

a proper rate of interest, to supply the poor men and to keep the improvident young men from spending all their means.

Mr. CLARKE. In my humble judgment this is not a question in the determination of which we are called upon necessarily either to protect the poor man or to protect the improvident young man, although those two classes may more or less be affected; but the question is what provision shall be inserted in this constitution which is best for the general interests of the State, which best protects the wants of the community. It is the question whether or not we should fix a certain rate of interest, whether we shall leave it entirely open to the private contract of parties. It is a question the right determination of which will decide what is the real value of money when loaned out, looking to the general wants of the community and looking to the general value of money.

It cannot be denied that however currency may fluctuate, there is such a thing as a real value of gold and silver. Money, as represented by gold and silver, has a real value. The present experience of this land shows it. You have legalized paper. You have made it a tender, so that a dollar of paper money extinguishes a dollar of debt. But what is the result? Do you buy the commodities of life at the same price at which you bought them before? Not at all. You can go, if you pay the gold, and buy at the same rates. Hence the result of it is that paper money is all brought down to one standard, that of gold and silver, which is real money, having a permanent and fixed value.

Money having a fixed value, in the sense in which I have referred to it as being represented by gold and silver, the value of the use of money should be fixed and permanent. Why is this? Could men engage in permanent legitimate operations without any knowledge of what they are to pay for the use of money except for the passing moment? How can a farmer, for instance, purchase real estate, and make improvements upon it, to be paid for five or ten years hence, if it is uncertain what value he is to pay? Who will loan money unless there is some fixed value for the use of that money? If you leave this matter to the determination of private parties alone, you will have the rate of interest dependent not upon the real value of money for the legitimate purposes of trade, but governed by the spasmodic speculations of the commercial cities. What will be the result then? It will be that men cannot pursue, as they now do, upon a legitimate and fixed basis, schemes of operations based upon fixed rates of interest. The farmer or mechanic, or any man in the community who prefers to plan out a scheme of life based on fixed principles, will no longer be able to pursue it; but he must adapt his schemes to the fluctuations of the money market produced by speculations in trade.

It being desirable then that we should have a fixed basis, I would ask whether the rate of six per cent. is not near the true value of the use of money. At one particular period, in any particular crisis, money may be worth more than six per cent. to some men. In the crisis which occur in the trade of all large cities, brought about not by pursuing the legitimate benefits of trade, but by speculative operations, money may to some men be worth more than that. But we should be governed in fixing the rate of interest by what is the legitimate value of the use of money. I take the case of farmers. I take the case of any man who enters upon legitimate trade, or legitimate business based on prudential and wise principles. I take even the man engaged in commercial business, who pursues not a wild scheme of business, but carries on his business on sound and just principles. And I say it is very rarely that men can make on sound principles of trade and of business more than six per cent.

Take the case of the farmer. I know that in our own county, I know that in the history of the State many men do by work, hard toil and labor, realize six per cent. on the capital invested. A man who has his property safely invested, who toils hard and works hard, is very glad at the end of the year if he has realized a clear gain of six per cent. Yet the money lender can sit down quietly at his desk and draw his note and throw it upon the market, and sell it for that; and you propose to raise the rate of interest to protect him in taking advantage in any way he can of trade at a particular period, and making more in that way than men can make upon safe and sound investments, where they can bring their own labor and skill and toil to bear upon their own capital. The high price of money at certain periods in our large cities is based upon the demoralizing feature of American trade, a character or feature which never existed more prominently than at the present time, when instead of the whole attention of the country being turned to schemes of speculation, we should turn to the more legitimate duties of the hour.

How does it operate any better that at certain periods money brings seven or eight per cent. and at other periods three or four per cent.? How can men who desire to operate upon fixed principles make loans, and make any calculations upon such a fluctuating basis?

Hence I prefer the present provision in the constitution to fix it at a permanent rate, and that rate six per cent.

The reason why some men are willing to pay twelve, twenty, and even thirty per cent. interest, is found in the character of the trade in the large cities, where the great mass of men operate not upon a fixed capital, but are engaged in schemes of speculation. A man goes and buys \$100,000 worth of stock, and