

Anne Arundel, (Mr. Donaldson.) That is its only drawback—its only evil; a great debt incurred under the most promising auspices and the most flattering inducements and calculations of prosperity. And, here we are, at this hour, laboring under this great incubus. Let us prevent its recurrence for the time to come. Is there anything so tempting to individuals, States or communities as the contraction of debt? Do we not all know—every one of us—that our judgments will be tempted into flattering speculations, not doubting that, in the course of a few months or years, we may double our ventures? The same feeling enters into States. I desire to guard against all such temptations. Let us say to the Legislature, if you choose to construct public works, we require you, at the same time that you create the debt, to lay such a tax as will pay the interest and the principle; for then, and not otherwise, you will be under a just responsibility to your constituents.

At a moment in public affairs when upon this whole nation—as well as upon the States—a vast burthen of debt was resting heavily, I urged, in my humble way, and, of course, only through private channels, that a great measure of relief should be proposed by which the General Government would assume all the debts of the States upon one single condition—that the States should incorporate in their fundamental law, an irrevocable provision that no State debt should ever again be contracted without the imposition of a tax for its liquidation. I believe that such a measure would have been wise for the country—wise for the government of the Union, wise for the governments of the States. I repeat now, that the great bane of our prosperity is the contraction of large debts under tempting circumstances; and that the greatest security we can afford to the people will be, that these debts shall no longer be contracted unless the urgency is so great as to justify a system of taxation to pay for it.

I have felt it my duty to myself and my constituents, earnestly to invoke the Convention not to leave open this door—but, looking to it as the great medium by which the evils that afflict us have crept in upon the State, to close it now and forever, that we may relieve ourselves and our posterity from the apprehension of their recurrence.

Some explanations passed between Mr. McLANE and Mr. MERRICK—after which

Mr. MERRICK said, his only object in the remarks he had made, was to show that there were great fluctuations in the value of money; and that a change was now taking place in that value, to the advantage of debtors, that is, the rate of interest—the price of money was falling, and would probably become very low. The honorable gentleman says, money always maintains its own value. That may be so when considered separately; but the proper mode of considering it, seems to me to be, to view it relatively. And the very illustration which the gentleman gives, proves its great relative fluctuation, and the position I have assumed, to be correct. He says he knows he can at one time purchase a hat for

three dollars, and at another time he will have to give six dollars for the same or a similar hat; and this difference I contend, if it arise from the state of the money market, proves the fluctuations in the value of money. Like every thing else, the value of money is regulated by the relations between supply and demand.

If money becomes abundant, the supply of all other things purchased with money remaining the same, the price of these other things will rise in proportion to the increase in the supply of money; and if the supply of money be doubled, the three dollar hat will command six dollars—three dollars is still three dollars, and six dollars is still six dollars—but it now requires six dollars to procure the same amount of property, or the products of labor, as three dollars would before command. This is certainly true, and the great confusion of ideas, the apparent conflict of facts and consequent difficulty in ascertaining the truth in such cases, arises from the fact, that there are most frequently various causes operating to affect values and prices; some known, and some unseen and unknown at the time. The supply of a particular product of industry may increase more rapidly than the increase of the supply of money, though both are increasing; and of course, in that case, the value or price of that product would not increase. So there may be greater facility or economy introduced in the production or manufacture of any article of commerce, simultaneously with the influx of a greater supply of money—of course the money price of the article so more cheaply produced, does not rise. And so might a thousand instances be cited of interfering circumstances which modify or destroy the effect of the general law, and seemingly, but in the seeming only, contradict it. The law is fixed and certain, and operates as unerringly as gravitation; and as well may it be said, that the laws of gravitation are not unerring, because some heavy body is upheld by a counteracting force; as it may be said that superabundance of money will not occasion low rates of interest, and an advance in the prices of other articles, of which the supply continues the same, because in some instances other causes of sufficient force are operating to prevent this result.

I have said, this change in the relative value of money and stocks, and other articles of commerce, was now taking place, and was likely to increase to great extent; and we all see the evidences of the fact every where around us. A state of the money market has arisen, and is about to arise, greatly advantageous to debtors, and I wished the State, therefore, to be left with power to turn to the benefit of her tax-paying people, the advantages this change will offer. We have passed through a season of severe money pressure—great depression of prices. The pendulum is now oscillating to the other side, and I desire to leave the Legislature power to take advantage of this favorable oscillation. Credit has, for a long time been depressed; stocks have been low; the Legislature have, all along, had this power; and to deprive them of it, to fetter their hands now, would be about as wise as it would be for a tobacco planter, who has, during the