not be negotiated at par. Now, behold, they are freely commanding twenty per cent. premium. This state of things would go on progressively until probably in a few years, good government three per cent. stocks, would be worth par.

The amendment of the gentleman from Anne Arundel, (Mr. Donaldson,) proposes to leave with the legislature, the power to turn this new state of things to the advantage of the State, in her financial affairs—by paying off, should the opportunity offer, her outstanding debts and liabilities, by new loans at a less rate of interest, and thus saving to the tax-paying people, the difference between the high and the low rate of interest. Thus, suppose the State debt now to be ten millions of dollars; to pay the interest on which, at six per cent., the people have to be taxed annually, to the amount of six hundred thousand dollars. If you can now, or at any time hereafter, before this debt is paid, make a loan of the same amount, at three per cent., the annual interest of which, would be but three hundred thousand dollars, and with this loan pay off the present debt, is it not plain that you would save to the people, the three hundred thousand dollars, the difference between the interest you now pay, and that you would have to pay, on the new three per cent. loan—and could, therefore, reduce the taxes one half.

It is the valuable and important power to do this, that I wish to reserve to the legislature. Suppose interest should not fall so low as three per cent., the saving would still be in the same proportion for any greater or less fall in the rate of interest. Besides, a revenue was now coming from our works of internal improvement—the actual receipts from that source being during the last year, more than two hundred thousand dollars. This must augment, and in his judgment as well as that of many others, this augmentation must be great and rapid. But every little increase of the revenue from this source, would be necessary to insure a sufficiency to pay the interest, and any new loan of the character suggested, and thus place the State in a condition to relieve the people from all taxation—a consummation must devoutly to be wished; and he was most anxious to give to it every facility—at least, he could consent to throw no obstructions in the way, by tying up the hands of the legislature, and depriving them of this valuable and important power.

Mr. DONALDSON said:

The gentleman from Queen Anne's, (Mr. Spencer,) had enquired what necessity there could be to create a debt, if the money was already in the treasury. There might be surplus money in the treasury, annually, to double the amount of the interest on the loan proposed to be made, thus furnishing a large sinking fund for the redemp-