

cent. because he thinks money is fairly worth it, or simply because the legislative body of the great State of New York, the moneyed centre, fixed the rate of interest at that rate.

Mr. ABBOTT. Will the gentleman allow me a question?

Mr. SANDS. Yes, sir.

Mr. ABBOTT. If the government is paying seven and three-tenths per cent., can I borrow money at six per cent. while the government is in the market?

Mr. SANDS. I can get as much money as I want to-morrow at six per cent.; and so can you, I have no doubt. Take up your paper to-day, and you can have the money to-morrow.

Mr. NUGLEY. Does the gentleman mean to say or to insinuate that the credit of the government is not as good as his?

Mr. SANDS. Did the gentleman say or insinuate so?

Mr. NUGLEY. That is the result of it.

Mr. SANDS. The gentleman says and means to say, that the reason why the government is paying this is because the local legislation of New York fixed the rate of interest at that; and the government in its necessities was forced into the market, and had to pay their price. I ask gentlemen this question: Suppose the legislature had fixed the rate of interest at six per cent. and no more, would the government be asking loans at seven and three-tenths per cent.?

Mr. NUGLEY. Has not New York paid seven per cent. for twenty years? And did not the government borrow money at five per cent.? Did the seven per cent. of New York then compel the government to give seven per cent. or five?

Mr. SANDS. The government has borrowed money, I believe, as low as four and a half per cent., borrowed it from New York capitalists. But what is the result? Gold is at two fifty to-day. Do you, as a loyal man, say there is just ground for this? It is not true. Look how it operates. The government borrows five hundred millions in New York. The legal price upon that, suppose it to be six per cent. or five per cent.—I will assume it to be five per cent., taking the gentleman's figures—and the interest upon five hundred millions will be twenty-five millions of dollars. These money people, who always take care of their own interest, get this interest paid in gold. What do they do with the twenty-five millions paid them by the government of the United States in gold? They control the money market of the country, forcing gold up to its present prices. They get their twenty-five millions of dollars of interest, and go right down into Wall street, and for that gold they ask and receive sixty-two and a half millions of dollars. How much per cent. is that on five hundred millions. It is twelve and a half per cent. That is what they re-

ceive according to the present rates of gold. Out of a legitimate interest of five per cent. upon five hundred millions of dollars which they hold, these men every year manage to make sixty-two and a half millions, or twelve and a half per cent. on their capital. That is in plain figures. They get their interest of twelve and a half per cent., and they go out into the market and buy up government bonds at par; and the bonds thus purchased pay them now seven and three-tenths per cent. That is the secret of the price of gold this day; that and nothing else.

I am opposed to the amendments from these considerations, leaving all other considerations entirely out of the case, because we are all borrowers, all debtors paying interest so long as this government stands. I am paying my tax, and every man paying his tax is paying the money lenders, the usurers, the government interest. I am therefore interested for myself and for the people, in fixing the rate of interest so that it shall not grind the people of the country further into the dust. Heaven knows we are burdened enough as it is. Heaven knows that at six or five per cent. you have got enough to carry. The people have enough to pay annually in the way of interest. Your taxes are only taxes in name; they are interest in fact; and at the present rates of gold they are interest at twelve and a half per cent. You propose to raise it still higher. You propose, lest the people of the United States should not be sufficiently burdened with taxes, to raise the rate of interest still higher.

Take the rate of seven and three-tenths per cent., and make the calculation. I think we have now a debt of about \$2,000,000,000. At this rate of interest the country will be forced hereafter for all time to pay \$148,000,000 annually; and she must double the sum if she has any hope of the time coming when the people shall escape from the burden of the present rate of taxation.

It has been argued here that by not raising the rate of interest equal to that in New York, you will keep capital out of the State. There are also facts to answer this. One gentleman upon this floor told me he knew of \$10,000,000 looking for investment now in Maryland, at the present rate of six per cent. in Maryland lands and Maryland mines, looking for investment here; in the faith that Maryland with her resources will become the little empire she ought to be. In my own county, for instance, look at the large amounts of Northern capital, New York city capital. If my colleague is here he will assure you that in our county large and magnificent estates have been bought recently at half price, and paid for by New York capital, where they pay seven per cent., brought here to pay for Maryland lands. Why? Because they know these lands are going to enhance in value. The seven per cent. does