

known American sculptors, who has long resided in Florence. This bust was procured by the late Governor James W. Grimes, a close friend of Mr. Fessenden, for his own residence at Burlington. Shortly before her lamented death Mrs. Grimes sent it to Governor Boies for the State of Iowa, when it naturally came to the Historical Department. As works of art and as faithful likenesses these busts are among the finest in the United States. A plaster bust of the lamented Hon. D. N. Richardson, of Davenport, has also been contributed by his family. It was painted black, but is a faithful likeness of that distinguished Iowa journalist and traveler.

USURY IN EARLY IOWA LEGISLATION.

The taking of interest from borrowers of money has been a subject of sharp controversy in the history of religion, philosophy and politics. Until the beginning of the modern industrial era it was regarded as an offense against morals to exact interest which was generally punished as a crime. Philosophers condemned it and the church inveighed against it. With the transition from the patriarchal and feudal regimes to the present industrial and commercial organization of society wherein capital, or accumulated wealth, plays such a vital part in the conduct of business people began to look upon the practice of exacting interest differently. It was perceived that capital was sought for not solely or chiefly by the unfortunate and spendthrift as in former times, but mostly by merchants or undertakers of enterprises with a view to increasing their profits. Money was to be considered as any other commodity in the market, subject to the laws of supply and demand. When this fact was fully realized political economists and financiers began to condemn the laws against usury, on the ground that instead of really protecting the borrower such laws in fact made interest rates higher. England has repealed all of her

statutes, and in this country Massachusetts has removed all prohibitions respecting the lending of money.

Early in the history of Iowa this subject came up for legislative consideration. In 1843 the Territorial Council passed an act (C. File 16) regulating interest on money. The bill when sent to the House of Representatives did not meet with immediate approval. On January 17 the House debated it in Committee of the Whole and referred it to the Judiciary Committee (See House Journal 1842-43, p. 118). This committee made their report on February 6. In many respects the report was a remarkable document for the knowledge and breadth of view shown at a time and under circumstances that would lead us to expect the contrary. The classical writers on political economy have seldom stated more concisely the reasons for exempting loanable capital from hindrances and regulations aiming to control the rate of interest. The committee said:

The committee are of the opinion, from the partial examination they have given the subject, that all laws regulating the percentage on money, with the exception of fixing a uniform rate where none is stated by the contract, are inexpedient—injurious alike to the borrower and the lender. Such they believe would be the general sentiment of mankind, if this question could be considered free from religious prejudices and the influence of long established custom.

Money, like every other exchangeable commodity, is subject to frequent fluctuations in value, being no more uniform in price than cotton, tobacco and other great staples of the country. Its worth depends on the state of the market, and is regulated by the great law of demand and supply. There is no more reason for arbitrarily establishing the rate for the use of money, than for the use of houses, lands, merchandise and other property.

It has been deemed sound policy, and essential to individual prosperity, to allow every person to hire his farm, house, or chattels, upon such terms as he could obtain. Why deny the same privilege in the disposal of money? Individuals are presumed to understand their own business better than legislatures. It will be soon enough for these grave bodies to interfere with private rights, and assume the control of the personal matters of others, when the people shall have proven themselves incompetent to manage their own affairs.

Usury laws are rarely enforced and easily evaded. Their penalties do little more than furnish arguments for the lender to charge for the hazard he runs, which the borrower has to pay. When the market value of money

is higher than the legal rate, they prevent competition, the great reducer of price. Upright men, who would not violate the law, but are unwilling to loan their money for less than its real worth, cease to be lenders, leaving the needy borrower at the mercy of grinding brokers and swindlers, who monopolize the market.

Usury laws have a highly prejudicial influence upon the morals of the community. They hold out temptations for the wanton disregard of solemn engagements. The borrower who first suggested the offence, without whose agency it could not have been perpetrated, not only escapes "unwhipped of justice" but is paid for his infamy, and all the sympathetic feelings of our nature are invoked in behalf of the unfortunate victim of his own voluntary promises.

The conclusions of the committee are adverse to any restrictions upon the loaning of money, but fearing that public sentiment may not be ripe for so sudden a change in our laws, have so amended the bill as to allow parties to contract for as high a rate of interest as twenty per cent. per annum, and the borrower to recover the excess beyond that amount.

In a new country of vast undeveloped resources, it is the dictate of wisdom to offer inducements for men of wealth to send their money among us; and a less rate of interest than that recommended, in the opinion of the committee, would not have the desired effect of diverting the capital of the East to the far West.—Journal of the House, Feb. 6, 1843.

The chairman of the Judiciary Committee of the House of Representatives in the fifth session of the Territorial Legislature was Thomas Rogers, who represented the counties of Dubuque, Delaware and Clayton. Associated with him were Isaac N. Lewis of Van Buren county, Frederick Andros, representing the same counties as the chairman, Thomas McMillan of Henry county, and George Hepner of Des Moines county.

F. I. H.

A NOTABLE event occurred in Cedar Rapids Thanksgiving Day—a family dinner given by Mrs. W. W. Walker in honor of her aunt, Mrs. J. F. Ely, eighty-three years old, and the oldest living resident of Cedar Rapids. Mrs. Ely's first husband, Alexander Ely, and her brother, John Weare, and their friend, Judge Greene, were the three public-spirited men to whom the Cedar Valley and the northern half of the State of Iowa owe much of their present prosperity. About sixty relatives sat at table together, including representatives of the Elys, Weares, Carpenters and Walkers, names prominent in the early history of the State.

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