

was made and delivered in the life-time of the vendors of the lots, and that the same has been lost, and that evidence exists of the fact, if such be the case, a copy of the deed can be established of equal force with the original at little expense under the act for establishing lost deeds and papers.

The Committee is perfectly satisfied of the fairness and justice of the present case but is of opinion the Legislation of the character proposed is calculated to open the door to fraud and collusion. The proceedings before the Council are ex parte before the Courts all must be Represented and the subject fully examined before a decree can be made.

The committee therefore recommend that the bill be not passed

WM. H. BROCKENBROUGH,

Chairman Committee on Judiciary.

Which was concurred in, and said bill indefinitely postponed. The same obtained leave to introduce a bill entitled, an act to ascertain the wishes of the people of Florida upon the propriety of going into a State Government. Which was read and ordered to be printed.

The Senate then adjourned until to-morrow.

and the House of Representatives met at ten o'clock and read the report of the Committee on the bill for the relief of the State of Florida, which was concurred in, and the same was ordered to be printed. The House then adjourned until to-morrow.

SATURDAY, February 27, 1841.

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

Mr. Livingston from the Committee on Schools and Colleges, reported favorably on an act to incorporate Hamilton Academy in the county of Hamilton.

Also an act to incorporate the Cherry Lake Academy in the county of Madison.

Said bills were ordered for to-day.

Mr. Dupont from the Committee on the State of the Territory, reported favorably, an act to incorporate the Tampa Bay and St. Johns Rail Road, Canal and Steamboat Company.

Which was ordered for to-day.

The same from the same committee, made the following report:

The Committee on the State of the Territory to whom was referred, by order of the Senate, a Resolution, directing an examination into the condition of the Auditor's and Treasurer's offices; and also an

inquiry as to "the indebtedness of the Territory, and the probable amount of the arrearages due from defaulting officers, which may be collected during this year; and the amount of taxation necessary to pay the current expenses and free the Territory from debt; apart from its military expenditures," beg leave to report:

That the shortness of the time allotted to your Committee, by the contemplated early adjournment of the Legislative Council, together with the accumulation of a large amount of important business, which now occupies their attention, forbid the hope that a *thorough* examination, (such as is, no doubt, contemplated by the passage of the resolution,) could at this stage of the session be made; they, therefore, beg leave to be discharged from the further consideration of so much of the Resolution as directs the said examination.

With regard to the second branch of the Resolution, the Committee beg leave to direct the attention of the Senate to the communication of the Auditor, heretofore laid before the Legislative Council.

By reference to that document, it will be seen that the present indebtedness of the Territory, as ascertained by the outstanding warrants of the Auditor, amounts to eleven thousand two hundred and ten dollars and fifty-six cents, (\$11,210 56,) and the arrearages due to the Territorial Treasury from defaulting officers, as reported by the Auditor in his annual statement, made to the Legislative Council on the 5th instant, amounts to thirty-six thousand two hundred and seventy-one dollars and thirty-seven and a half cents, (\$36,271 37½). What portion of this amount can be relied upon to meet the existing demands against the treasury and the current expenditures of the present year, the Committee are at a loss to determine, being in possession of no correct data upon which to found an estimate. They are of opinion, however, that the arrearages might with safety be relied upon to provide a fund sufficient for the entire liquidation of the debt now due. If the anticipations of the Committee shall be realized in this particular, (and they are led, from the very efficient measures which the present Auditor has put in operation, and the commendable zeal and energy displayed by him in the enforcement of the revenue laws, to believe that such will be the case,) then it will be necessary, in the assessing of the taxes for the present year, to provide only such an amount as will meet the current expenses of the year. What those expenses will amount to, can only be estimated by reference to the amount of expenditures in previous years. The current *ordinary* expenses of the year 1839, was eight thousand seven hundred and eighty-four dollars and seventy-eight cents, and that of the last year, nine thousand nine hundred and twenty-two dollars and eighty-two cents. In this estimate of the current expenses of the last year, it may be proper to remark that the amount of eight hundred dollars, allowed to the private secretary of the Governor, has not been included, inasmuch as the resolution appropriating that amount, is construed by the committee to have been limited to that year, and consequently cannot, unless so ordered by the Legislative Council, become a charge upon the resources of the present year. It is also proper to remark that the amount of expenditure for the last year, is much above what might be considered a fair criterion; in consequence of the very *extraordinary* amount credited to the prosecution of criminals in the Western District, to wit, the amount of three thousand eight hundred and twenty-six dollars and fifty-five cents—being nearly one half of the aggregate expenditure for that purpose, in the whole Territory, and more than three times the amount expended in the Middle District. By rating the amount which would, under or-

