

boring States, where a higher rate of interest than our own now prevails. I have drawn up my amendment in the form of a substitute for the section which I will read, remarking that I require the contract to be in writing so as to avoid frauds or disputes, which might occur if the rate of interest were to be left to verbal agreements:

"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 in writing between contracting parties, not exceeding, however, seven and three-tenths per cent. interest in any case; and the general assembly shall pass all laws necessary to carry this section into effect."

I will merely say in conclusion that six per cent. legal interest with the taxes now amounts to seven and one-half per cent., and that seven and three-tenths per cent. with the taxes added amounts to nine per cent. I think that is interest enough if the borrower has any reasonable security to offer. If he has not good security, the lender exacts exorbitant interest which is in fact paid by the party's creditors and not by the party himself. I think the substitute goes as far as it is proper to go, and is a reasonable proposition.

Mr. DANIEL. I confess that I do not see the force of a good many remarks that have been made. The gentleman who has just taken his seat, it seems to me, in his remark that every civilized nation has thought it proper to fix some moderate rate of interest, does not invalidate this proposition at all, nor any proposition that is upon the table, because it certainly seems to me that while some States are charging ten per cent. interest it cannot be said that seven per cent. is an immoderate rate of interest.

Two gentlemen, one from Howard and the other from Kent, have arisen to address the house, and two subjects seem to have been the burden of their remarks, two great grievances which they wished to remedy. The gentleman from Kent (Mr. Chambers) wants to provide against the lavish expenditure of their fortunes by improvident young men; and the gentleman from Howard (Mr. Sands) wants to keep the poor out of the hands of the Shylocks. The one is the especial friend of the poor, and the other is the especial friend of improvident young men. As has been very well said by the gentleman from Washington county (Mr. Negley,) the idea of our trying to prevent improvident young men from spending their fortunes is an utter absurdity. The experience of every man is to the contrary. It has been in our constitution from time immemorial that six per cent. only shall be charged. Is it not the experience of every man in this convention that notwithstanding this, young men have spent their fortunes, and have paid a great deal more than six per cent. for money in order to get it to spend? I have young men in my eye who

inherited a fortune, and yet in a few years spent their fortune, and spent it in part by borrowing money at fifteen, twenty, twenty-five or thirty-three and a third per cent., of which the gentleman from Kent has spoken.

The gentleman from Kent is contradictory with himself; because he states here in one proposition plainly upon this floor that money is worth six per cent. and only six per cent., and that men derive the value of it when they let it for that rate; and yet he tells us almost in the proposition immediately preceding that every man's experience is that every money lender does charge twenty-five to thirty-three and a third per cent. and gets it.

Mr. CHAMBERS. The gentleman from Kent said no such thing, "every money lender!" I said that men habitually received that. I tried to explain it before, and it is hardly worth while now.

Mr. DANIEL. So I understood the gentleman. The gentleman certainly stated that twenty-five to thirty-three and a third per cent. were obtained for money. I do not care how it was obtained; for if it were paid the money must have been worth that in the market.

Mr. CHAMBERS. That is the language of every money lender.

Mr. DANIEL. The language of every money lender? I know some men who would not have it if you would give it to them; who would not take more than six per cent. although money might be worth ten or twenty per cent. Some men will not have it. But the very fact that the gentleman stated, that money has commanded such rates, and the gentleman says that is the experience of everybody that money is lent in the community at such rates, shows that those who pay these rates cannot get it cheaper. If money was worth only six per cent., they would have gone to somebody else and got it at six per cent.

Now I ask if the rate does not depend in a great measure on the character of the investment. The gentleman from Howard (Mr. Sands) has flourished here advertisements in the newspapers. He is the especial friend of the poor man; and he has told us that \$40,000 are advertised in this morning's paper to be loaned at five per cent. Now let us see how this money is to be loaned. "For five or ten years; the security must be ample; located either in the city of Baltimore or in Baltimore county; in one sum of \$40,000, or four sums of \$10,000." I think the poor man would be badly off if he had to take \$40,000, or even \$10,000. And then where is he to get the security? It must be good city security, ground rents, or something of the kind. When the poor man comes from Howard county wanting \$1,000, applies for it, the answer is, "No sir; I cannot take your security; I want security in Baltimore city or county." Or if he says he only wants \$1,000, the answer is, "No sir; I will not