

Mr. CUSHING. I had no allusion to the gentleman.

Mr. CHAMBERS. The argument of the gentleman is that if we limit the rate of interest on money loaned to six per cent., the available funds of our State will be transferred to the use of the people of New York. The next argument, to enforce it, is that the banks in our State are making such an inordinate profit that if you allow them to charge to the borrower from their banks, the taxes due upon the amount, they will make an enormous and most outrageous profit. How these things can be dovetailed together, I do not know.

Mr. CUSHING. I said under the operation of your proposition.

Mr. CHAMBERS. The gentleman seems to have forgotten altogether that at present your lenders of money can charge the taxation.—The code says that the proposition to increase the rate of interest seems to overlook this provision. The simple purpose I have is to have it noticed, that it may be decided by the provisions of this constitution. The additional clause I propose is no new law; it is the law now. I say further, that it is not only the law, but that it is the practice. Money lenders now exact from those that borrow a stipulation to pay the taxes. I have acted as agent for several individuals in the city of Baltimore, and they have forwarded printed mortgages; and I have not seen the first one yet that did not contain this provision.

Mr. SANDS. It is universal.

Mr. CUSHING. That refers to a small part of the money loaned in the State—the money loaned on mortgages.

Mr. CHAMBERS. I care not whether it is large or small. I say it is the law and the practice, whether large or small, that privilege is now reserved to the lender of the money. I do not use such harsh terms as the gentleman—"nonsense," &c.; but I say that any prudent man, no matter what the rate of interest may be, will take care to secure himself a certain sum; and the only mode is to guard against his being made to pay taxes out of his six per cent. Six per cent. is the value of money. We can go to the bank, and deposit it, and can receive there six per cent., and they pay the taxes. The taxes, as I said yesterday, amount to about one per cent.

I will not dwell upon the remarks of the gentleman about money lenders. I have been selling out my stock, and have found it necessary to take care of what I have. I have not denounced money lenders, all of them, as sharpers, sharks, Shylocks, and all that sort of thing. Those remarks of the gentleman cannot apply to me. They belong, as I say, further on. But I do say this, that where persons adopt that profession or occupation of shaving paper and loaning money as a business or trade, those men become presently, by habitual indulgence in large extensions of their conscience, if I may so term it, a very elastic

material sometimes, beginning with seven, eight, and nine per cent., and finding the receipts very pleasant, unable to be satisfied with less than twenty-five or thirty-three and one-third per cent. I defy the gentleman to name a man who has been ten or fifteen years in the business, habitually lending money, who is satisfied with less than twenty-five per cent. on good bond and mortgage.

It is that class of people that we are to guard against. It is to that class of people that young men go, when they come into their estates, to get money in advance, speculating upon future imaginary profits. It is to that class of people that these young men go, to persons extortionate in their demands.

The argument that the gentleman urges upon us strongly is that if you make the borrower pay the taxes, the banks will make inordinate profits. If that is the case, six per cent. is enough, and we ought not to give seven. The law now authorizes that, and I presume there is no intention to change the law. Why then increase by one per cent. the enormous profits of the banks? I have been a director in some one or another of the banks in Baltimore for the last five and twenty years, and though I have as little knowledge of their actual operations as anybody else, I believe they never have adopted the practice of exacting more than the legal rate of interest. It is not to the banks that this particularly refers. It is to gentlemen who have some surplus money, and in the present condition of the country being utterly at a loss where to place it, have loaned it out to agricultural men at a legal rate of interest, requiring the payment by the borrower of the taxes that may become due on it, so that they may know exactly what their income is—a clear six per cent.

With regard to the agricultural matter, the gentleman has misunderstood me. I do not mean to say that agriculturists were those who took advantage of the wants of others and victimized them. I mean to say that they cannot afford to pay more than six per cent. That is the idea I have of the agricultural interest. When a farmer borrows money and pays six per cent. interest, and pays the taxes on the loan, I say that is about as much as he can expect to realize out of the amount he borrows. The agricultural interest of the country is not receiving as much as six or seven per cent. profit out of the capital which they have invested.

My proposition is first that six per cent. is the value of money. There are some facts known to us by which it can be estimated.—Take the bonds of the Baltimore and Ohio railroad, the Northern Central railroad, or any other perfectly well secured bond in the State. A Baltimore and Ohio railroad bond, for one hundred dollars, will yield its owner six per cent. From that six per cent. he has to pay the State twenty-five cents on one hundred dollars capital. He has to pay the county