ordinary circumstances, have been expended in the Western District, as equal to that in the Middle District; then the *ordinary* current expenses for the year 1840, should be stated at about seven thousand five hundred dollars; which amount your committee are of opinion would be a fair estimate for the present year. If the committee are correct in stating the ordinary current expenses at that amount, then the inquiry arises as to the means to be relied upon, for meeting it.

The principal sources of Revenue, under the existing laws, are, first; a direct tax upon lands and slaves. Secondly; the tax upon auction sales. Thirdly; fines and forfeitures incurred under the criminal laws. But as it is not only unwise but oppressive, especially at the present time, when the country is laboring under extraordinary embarrassments, to require from the people a greater amount than is necessary to provide for the current expenses of the government, the committee would recommend, that the last two sources of revenue be alone resorted to for the present year; and they are of opinion that they will afford a fund sufficiently large for that purpose.

The estimate of the committee is, that the ordinary current expenditure of the year will amount to seven thousand five hundred dollars, (\$7500) and they propose to provide for it, first—from the tax on auction sales, which may be estimated at six thousand dollars, (\$6000)—and secondly, from fines and forfeitures, which may be estimated at fifteen hundred dollars, (\$1500), making the aggregate amount of seven thousand five hundred dollars, (\$7500).

The committee are further induced to make the foregoing recommendation from the fact, that past experience has demonstrated, the utter futility of endeavoring to enforce the punctual assessment and collection of a land and slave tax. By reference to the reports from the Treasury department, for past years, it will be seen that the amount of revenue derived from this source, has been paid only by a few of the counties nearest to the capitol. The report of the Auditor for the year 1839, fully illustrates the fact stated—out of the twenty counties of the Territory, there were but five that contributed to the treasury from this source, and some of those five, only a portion of the amount assessed. A state of things so unequal and consequently so *unjust*, should no longer be tolerated; and whenever experience teaches that a system of taxation thus operates, it should, without hesitation, be abandoned. If it could subservise any useful end, the committee might enter into an investigation of the causes which have operated to produce this inequality in the administration of the revenue system, but believing that the sources herein before pointed out, will afford a revenue sufficiently ample to meet the current expenditure of the year, they most earnestly recommend the adoption of the accompanying Resolutions, which propose to suspend the operation of the revenue laws, during the present year, excepting from the operation thereof the tax on auction sales, retailers of spirituous liquors, keepers of billiard tables, exhibitors of public shows, and pedlars.

Before closing this report your Committee cannot abstain from calling the attention of the Senate to the very singular anomaly which is presented by the present system of *Territorial* revenue. The Government of the United States, did in the year 1820, by an act of Congress, concede to the people of Florida, (who from the time of the cession by Spain, up to that period, had lived under the government of a single Provincial Governor, invested with and exercising the powers of the Captain General and Intendant of the Island of Cuba,) a *Territorial* form of government, reserving to it the right of appointment, to fill

the several departments of the government, to wit: the Executive, the Legislative and Judicial. By the same act of Congress, the Government of the United States took upon itself the burthen of supporting this Territorial form of Government, by providing for the necessary expenditures of the several departments; and she literally made good her guarantee, until the Legislative Council, induced by a spirit of magnanimity, or from some other cause, unknown to the Committee essayed to relieve her from the burthen, by bringing forth in all its deformity the present system of *Territorial* taxation. It is true that, at a subsequent period, the right to elect the members of the Legislative Council was given to the people, but this by no means changed the relation that had previously existed between the Territory and the General Government; nor did it relieve her from the obligation to provide the means necessary for the administration of the Territorial Government; and so she seems to have considered it, as the expenses of the Legislative department has always been, and now is, paid by the General Government, notwithstanding the concession of this inestimable boon—a boon accorded by enlightened statesman, to the increased and rapidly increasing intelligence and virtue of the inhabitants. But it is contended by the apologists of this system that the General Government, in undertaking to establish and support a Territorial form of Government, for the people of Florida, by no means undertook to provide for the contingent or incidental expenses of the several departments. But this portion is negatived first by the practice of the General Government, and secondly by the absurdity which it involves.

