

part of the State of Maryland the money would be instantly withdrawn from the market.

Mr. CLARKE. I think the gentleman misunderstood me. I spoke of trade. That our merchants had not been subject to such spasmodic changes of trade; and not of the value of money.

Mr. CUSHING. If I recollect right the gentleman said that the object of these restrictions was to control the spasmodic contractions of the money market to which fortunately we had not been so much subject in the State of Maryland as in the city of New York. The money market of Maryland is acted upon instantaneously by the money market of New York.

It was said by the gentleman from Somerset (Mr. Dennis) that the banks take their six per cent. in the beginning, which is true, and that this makes it more than six per cent. They do another thing. They very often discount paper and give the man uncurrent money. I have known cases in Baltimore city where money which was five per cent. discount was taken for its face. That made the interest nine or ten per cent. paid at the banks, though nominally the law was observed. The necessities of a man may be such that he will be willing to take uncurrent money, and pay the bank in current funds when the note is due.

The gentleman well said that the question turns upon the point whether money ought or ought not to be regulated by law. Believing as I do that money is a marketable commodity in the whole present range of commercial business in the civilized world—believing as I do, and as the whole history of the mercantile world teaches, that the use of money fluctuates in value from day to day—that the money itself changes, and that its value to the people desiring its use varies from day to day—that the opening of a new market makes the value of the use of money borrowed to-day totally different from what it was yesterday—that the opening of a new market to me for my produce, which I knew not of yesterday, makes it worth while for me to pay largely for money to invest in sending that produce to the new market, beyond what I could have afforded to pay yesterday—all this coming from the fact that money is unequally distributed—I believe that it is against all sound political economy, and against all sound political liberty, to force a man to give to another that which he himself owns, unless he pleases, except for purposes required by the State or national government, or unless at a rate which shall represent its value to him.

When men desire to use money for purposes of speculation, or business, or enterprise, of necessity they must have regard to what is paid for the use of money in the community, to the willingness of those who hold

it to lend, and to the value at which they hold it. If therefore, Maryland money can be sent to New York and used more profitably than it can be in Maryland, I am under the disadvantage in Maryland when I apply to the people who own the money to lend it to me, that I cannot by law pay an equal rate, and if the man to whom I apply is of such a character that he will not evade the law, he can only say, "I am sorry; I had the money and would have preferred to lend it to you at a given rate than to any one else, but the law says that I shall not lend it in Maryland above a given rate, and I have therefore sent it to New York where the law allows me one per cent. more." It is a matter of regret to me, but the man looks after his own interest. If I could have had that money at seven per cent. it would have been a benefit to me, and possibly to the community, and possibly a benefit to the State, as all enterprise is a benefit. But my enterprise must be given up because by law we have prohibited the use of money from seeking its level according to the law of supply and demand. So the money has been transferred from the place where it was needed and sent to be used by a more liberal people.

I think with the gentleman from Somerset that the whole question comes back to one simple matter, whether money ought to be regulated or not? I think it ought not. But as it has been the custom of this State to regulate it, and as it seems to be the intention of this convention to regulate it, I desire to have it regulated in a manner which will give the State of Maryland the use of money where there is no contract upon a par with the State of New York, and not so that New York shall have power by paying one per cent. more to draw the capital of Maryland away from the State. Then by allowing private contract at a rate agreed upon by the parties, you put the matter upon the fairest possible basis.

If money is not worth the price which is demanded, I will not contract to pay it. If it is worth that price, what right has the State by law, to prevent me from purchasing it? It does not prevent me from purchasing flour at sixteen dollars a barrel, which I could have purchased at one time for eight dollars. It does not interfere with my paying sixteen dollars for coal to-day, which a year ago was five dollars and fifty cents, because coal to-day is worth sixteen dollars.

My colleague (Mr. Daniel) brought up the instance of a man who may owe fifty dollars for rent. His goods are distrained and to be sold at auction; and he cannot obtain the money at six per cent. But he might have gone to a man at eight per cent., and obtained the money, and could afford to pay eight per cent. for years, until he could repay the principal, rather than to have his goods sold.