

it goes down and he is unable to pay for it. If you demand the payment, he has no real basis upon which to meet it. Money becomes tight; and the result is that if he is compelled to pay, he loses everything. Of course he will prefer to take the chance of paying thirty-three or even fifty per cent. interest, and running the chance of a rise in the market by which he can save something, rather than to sell out entirely, fulfil his engagements, and lose all. But if the money lenders will advance him the money, it will be with a full knowledge of his condition. They take advantage of it. The result is that these men are the only men who are able to pay these high rates of interest—the men engaged in these schemes. They are able to pay it, because if they do not get the money they lose everything; and if they pay it they are no worse off than if they do not, and they may be so energetic as to succeed in the operation. Losing everything unless they get the money they can very easily afford to divide one-half with the man who comes forward and prevents the loss of everything.

It is this kind of trade, these operations, which reduce to such a spasmodic condition the money market; and it is to control to a certain extent, and so far as we can, such spasmodic conditions of the money market in the State of Maryland, which never has existed here to the same extent as in the city of New York; it is to prevent these operations in our large cities from coming in and controlling the agricultural interests and the mechanical interests of the State, and all classes of men who prefer the pursuit of trade upon sound principles of business; it is to protect the men who base their business upon accurate calculations instead of being governed by these spasmodic conditions of the market; it is for this that I prefer, and shall vote to maintain in this constitution the provision which forbids a higher rate of interest than six per cent., as it is contained in our present constitution.

Mr. DENNIS. Of all the articles that I have heard read, I decidedly prefer the report of the committee. I go further, and say that I prefer the section in the present constitution even to that; and I hope to see that adopted by the convention. I concede that there is very great force in many of the arguments that have been used. It is desirable that all the capital of the State shall be kept here so far as possible, and that as much shall be brought here as can be brought. I presume it is true that when a higher rate of interest is offered in a neighboring city than is offered in our own State, our own capital seeking investment, will, as a matter of course, go where it gets the greatest return. As to all the argument about taking care of those that cannot take care of themselves, the oppression of the poor, the exorbitant operations of the money lenders, and all that, I leave it out

of the question. I do not think it properly enters into the discussion of the question at all. Practically the six per cent. rule is not observed now. Practically, I understand—for I really have no knowledge of it, for I never went into a bank to borrow a dollar in my life—when they lend a thousand dollars they take the interest in advance, which amounts to more than six per cent. Instead of lending one thousand dollars, they take out the sixty dollars in advance, leaving nine hundred and forty dollars, with the interest on one thousand dollars; so that practically the bank gets more than six per cent. And this question should decide the real point in issue. The question is whether or not the interest on money ought to be regulated by law, and how it ought to be regulated. This is a question that has been settled by universal experience. It is true that seven and eight per cent. are paid in New York; but I do not think we ought to make our action conform to the state of things existing in New York; because while that regulates our markets, you may say that Europe regulates New York. One is the mere adjunct to the other: and the circle flows throughout the world.

We must determine for ourselves whether money is to be regulated by law, and if so how far, and what regulations. Looking at the experience of all time past since we have regulated this thing by law, and looking at the present condition of things, looking at the investment of other forms of human industry, farming, mechanical, and other interests, pervading our various relations, I cannot but think that six per cent. is a fair, and just, and reasonable compensation. Thinking so, I hope the provision in the old constitution will be adopted, and that all this matter about private contracts will be stricken out, and that it will stand where it has been established, where the decisions of the courts have placed it, that six per cent. and no more is to be taken.

Mr. THOMAS. The proposition which I suggested by way of substitute, I offered simply as a kind of peace-maker between the two divisions, one demanding seven per cent. and the other demanding six per cent. I am myself in favor of the proposition submitted by the gentleman from Howard (Mr. Sands.) I am in favor of six per cent. I do not think the legal interest ought to be more than that. I will even go further than that. I am in favor of putting a proposition into the constitution that all contracts or agreements for any higher rate of interest than six per cent., shall be absolutely void, in order to meet the suggestion which was thrown out by my colleague, in the remarks which he made some time ago, as to the decision of Judge Taney. I will offer my proposition at the proper time, in case that which I like better, offered by the gentleman from Howard, does not pass.