The practice has always been, and now is to pay a very large proportion of the incidental expenses of the several departments. The estimate for the Executive department, as your Committee is informed, always embraces an item for contingences—a large proportion of the estimate for the Legislative department is made up of contingent and incidental expenses; and the estimate for the Judicial department is of like character; how does it happen, then, if the General Government, pays a *large portion* of the incidental expenses (as they certainly do) that they do not provide for the *small balance* which is now paid by the Territorial Treasury? or by what law, or rule of construction, is this "large portion," provided for and the "small balance" discarded? The solution of these questions is left to those who contend for the justice and *reasonableness* of a Territorial revenue system. But secondly, the position involves a palpable absurdity, in this, that the whole of *that portion* of the incidental expenses of the Government, proposed to be provided for by the Territorial tax, amounts, on an average, to not more than six thousand dollars per annum; and can it be presumed for a moment, that the General Government would be either so *unreasonable* or penurious, as to induce by a refusal to pay this "small balance," the establishment of a system of revenue, that must extend from Pensacola to St. Augustine, and from the St. Mary's to Key West; involving the people of Florida in an expense, amounting to three times the amount to be collected—the absurdity of the proposition is too glaring to admit of a further argument.

The Committee will close this report, by recommending the adoption of the accompanying resolution, requiring the Marshals of the respective judicial districts, to include in their accounts against the United States, all such as may accrue in consequence of the apprehension, safe keeping and prosecution of criminals.

All of which is respectfully submitted.

C. H. DUPONT, Chairman.

47

Be it Resolved by the Governor and Legislative Council of the Territory of Florida, That from and after the adoption of this resolution, the revenue laws of this Territory shall be suspended, so far as they may authorise the *assessment and collection* of a Territorial revenue for the present year, and no further; provided, that the operation of this resolution shall not be construed to extend to the tax upon Auction Sales, retailers of Spirituous Liquors, keepers of Billiard Tables, exhibitors of Public Shows and Pedlars, or to prohibit the assessment and collection of county taxes, as is provided for by the existing laws.

Be it further resolved, That from and after the adoption of this resolution, the Marshals of the respective judicial districts, be instructed, in making out their accounts against the United States, for the expenses attendant upon the administration of the laws, to embrace in the same, such as may occur, in consequence of the apprehension, safe-keeping and prosecution of criminals; and the several judges are respectfully requested to certify the same; it being the deliberate opinion of the Legislative Council, that they constitute a legitimate charge against the United States.

Which was read, and ordered to be printed.

Mr. Cooper from a select committee, made the following report:

The chairman of the select committee of the Senate, to whom was referred the petition of the citizens of East Florida, praying for a division of the Territory, request leave to make the following report:

That prior to the cession of the two Floridas to the United States, the provinces of East and West Florida were separate and distinct governments. East Florida extending Westwardly to the Apalachicola. In the treaty of cession they are spoken of as different and distinct provinces and Territories. The relative geographical position of the East and West Florida, (attaching Middle Florida to the West and South Florida to the East,) occasioning them to be but little identified with each other in pursuits, habits, customs, trade, interests or feelings.

They have but little intercourse or association with each other, and but for being now under one government, would have less. The commerce of the Middle and West is chiefly, and always will be with the Southwest. That of East and South Florida, is confined to the Atlantic ports. Middle and West Florida are cotton growing countries, the East with a more genial climate, will be in addition and perhaps principally devoted to the cultivation of Sugar Cane, Tropical Fruits and Plants, to Fishing, and raising Stock. Their remoteness and the difficulties which will ever exist in the speedy transmission of intelligence between them, renders it proper, especially in time of war, that they should be under different jurisdictions. Their people are as much strangers to each other as the citizens of Louisiana and Georgia.

