

WEDNESDAY, JAN. 22, 1840.

The Senate met pursuant to adjournment, and the proceedings of yesterday were read.

A bill entitled "an act to prevent duelling," was made the order of the day for to-morrow.

An engrossed bill, entitled "an act to alter and fix the time of holding the Superior Courts of Walton county, was read a third time and passed—ordered that the title be as above.

Resolutions of Mr. Wright, relative to the investigation into the affairs of the banks of this Territory, were read a second time, and made the order of the day for to-morrow.

A bill to provide against the suspension of specie payments by the banks of this Territory, was read and referred to the committee on the Judiciary.

His Excellency the Governor, transmitted to the Senate the following message:

EXECUTIVE DEPARTMENT. }
Tallahassee, Jan. 21, 1840. }

To the Honorable the Senate of the Legislative Council of the Territory of Florida.

I respectfully transmit a copy of a letter just received from the President of the Southern Life Insurance and Trust Company.

ROBERT RAYMOND REID.

REPORT.

Since the last annual statement furnished to the Executive of Florida, the business of the company has necessarily been limited, the capital contributed by the stockholders having been previously loaned on bond and mortgage, or employed in facilitating the operations of trade; the exchanges of the country having become greatly deranged, and a determination on the part of the Trustees to continue specie payments, or give exchange at moderate rates for its notes and obligations, renders it necessary to reduce its circulation, always small, to a very low point, consequently but few of its notes have been issued during the last year, and those generally in transactions calculated to produce funds that would redeem them to the satisfaction of the holder.

It has been found difficult to make collections of interest, or of discounted local paper, except in notes of non-specie paying banks, and there again have necessarily been used in affording the requisite aid to trade, at the offices of this company in West Florida. Had the non-specie paying Banks of the South generally resumed specie payments in the autumn of 1839, as was anticipated, instead of being joined in their policy by such as had previously resumed, it was the intention of the Trustees to

have done business to a greater extent upon its own notes, but experience had previously demonstrated the impossibility of enjoying much circulation, without the co-operation in specie payments of the other banks in this Territory and the neighboring States, our issues returned at once upon us for specie or exchange, and at the maturity of the local paper for which our notes had been given, the debtors to the company could only reimburse us in the circulating medium of the Territory. We were thus reduced to the necessity of either doing no business, or dealing in the best paper which the peculiar circumstances of the case would allow. By so doing it has not been our design to favor the idea of a protracted suspension, but at the same time, that, by example, we were desirous of promoting an early resumption, we did not feel inclined to sacrifice our own interest, by disregarding altogether the opinions and wishes of a very considerable portion of the people of Florida.

As the difficulty of remitting has constantly borne with great severity upon the commercial interests of Florida, we have not deemed it advisable to keep on hand at the offices where our circulation is made redeemable any greater amount of specie than seemed necessary to guard us, in view of our limited circulation, from the necessity of suspension. The expense and risk attendant on bringing specie from large commercial cities where alone it could be obtained, and at which points funds are always wanted, called for the course that we have pursued.

Our experience for most of the last year has clearly proven, that the establishment of an agency in New York, which was determined upon by the Trustees during the last winter, for the purpose of keeping transfer books, paying dividends to northern stockholders; making collections of the exchange we might purchase in Florida; paying the drafts of the several offices, and generally protecting our interest there, is likely to be beneficial to the interest of the company, and those who deal with us.

It was believed by those who asked for the incorporation of this company, that the effect of its operations would be, to bring capital into the Territory, and although the charter imposed upon the company the obligation to loan capital upon real and personal estate, a business always undeniable to a bank when disconnected with ordinary banking business, it was believed by many at the north who were induced to subscribe to the stock and pay in the money, that the right, under the charter, to claim the Territorial endorsement upon the company's obligations, with a pledge to the Territory of securities obtained for capital previously loaned, thus enabling the company to borrow money at less rate than the legal interest of Florida, for the purpose of facilitating commerce, or being rebalanced, would, nevertheless, yield them a reasonable profit upon their investment.

Soon, however, after the organization of the company, a spirit of dissatisfaction was found to exist in the Territory, founded as is humbly conceived, in error, by reason of a majority of the stock of the company being owned abroad. After mature deliberation on the part of the Trustees, it was decided to ask the authorities of the Territory, to so amend their charter as that the holders of the original script stock, who had paid from twenty-five to thirty per cent, might surrender their stock to the Trustees for redistribution in Florida, and take from them an amount of full stock equal to their payments. The amendment was obtained, and a portion of stock surrendered, which is now being distributed in Florida, and which will give to Florida stockholders a preponderance in the institution.

To increase the ability of the company to aid, as far as possible, in restoring the currency to a sound state, the Trustees directed, during the early part of the last year, a pledge to be made to the Executive of Florida, of four hundred thousand dollars of their mortgages, which were received for moneys loaned on property, the cash value of which was appraised at double the amount for which the mortgages were taken. (say eight hundred thousand dollars,) and as authorized by their charter, asked for, and obtained the endorsement of the Governor upon four hundred thousand dollars of their certificates, or four hundred certificates of two hundred and twenty-five pounds sterling each. Two hundred and seventy four of these certificates were endorsed on the 22d of August, and one hundred and twenty-six, 20th Dec. last.

