

the legislature shall provide, by law, all necessary forfeitures and penalties against usury."

Mr. BELT. I had the misfortune to be absent from the house when the original report for which I was in a measure responsible, as chairman of the committee, was taken up; and I regretted on my return to find that the section we unanimously reported as embodying the views of the entire committee was stricken out and superseded by the action of the convention by a very decided vote, by the adoption of the section in the present constitution. The report of that committee was on my part the result of a very earnest conviction entertained all my life that there is no more false system on the face of the earth than that which continues in force those laws which are known as usury laws. It is not my intention in any manner to debate this question as fully as I would like to have done in the early part of the session.

The original clause in the constitution was that now before us. The committee appointed to consider the subject soon found that there was not the slightest difference of opinion among them as to the principle on which their report should be based; and by general consent the consideration of the subject was postponed until after the greater reports had been made to the convention. When we did meet I had prepared a report. It is no violation of the confidence of the committee for me now to state, since it has been rejected, that it was drawn up almost in the words of the British statute upon the subject. It is within the knowledge of most gentlemen present that what are known as usury laws were abolished in England in 1854, ten years ago. For the information of the house, and to show the foundation of the original report submitted by the committee I will read the act which passed the British Parliament on August 10th, 1854, and which will be found in the public general statutes, 17 and 18 Victoria:

"CAP. XC.—An act to repeal the laws relating to usury and to the enrolment of annuities:

*Whereas*, It is expedient to repeal the laws at present in force relating to usury: Be it enacted by the Queen's most excellent Majesty, by and with the consent and advice of the Lords spiritual and temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

I. The several acts and parts of acts made in the parliaments of England and Scotland, Great Britain and Ireland, mentioned in the schedule hereto, and all existing laws against usury, shall be repealed.

II. Provided always, that nothing herein contained shall prejudice or affect the rights or remedies of any person, or diminish or alter the liabilities of any person, in respect of any act done previously to the passing of this act.

III. When interest is now payable upon any contract expressed or implied, for payment of the legal or current rate of interest, or whereupon any debt or sum of money interest is now payable by any rule of law, the same rate of interest shall be recoverable as if this act had not been passed.

IV. Provided always, that nothing herein contained shall extend, or be construed to repeal or affect any statute relating to pawnbrokers; but that all laws touching and concerning pawnbrokers shall remain in full force and effect to all intents and purposes whatsoever as if this act had not been passed."

The first report we considered in committee established the principle of the abolition of the usury laws with these several qualifications contained in the British statute, except that in relation to pawnbrokers—the last. I suggested that we should include insurance brokers as well as pawnbrokers. On considering the subject, we came to the conclusion that as these provisions of the British statute more particularly pertained to the legislative functions of the government than to the framing of our organic law, we would embody in our report merely the principle we had agreed upon; and so our report was made in these words:

Section —. The legal rate of interest in this State shall be six per centum per annum, except in cases where a different rate may be agreed upon between contracting parties; and in all cases of private contract, the rate of interest agreed on, or contracted for, shall be recoverable; and the general assembly shall pass all laws that may be necessary to carry this section into effect.

I have the honor now to propose, the house having very decidedly passed their censure upon the report as submitted, a section in lieu of that reported by the committee. Finding that we cannot probably carry the principle of leaving interest absolutely free, which is my own preference, which is the doctrine I have ever held and believed to be the enlightened doctrine of modern times, of political economists, and of commercial men, I am willing to take the best we can get, advancing towards that principle.

In explanation of the substitute I propose to offer, I will say that the highest rate of interest that is allowed in any of the States anywhere in the Union, is ten per cent. In Maryland it is six per cent. and in New York it is seven. The result is that several of the surrounding States and more particularly New York, the commercial and monetary centre, having a rate of interest a little higher than ours, capital is carried out of Maryland on the least financial pressure, for investment in New York, or in other States. Comparatively few of the States have a rate as low as six per cent. The substitute is intended to preserve the legal rate of interest at six per cent., so that where there is no con-