They should be divided, every consideration of convenience

every dictate of justice, and every rule of right demands it.— Early after the cession, and in 1822 the people of East Florida, by a Delegate, who well understood their wishes and rights, attempted to procure the establishment for them, of a separate Territorial government in East Florida, and although he failed, the right has never been yielded or abandoned.

The policy of the slave holding sections of the Union, demands that there should be two new Southern States. We are already overborne, and without our equal and just influence in the Councils of the Nation. And why should Southerners resign the privilege and right of an additional Southern State formed out of East and South Florida, to balance the Western Territories, which in a short time will knock for admission as the *States of Wisconsin and Iowa*? It is political suicide.— We are willing to yield to Middle and West Florida, all West of the Suwannee River; but we must be permitted to judge of, and consult our own wishes, feelings and interests on this subject. We object to being dragged and coerced into such an unnatural union, which, when once consummated, we fear cannot be dissolved. Let the Middle and West, if they so choose, become a State by themselves, but let the East remain at present, as she was ceded to the United States by Spain, if *poor*, still separate and independent.

Her people were not bartered as slaves, without political rights, they claim to have some right of volition, and it will be exercised on this subject, against what they conceive the impolitic, unwise, and mad scheme of setting up for ourselves before we have arrived at years of political discretion, much less at legal majority, merely to gratify the ambitious aspirations of impatient politicians.

In behalf of his constituents, the undersigned demand of their fellow citizens of the Middle and West, from Congress and from the people of the United States, some regard for their rights, interests, and feelings, and that though a minority of the *whole Territory as now existing*. They may not be persecuted and oppressed to promote the schemes or interests or wishes and views of others.

The undersigned ask that this report be printed, spread upon the journals, and a certified copy sent to our Delegate in Congress.

JAMES G. COOPER,

Chairman select committee of the Senate.

Which was read, and ordered to be printed. Mr. English from the same committee, made the following report:

Mr. English, as a member of the committee on the subject of the petition of his fellow citizens in East Florida, has had the

same under consideration and reports and believes, that true it is there are many, a very large majority of the people of the East for division, and they have a right to a respectful hearing, & all proofs they may desire on this subject, to become satisfied that the constitution was fairly adopted, by a large majority of the people of Florida, as a whole, and to satisfy them on that subject, I would respectfully recommend the passage of a bill or resolution requiring the proof of the opinions of the people of Florida on the state subject; and such a one as in their wisdom would best accomplish the object required. This member of the committee believes it would be an important southern measure for Florida to become a state immediately, was she able to bear the expense of it, which he somewhat doubts, that it would be more important, could we become two, he admits; but believes to divide now would delay our having a state at all, at least so long as he believes the immediate good of a southern state to the Union, or southern states would be vastly more important than the future acquisition, if at all of two states of Florida. He would for another reason, vote for a state government immediately, the people he has the honor of representing, have by their vote expressed a desire to become a state, and he does not feel warranted in doing anything that would retard any business of an enlightened people, who notwithstanding it might be somewhat inconvenient would prefer to suffer the inconvenience, and become a sovereign state. They have a right with open eyes to make their selection. Our becoming a state as a whole now will not prevent a future division, when population, wealth, &c. makes it desirable.

WM. F. ENGLISH

Which was read and ordered to be printed.

Mr. Edwards from the committee on the militia made the following report:

The Committee on Militia, to whom was referred so much of a communication from his Excellency, as purports to be an extract of a letter from Lieut. Col. Blackburn, setting forth the claims and recommending the payment of the same, of two Indians, namely: John Perryman and Joe Miller, who acted as guides to Capt. Buie's company, for the term of three months, whilst said company was in the U. S. service, and should have been paid (if such services have been rendered) by the mustering officer of said company, beg leave to report:

That whilst there are so many claims of a more pressing and important nature to be liquidated, and provided for by the Legislature, that we be dismissed from any further action on the subject.

J. D. EDWARDS, Chairman.

Which was read and ordered for Monday.

