

State are therefore placed at a disadvantage compared with the banks of New York. I would be willing on that account to support a proposition to allow a rate of interest not greater than seven and three-tenths per cent. That does not raise the rate of interest absolutely to seven per cent.

The difficulty in regard to the proposition of my colleague (Mr. Daniel,) raising the rate of interest to seven per cent. is that it will have the effect of raising the rate of discount to seven per cent. everywhere throughout the State—unless the state of affairs should be such that money should fall to five or six per cent. Everybody would put the rate of seven per cent. in their contracts, and it would actually raise the rate of interest from six to seven per cent. But if you merely provide that not more than seven and three-tenths per cent. may be taken, it will not have that effect.

I do not wish to enter into a full discussion of this question. I will merely say that the reason why I do not believe that the report of this committee is founded upon a true basis is this: it absolutely destroys the permanent fixed value of money for a long period of time. Contracts for a long period of time will be made by people at the existing rate of interest. Now money is not worth more than six per cent. as a general thing, though for a short period of time it is sometimes worth more than that. But men will not lend for six per cent. for one or two years, if they can get seven or more, because that rate is not worth the trouble of turning over their money. Nor will they lend at six per cent. if the borrower is in such circumstances as to make it any risk to lend him money. There is no usury under the law in buying a promissory note in the market at ten cents on the dollar, if the note is not worth more than that. There is no usury law or anything else which prevents a man from selling his paper at what he can get.

Mr. DANIEL. Accommodation notes, just made for the purpose of being sold for what they will bring?

Mr. STIRLING. Certainly; he can put his own notes on the market. But as I said before, there is a practical difficulty, in consequence of this offer of the government to pay seven and three-tenths per cent. for money, which I think justifies the proposition of the gentleman from Allegany (Mr. Thruston,) to allow persons under private contract to ask and receive that rate, if the parties to the contract agree to it. There is no reason why the people should not be allowed to borrow or lend at the same rate which the government is willing to pay.

Mr. DANIEL. I will ask the gentleman a question for information. Does he consider that, under the proposition of the gentleman from Allegany (Mr. Thruston,) if a man

charges more than that rate, it absolutely vitiates the contract?

Mr. STIRLING. No, sir; I do not understand that that is the effect of the proposition. I understand that that matter is left precisely as the code leaves it now. The truth is that, except so far as I should like to see the proposition of the gentleman from Kent (Mr. Chambers) carried, settling this doubt about the question of taxes, I do not see what is the use of putting this in the constitution at all, if the convention is not disposed to make any change in the rate of interest. The act of assembly fixes the rate of interest at six per cent. By virtue of an act of the assembly banks are authorized to take interest in advance; and the court of appeals has decided that the code is not in conflict with this provision of the constitution, and having decided that, I do not see the necessity of having anything in the constitution except for the purpose of settling the question met by the proposition of the gentleman from Kent. I think it is utterly useless to adopt this report. In fact I may say that I know it is not going to be adopted, and therefore I think we better come to some practical conclusion upon the subject, and vote upon it. I do not think this report will get a corporal's guard in its support in this house, and there is no use in going into the general subject of finance, when we have every reason to believe that the report will not be adopted.

Mr. ECKER moved to lay the whole subject on the table; but at the request of several members withdrew the motion.

Mr. ABBOTT. When the question is taken, I hope the subject will be divided. Let us first decide whether we will have six or seven per cent.

Mr. MILLER. I know that the convention is weary of this debate, and I propose to detain them but a few moments in reply to some remarks of gentlemen upon the other side. I allude more particularly to the remarks of the gentleman from Washington county (Mr. Negley.)

The question involved in this part of the report allowing persons to contract for whatever rate of interest they please, is simply a question as to whether or not we will any longer have any usury laws in Maryland. It is said that the State of Maryland is in that respect behind the civilized and commercial world; that England, France, and all those countries have got rid of these usury laws long since. That is an argument which if established, would be of great force in this convention; for if we are in that position we should step forward into the broad sunlight of progress.

But what is the fact in regard to this question? Civilized, commercial and enlightened England this day has upon her statute book a law forfeiting absolutely the entire contract, all the money loaned, besides imposing a pen-