

that these young men need and should have protection.

I agree that it is impossible under any system of legislation heretofore adopted to afford them perfect protection. Means of evasion have been found, and they have been victims to the inordinate demands which have resulted in grasping as high as twenty-five or thirty-three and a third per cent for debts perfectly well secured. I do think that this is a great and dangerous innovation. We have got along very well without being obliged to go to New York. If they insist upon going to New York for seven per cent., and if it is necessary to make the rate seven per cent., make it so; but I utterly protest against throwing down every sort of protection to the thoughtless young men who come into life, weakly confident, calculating upon profits which they will never realize, and becoming victims to the first sharper with whom they come in contact. Make your interest what it should be. Let it be seven per cent. if you will make it so. There is a difference of opinion upon that subject in spite of the alarm lest New York should take away all our capital. I hold in my hand a letter from an intelligent gentleman in the city of Baltimore, who says in so many words that six per cent. should be the legal rate of interest, and that most alarming, dangerous and mischievous results will follow if that ceases to be the rate. He says:

"As this question is of very great and vital interest to the citizens of our State, pardon me for saying that the means, thrift and industry of the State at large should be carefully guarded," &c. "The statute rate of interest should be six per cent. If it be thought proper agreements might be made for sixty or ninety days with a larger interest—seven per cent."

Mr. DANIEL. Who is that?

Mr. CHAMBERS. James W. Allout, a very highly respectable president of the Bank of Commerce. I maintain that the policy of this report has been found through all time to prejudice the pecuniary interests of a State. I do not think that moneyed institutions have gone on better in New York than in Baltimore, or better in the State of New York than in the State of Maryland.

There is another argument. Our people are paying seven per cent. in fact. I suppose now it may be said to be the universal practice everywhere, and I am prepared for such a proposition here, to charge to the borrower the taxes due to the government of the United States, and the State and the county, making up just about one per cent. This makes the interest just about seven per cent., which the borrower pays. You may assume money to be any standard you please, except that which merchants engaged in large speculations, and making in anticipation enormous profits, place upon it, and this is about as much as

money is worth in the ordinary pursuits of life. Farmers do not make six per cent. on their capital. I venture to assert it as a fact, having been in that department myself for some forty odd years. I say that farming throughout the State of Maryland does not produce six per cent. on the capital employed. I say that human employments, except those which are carried on at a great risk and therefore produce great profits, do not pay that amount, a business which pays six per cent. in Baltimore being regarded a fair business.

But I say again, I do not care so much what rate you fix, if you will restrain the money lender, and protect those who are borrowing money from his high rates. My own opinion is that six per cent. is enough, and I shall vote against increasing it; that is, six per cent. with the addition of the taxes and dues, making it about seven per cent., is as much as I think persons out of the city can possibly derive a profit from by the loan of money. In the city there are thousands of ways by which mercantile men manage to get more. They put their funds into a bank, and get their discounts, and make their arrangements by which they can get one, two, or three per cent. a month. I am willing to let them manage their business as they like. But there is a class of people, chiefly those residing in the country, young men coming into the possession of real estate, who have all the confidence and ambitious expectations of youth, who hope to realize the largest crops from which they are to obtain almost fabulous sums; and it will lead to nothing but damage to let them go heedless and thoughtless into the market, even under the very shadow of your constitutional provisions, to find themselves victims, ruined and penniless. I ask for protection for these. At the proper time I shall offer the following amendment, which I hope the chairman of the committee will adopt:

"It shall always be lawful for parties having money on bond or mortgage judgments or other security to contract for the payment of taxes, and dues to the United States, the State of Maryland, the county and other public dues by the borrower, so as to retain to the lender the clear amount of legal interest."

Mr. SANDS gave notice of the following substitute for the report of the committee:

"The rate of interest in this State shall not exceed six per cent. per annum, and no higher rate shall be taken or demanded, and the legislature shall provide by law all necessary forfeitures, fines and penalties against receiving or demanding any higher rate of interest."

Mr. MILLER. The subject-matter now under consideration, is certainly one of great importance. We cannot touch this question of money very well in this convention, without