Mr. Livingston from the Committee on Finance, made the following report:

The committee to which was referred the memorial of John G. Gamble Esq., President of the Union Bank, asking a repeal of the 34th section of the charter of said Bank, beg leave to report—

That they have given to the memorial the most mature, and they may conscientiously say, the most anxious consideration, that their official duties would permit; and the result of their best reflection is, that the prayer of the memorialists is reasonable, and ought to be granted.

Many of the views which bear upon the subject of the memorialists are presented by the Directors of the Union Bank, pursuant to the unanimous wishes of their constituents whose mortgaged property is estimated at three millions of dollars, along with debts due them for discounted bills, of three millions and a half, and the profits upon these discounts of 334,000 dollars, already realized, making an aggregate amount of six millions eight hundred and thirty-four thousand dollars, is all pledged to indemnify the Territory against any loss that might be apprehended from a failure on the part of the Bank to pay the principal and interest of the 3,004 bonds, of which 700, now unsold, constitute a part.

The real value of the mortgaged estates, composing the largest item of this indemnity, is represented to the committee to exceed in value, by at least two millions of dollars, the above estimate; so as to extend the indemnity to a sum exceeding eight millions eight hundred and thirty-four thousand dollars. More than five millions eight hundred thousand dollars must therefore be totally sunk, before the Territory can be exposed to any loss whatever.

That the statements which warrant this conclusion are entitled to confidence, is evident; not only from the character of those who supply them; but by facts, worthy in this enquiry of special notice.

The stock of the Union Bank has, in a few instances, at various periods, been exposed to sale, at public auction; but no sale has ever been so made at less than an advance of from 25 to 30 per cent. on each share of \$100, and no stockholder can now be induced to sell his stock for less than the least of these premiums. Moreover, many of the largest stockholders, including several directors of the late and present board, having, as is represented to your committee, estates of the value of a million and a half, and owning stock exceeding in the aggregate a moiety of that sum, have endorsed the post notes of the Bank to an amount exceeding two hundred and ninety thousand dollars, and bonds to the further amount of more than half a million; thus becoming personally liable to the extent of eight hundred thousand dollars for the debts of the Bank; manifesting thereby their entire confidence in the statement submitted by the late board to the last annual meeting of the stockholders, and by the present board to the committee.

Admitting those statements thus attested to be entitled to credit, and your committee repose unlimited confidence in their truth, although they unanimously and solemnly repudiate the idea that the Territory is not ultimately bound to redeem its faith, pledged to the public creditor who holds its bonds, they as unanimously believe that a perfect indemnity exists to guard the government and people of Florida from any future loss or hazard in consequence thereof.

They have, therefore, more readily, but, for the same reason, more cautiously, considered in all its aspects the prayer of the memorialists to be permitted to sell the remaining 704 bonds issued to the Union Bank without the restrictions imposed by the charter.

The facts and views of the memorialists, on which they ground their

prayer, and which have been duly considered by the committee, are strictly the following:—

1st. The failure in Florida to a very great extent of the Cotton crop of the past year.

2nd. The magnitude of the debts due to the Bank by its customers within the Territory, and their present inability, for the reason above mentioned, to pay them promptly.

3rd. The very large sums which the Bank is required to remit abroad in the course of the present, and the first half of the succeeding year.

4th. The vast loss which the Bank must unavoidably sustain if those sums are to be remitted at the present rate of Northern Exchange.

5th. The heavy pressure which it must make upon its debtors, and those debtors upon those who are indebted to them. If the Bank attempt to force the payment of a sufficient sum to make those remittances and to provide that exchange.

6th. The probable loss of many of those debts if their payment be urged by the issue of executions to be levied on property, to be sacrificed at public auction.

7th. The great probability, if not absolute certainty, that the sale or hypothecation of the unsold Bonds, now the *unproductive* capital of the Bank will enable it, not only to meet all just demands likely to be made upon it for immediate payment without those ruinous consequences to their honest debtors and to the community at large, but to provide an ample fund for the resumption of specie payment, a measure by which not only the Bank, but the people will be relieved from the evils attending on a currency depreciated for every purpose abroad, involving a ruinous rate of mercantile exchange, aggravated by the notorious fact that this Territory imports and consumes annually an amount in value very nearly equivalent to, and in some past years, greatly exceeding its whole exportation abroad.