These certificates draw five per cent per annum interest, payable half yearly, and are payable in the city of London 26 years after date. They contain on their face a recital of the pledge of securities to the government, and the covenant on the part of the company to remit annually to England, to the agents of the loan, the whole of the interest of 8 per cent, upon the mortgage so pledged to be appropriated by the agents. First five per cent to the payment of interest, and the remaining three per cent as a permanent sinking fund for the redemption of the principal of the certificate at or under par.

They also contain a further condition, that the holders of the certificates, beginning first at the lowest number are obligated to take par for them when offered, or in the event of their refusal or neglect to do so, the amount so tendered in redemption is to be invested in Exchequer bills, and thenceforth no interest shall accrue on the said certificates; and if at the maturity of the certificates any them shall remain unredeemed, (which event is not anticipated) the tender of payment at par having been made, the amount so unredeemed is also to be invested in Exchequer bills, which are to be deposited in the Bank of England, or otherwise, according to law, for the benefit of the holders of

such certificates, and thenceforth the liability of this company as maker, and of the Territory of Florida as endorser, shall cease and determine: and also the claim of the Territory upon the mortgages so pledged or upon others which may have been substituted in case of the voluntary payment of those first pledged, or in case the company should deem it necessary to call for partial payment, by reason of the depreciation of the lands, or of the death of the negroes mortgaged. Thus it will be perceived, that notwithstanding the gradual but certain reduction of the liability of the Territory upon these certificates the security held by the Territory for the whole amount will remain undiminished. A part of these certificates, are in the hands of parties in England, and the residue in transit, for negotiation under an agreement entered into in the spring of 1839, which had the sanction of the Board of Trustees at the time, wherein the company is committed; but the undersigned is not advised whether any part of the proceeds, has been remitted to the Agency of the company in New York.

The debts due to the institution, whether, upon bills of Exchange, notes, or bonds and mortgages, are confidently believed to be entirely safe, with very few exceptions, and no fears are entertained by the Board of Trustees that in the worst event, its losses can equal the amount of surplus profits on hand.

The company has made a semi-annual dividend of five per cent in the months of January and July of last year.

The present trustees of the company are Peter Sken Smith, Arthur M. Reed, Thomas Douglass, J. L. Smith, Turbitt R. Betton, Samuel Reid, Robert Lyon, Wm. Fisher, Lewis H. Branch, and George Field.

Between three and four fifths, of the original stock is owned in the state of New York and in New England. Without a reference to the books of the company at St. Augustine and the transfer books at New York on a given day, it is not in my power to give the names of the stockholders resident out of the Territory.

The stock owned at the north is, like the stock of other banks, constantly changing owners; nor can the Trustees speak with any degree of certainty, as to the present value, of our certificates endorsed by the Governor, in any of the great money marts, as the price of such securities will always fluctuate with the demand for money.

The statement when forwarded will shew in detail the assets and liabilities of the Company—and if any further explanations or statements shall be considered requisite by the Legislative Council, the Trustees will be ready to furnish them.

All of which is respectfully submitted.

GEO. FIELD, President, So. L. Ins. & Trust Co.
Tallahassee, Jan. 21, 1840.

Which was read, and with the accompanying documents; referred to the committee on Finance and Banks, and fifty copies ordered printed.

The Senate then adjourned until to-morrow.

THURSDAY, JAN. 23, 1840.

The Senate met pursuant to adjournment, and yesterday's proceedings were read.

The Senate went into committee of the whole on a bill entitled an Act to prevent duelling, Mr. Wright in the Chair.

After some time spent in its consideration, the committee rose and reported the bill as amended, which was concurred in.

The bill was ordered to be engrossed for a third reading on to-morrow.

The Senate went into committee of the whole on certain resolutions, before introduced by Mr. Wright, in relation to an enquiry into the affairs of the Banks of this Territory, Mr. Dupont in the chair. After some time spent in their consideration, the committee rose and reported the resolutions as amended, which report was concurred in.

On the question of the final passage of the resolutions, the yeas and nays were called for by Messrs. DuVal and Mills, and were,

Yeas—Mr. President, Messrs. Berthelot, DuVal, Dupont, English, Hart, Mills, Walker and Wright—9.

Nays—00.

So said resolutions passed.

The Senate then adjourned until to-morrow.

FRIDAY, JAN. 24, 1840.

The Senate met pursuant to adjournment and yesterday's proceedings were read.

His Excellency the Governor transmitted to the Senate the following message, viz:

EXECUTIVE DEPARTMENT,)
Tallahassee, Jan. 23, 1840.)

To the Honorable the Senate of the Legislative Council of Florida.

I respectfully transmit to you a report just received from the President of the Southern Life Insurance and Trust Company.

ROBERT RAYMOND REID.

Which was read, and with the accompanying documents