

Lane,) if we agree to pay the same aggregate amount of interest, whether we pay it in fifteen years or in thirty years. The question then was not the payment of the public debt, because the conversion of the bonds, no matter in what manner, does not extinguish the debt. But, Mr. J. said, the only one was, whether we should postpone to a longer period of time, the payment of the debt, by the purchase of three per cent. or other less rate of interest than the six per cent. bonds. He agreed with the gentleman from Cecil, (Mr. McLane,) that it was better and safer to let the present system continue as it now works. Mr. J. said he should be in favor of authorising the Legislature or Treasurer to borrow, upon short time, sufficient funds to pay off any deficit which might arise on account of the interest.

Mr. CHAMBERS congratulated himself on the fact, that the distinguished gentlemen who had spoken on the subject, had concurred in the views he had the honor to submit a few days since, as to the propriety of a vigorous effort to pay off the public debt as promptly as possible.

The amendment of the gentleman from Charles only authorises the Legislature to re-issue bonds when it can be done at the par value of the existing debt. There cannot be more than a million at six per cent. exchanged for a million at the reduced per cent. The only objection to this conversion of stock from a larger to a smaller interest, seemed to be that the period limited for the discharge of the new debt, might be extended to an unreasonable length.

However the valuation of money and other articles might fluctuate, there could be no difference of opinion as to the advantage of paying a small rate of interest in preference to a large rate. If on the very same day one man receives six dollars for his one hundred, and another receives three for his hundred, most certainly the receiver in one case gets double the value as well as double the sum for the use of his money. Of course no holder of a bond bearing six per cent., would exchange it for a bond of the same security at a lesser interest, unless extension of time or some other element to increase its value was offered as the inducement. The bonds at six per cent. could therefore only be converted when at maturity, for stock on time at a reduced rate of interest.

But we have now some portion of our public debt actually due, and payable at the pleasure of the government, and more might become due at a period which would allow an issue of new stock, at lower interest, on reasonable time, without extending the period at which the large portion of the debt is redeemable. Why not allow the government the advantage, in the mean time, of converting the portion of the debt actually due into stock bearing less interest? Every one who heard his remarks a few days since, would know his earnest anxiety to get rid of the public debt at the shortest possible period, yet he could perceive nothing in the proposed plan which was in collision with this view, provided there was a reasonable limit to the credit to be given on the new stock. He therefore would offer, and ask the gentleman from Charles to accept, a pro-

vision by which the new stock should be redeemable, at the pleasure of the government, not later than seven years after it is issued.

Mr. MERRICK wished to say one word on the subject of the limitation proposed, upon the time the new stock would have to run. He thought it objectionable, for the reason that it would impair the value of the new stock in the market, and would not be productive of any good effect whatever. If that state of the money market we anticipate should arise, this new stock, if negotiated at all, can, consistently with its objects, only be negotiated when interest shall be at a very low rate, suppose about three per cent. It can only be at some such low rate, the arrangement as contemplated by the amendment, of paying off a stock "bearing a high rate of interest, by the issue of a similar amount of stock bearing a low rate of interest" can be accomplished. If this end be accomplished, and your six per cent. stocks redeemed, and your stocks outstanding bear interest only at the rate of three per cent., there will in the event of future fluctuations causing a rise in the value of money, be no difficulty, if the State has the money, in redeeming this three per cent. stock, though its redemption be not stipulated for in the bonds; the very change in the values adverted to will make this redemption easy—for the reason, that if money becomes more valuable, say worth six per cent. a year, State bonds bearing only three per cent., *must fall below par*; and therefore, if the State should have the means of redeeming them, at a time when this state of things exists, they can be purchased by your fiscal agents below par, and thus another large profit or saving may be made for the State.

Mr. CHAMBERS asked if his friend from Charles did not see, that if money rise above par just at the moment when the State is called on to pay its bonds, it would have to pay more than par for them. These fluctuations are sometimes sudden and always unavoidable in any market.

Mr. MERRICK said he would authorize the Legislature to issue bonds bearing the lowest rate of interest. No one calculates that the interest of money is going to fall so very low as one or two per cent. We know its oscillations are continually going on. This amendment looked to nothing more than to authorize the Legislature to borrow at the lowest rate of interest, to pay off a debt bearing a high rate of interest. All that he now sought for was to compare opinions with other gentlemen, and then to adopt the plan which in the view of the Convention would be the wisest.

Mr. McLANE replied. His remarks will be given hereafter.

Mr. SPENCER read the proposition of his friend from Queen Anne's, (Mr. George.) and referred to the amendments and arguments since presented, and contended that if the amendments were adopted, the legislature might authorise the payment of one bond of a million, by the substitution of another bond of the like value, and appropriate the money in the treasury to other purposes. The proposition of his colleague requires it to be appropriated to the discharge of the public debt