8th. That whatever loss may be sustained on an actual or conditional sale of the Territorial bonds, or on a sale of the bonds of the Bank endorsed by the Directors & Stockholders, and secured by the hypothecation of the former, cannot fail to be less than that which the Bank must inevitably and irretrievably incur from remitting to the North at the present unfavorable rate of exchange the very large sums which it must very shortly pay or be dishonored. And this loss supposes its collections at home to be of adequate amount to provide the necessary bills, that those bills can be procured within the Territory; that the demand for them shall not occasion a farther increase of the rate of exchange, and that the Bank will be under no obligation to resume the payment of specie within this or the next year.

In case of such resumption, a farther sum must be collected to begin and continue that measure which, if indiscreetly began and abandoned from necessity, must leave the Bank in a worse condition than if it had not been attempted.

The committee proceed to contrast the operation of the two modes of relief to which their attention is invited by the concluding paragraph of the memorial of which they have given an analysis, and trace their operation, in combination with a memorial exhibit of the liabilities and resources of the Union Bank, and with the process by which the Directors propose to provide for the former.

The Union Bank must pay in the month of June next, on account of its agent in New York,	\$26,000 00
In the months of July and January next, on account of interest on the \$2,296,000 of Territorial Bonds already sold of which \$72,000 is due in New York, and \$65,760 in London and Amsterdam, equivalent to \$72,000 more, in New York exchange, being added,	144,000 00
On the 15th July next the first year's interest of 7 per cent. on the deferred deposit account,	15,000 00
In London on the 1st July next, to the house of Huth & Co. assignees of the Bank of the United States, with interest, £30,000 sterling, equivalent to \$153,700 in New York.	153,700 00
On the first of March and the fifteenth of July, 1842, the deferred debt including its last year's interest,	273,000 00
On the first of July, 1842, the interest again due on the Territorial Bonds,	72,000 00
Making an aggregate of	\$688,700 00

To which if the Bank be required to pay specie, the further sum of \$311,300 may be added to pay the deposit debt not deferred, and to provide an adequate fund in specie to sustain the remaining circulation of the Bank.

These two sums make a total amount of one million of dollars, all of which, if provided at all, must be obtained at the expense of 40 per cent. computing the price of bills at their present high rate. So that to produce it 1,400,000 must be extorted from the Debtors of the Bank, whose debts are subject to curtailment, except the inconsiderable amt of interest due on stock notes, which are not curtailable according to the terms of the charter, and this sum is exclusive of a balance which will be due to the Bank of the United States, having been deferred on condition of paying to their assignees in London the sum inserted above, among the immediate liabilities of the Bank.

The Senate are more capable of judging, than their committee, of the probable effect of any attempt to enforce the payment of near a million and a half of dollars under the present circumstances of this Territory, and if collected by legal process the loss to be incurred by the Bank, in its remittances abroad, for it is all to be paid or provided for, by the purchase of Northern funds, is to be charged on what? that very surplus of \$334,000 which the Territory has been instructed to regard as the readiest resource for the ultimate payment of the Territorial Bonds sold or to be sold, and as a fund after they shall have been paid, to be equally shared by the Territory and the Bank.

On the other hand, should an equal loss be sustained in the sale or hypothecation of the Territorial Bonds not yet disposed of, it will be paid at the expense of the same fund, though leading, as will be shewn to very different results as regards the Bank the people and the Territory, with but one exception that the bonds will have passed from the Bank and have become (at an earlier period than might otherwise) the property of the purchaser; still as this exception will leave the indemnity of the Bank precisely in the same condition as the loss to be incurred from the present unfavorable exchange abroad, should these bonds not now be sold, no objection can arise from the admitted responsibility of the Territory, for their payment in the event that the Bank shall be in capable of doing so, and that incapacity can arise as has been shown *only* by the loss of its resources to an extent exceeding more than five millions and a half of dollars.

But the Directors assure the Committee that they apprehend no such loss.

They are confident that they can raise by a sale of those Bonds, or by hypothecation of them, as a guarantee of the earlier payment of the endorsed bonds of the Bank already remitted to London, a sum not less than 75 per cent. upon the \$704,000 and of this sum they propose making the following disposition:

To pay _____ & Co. in London, £3000 sterling, with twelve months' interest,	\$145,000 00
To pay in London and Amsterdam the foreign interest on the Territorial bonds already sold, and to be due in July and Jan. next,	65,760 00
Making together a sum due abroad of	\$210,760 00
Which, deducted from the sum raised in London in the mode before mentioned, being	528,000 00
Will leave a balance of	\$317,240 00
To be transferred to New York, with the current rate of exchange, estimated at 8½ per cent. is	26,965 00
Will cause to be deposited then to the credit of the Bank,	\$344,205 00
Deducting from this last amount the American interest on the Territorial bonds sold in New York and payable there on the first of July and January next,	72,000 00
And for the interest due in July and January next on the deferred debt of \$278,000,	15,000 00
	<hr/>
	\$87,000 00
There will remain,	\$27,205 00

of the \$528,000 to provide for the part of the deposit debt which may exist on the resumption of specie payments, and to sustain a circulation amounting at present to but \$330,000, and in a course of reduction by the collection of interest on loans, and by curtailments.

The proportion which should subsist between the specie of a bank and its notes in circulation, depends on so many circumstances peculiar to the condition of the country which that circulation pervades, that it cannot be regarded as an invariable rate.

The circulation of Florida, varies in a remarkable degree with the different seasons of the same year, as experience has demonstrated, being greatest in the spring, while the crops of the preceding year is reaching its destination abroad and least in the autumn, where it has been exported and sold. It has never since the institution of the Union Bank been less in any season of any year than in October, 1837, where it had been reduced to \$234,283.

Smith in his treatise on the wealth of Nations estimates the proportion of specie on which a Bank may safely rely to sustain its circulation at one third of the latter.

In America where the surface of operation is larger, and the intercourse of society, as well as the transit of merchandise and money, is more tardy, the proportion of the specie to the paper currency of the Bank has been much less.

At a period of great prosperity, preceding the suspension of specie payments in 1837, this proportion among the Atlantic Banks, collec-

tively, north of the Potomac was one to six—and south of that river where the means of intercourse are less, advanced one to five.

The measure of this rate in a season of universal or general confidence cannot guide to a confident conclusion as to the proper rates, after that confidence has been impaired and prior to its restoration.

But while the Union Bank continues to press as far as practicable, with safety the curtailment of its outstanding debts, and the collection of its accruing interests as well as that in arrear since the two last sums computed for the coming year and a half, largely exceed its whole circulation now outstanding, it cannot fail to prevent a serious run upon it for specie: and that confidence which unforeseen disasters have impaired, will be renewed, as the cause which produced it, (the suspension of specie payments) ceases to exist.

The committee therefore concur with the memorialists in the confident belief that the provision which they propose to make for the resumption of specie payments will bear them through triumphantly.

For the other debts of the Bank, provision will be made by the Directors, partly by the renewal of public confidence, and partly by the efforts of the Bank to deserve and maintain it, in other words by the collection of interest on its outstanding debt, which should never be in arrear, and by curtailments, adjusted to the times and the respective circumstances of their debtors.

These resources may, without a very severe pressure, be gathered in time to meet the payment of the deferred deposit debt, and to discharge the balance which will be due in 1842 and 1843 to the Bank of the U. States.

After this the Bank will occupy a firm position, and profiting by its misfortunes will, it is hoped and believed, experience no recurrence of a trial like that to which it is now exposed.

The Senate, having already passed a bill to fix the time for the resumption of specie payments, the committee deem it unnecessary to avail itself of the first proposition of the memorialists. To the other under suitable modifications, they look with confidence to remove the only conceivable objection to the grant which the memorialists seek to obtain.

Instead of two per cent. upon such sum as the unsold Bonds may produce, the committee recommend the fixed amount of \$20,000 per annum as a sinking fund for their discharge. It will be calculated to enhance the value of the bonds to be disposed of, and insure their payment within a reasonable period, without subtracting from the present resources of the bank, and in a mode so gradual as to produce no injudicious effect hereafter. In the bill which repeals the 34th section of the charter, they propose, therefore, to insert the necessary provisions for a sinking fund to pay off the 704 bonds, authorised to be sold without any farther restrictions on their sale than such provisions will supply to effect their payment without a possible recurrence to the Territory.

M. C. LIVINGSTON,
D. G. McLEAN.

Which was read, laid on the table, and ordered to be printed, and the accompanying bill read, and ordered for Monday.

Mr. Livingston offered the following resolution:

Resolved by the Senate. That so much of the 26th rule as requires that the three readings of every bill shall be upon *three different* days, unless the Senate unanimously direct otherwise, be, and the same is hereby repealed for the balance of the session.

Which was read.

The message of his Excellency the Governor, in relation to certain correspondence in reference to the payment of troops in East Florida, under Col. Robert Brown and Major Isaac Garrison, was again with the accompanying documents, read and ordered for Monday.

A bill to be entitled, an act regulating the fees of Jailors in this Territory, was read a second time.

An act to prevent the stealing of neat cattle, was again taken up, as amended by the House, for which amendments Mr. Walker offered a substitute.

Which was concurred in with original title.

On the question of the passage of said substitute, the yeas and nays were called by Messrs. Duval and Dupont, and were:

Yeas—Messrs. Brockenbrough, Cooper, Dupont, Edwards, Livingston, McLean, Pelot and Walker—8.

Nay—Mr. President—1.

So said act passed—ordered that the title be as above.

An act for the relief of the Tallahassee Rail Road Company, was ordered for Monday.

An act for the relief of Jabez B. Bull and Patrick Ker, was ordered for Monday.

An act to incorporate Cherry Lake Academy in the county of Madison, was read a third time and passed—ordered that the title be as above.

An act to incorporate the Hamilton Academy in the county of Hamilton, was read a third time and passed—ordered that the title be as above.

An act to incorporate the Tampa Bay and St. Johns Rail Road, Canal and Steamboat Company, was read a third time and ordered for Monday.

An act to ascertain the wishes of the people of Florida upon the propriety of going into a state government. On motion to strike out in said bill "Delegates Election," and insert election for Representatives, the yeas and nays were called by Messrs. Cooper and Pelot, and were:

Yeas—Messrs. Cooper, Edwards, Pelot and Walker—4.

Nays—Mr. President, Messrs. Brockenbrough, Dupont, Livingston and McLean—5.

So said motion was lost.

On motion to strike out all after the word "states" in the ninth line of section 2, of said bill, the yeas and nays were called by Messrs. Pelot and Cooper, and were:

Yeas—Messrs. Cooper and Pelot—2.

Nays—Mr. President, Messrs. Brockenbrough, Dupont, Edwards, Livingston, McLean and Walker—7.

So said motion was lost—said bill was ordered to be engrossed for Monday.

The Senate then adjourned until Monday.

MONDAY, March 1, 1841.

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

Mr. McLean asked and obtained leave to be absent for the remainder of the session.

Mr. Dupont from the Committee on the State of the Territory, reported favorably on a bill to incorporate the Iola and St. Josephs Canal and Rail Road Company.

Which was ordered for to-day.

Mr. Brockenbrough from the Committee on Banks, made the following report:

The Committee on Banks to which was referred the memorial of the Union Bank of Florida, asking permission to sell the Territorial Bonds below par respectfully report:

That they have had the memorial under consideration, and to enable the Senate to decide upon a subject of so much importance and difficulty report the following facts: The Committee has conferred with the President and Cashier of the Bank and find from their statement, the following to be its situation, (in round numbers.)

<i>Liabilities payable out of the Territory to January 1842.</i>	
Bank Bonds due 1841 to persons in New York,	\$ 26,000
Interest due on post notes to Jan'y 1842.	15,200
Due U. S. Bank of Pennsylvania 304,000, which may be postponed by payment in London in July of	145,000
Interest due on bonds for capital July,	72,000
Do do do Jan'y 1842,	72,000
	<hr/>
	\$330,200

Similar Liabilities to Jan'y 1843.

Debt to U. S. Bank	\$304,000	
To be paid in 1841,	145,000	
	<hr/>	
	\$139,000 with expenses say	\$160,000
Interest on post notes,		15,000