

hundred and eighty-three, and so consecutively on or before the first day of April of every succeeding year; the amount of the said delivered tobacco, after the yearly delivery thereof, is to be employed yearly to the discharge of the interests of the capital negotiated, the residue subject to the disposition of the state, or to be applied to the payment of the interest of any capital sum hereafter to be borrowed. Your committee further represent, that in another notarial act, dated the thirty-first day of July last, expressing the conditions to be performed by this state, or Matthew Ridley as its agent, in consequence of the contract entered into on the same day, between the said Matthew Ridley, Esq; on the one part, and Messieurs Nicholas and Jacob Van Staphorst on the other part, as aforesaid, the following clause is inserted: "And on failure of prompt payment, as well for the capital as of the yearly interests, the capital can and may immediately be demanded, and the above mentioned principals and constituents of him honourable appearer shall in that case be held and bound directly to redeem and pay off the capital that is due, together with the interests and charges." On the foregoing state of facts, collected from authenticated copies of the original contract, resolves of assembly, and other documents, herein before mentioned (as reference being thereunto had will appear), your committee take the liberty to remark, that the contract aforesaid appears to them extremely disadvantageous, under present circumstances, to the state; to strengthen this opinion, the annexed calculations are made, shewing the loss which the state will incur, on the supposition that the thousand hogsheads of tobacco will be annually paid during ten years, rating the cost of the tobacco to the state, in the first calculation, at twenty-one shillings sterling per cent. and in the second at twenty five shillings sterling per cent. Wherefore your committee think it expedient for the public interest, that the said Matthew Ridley, Esq; be directed, without loss of time, to return to Messieurs Nicholas and Jacob Van Staphorst, all the monies which he hath received from them, and not expended in the purchase of arms and other articles, or otherwise, for the use of the state; and that the legislature immediately adopt effectual measures for the prompt payment of any balance, which may remain due on the loans received from the said Nicholas and Jacob Van Staphorst, and not refunded by the said Matthew Ridley, Esq; as directed to be done by the resolve of the general assembly of Maryland at the last session. Your committee are induced to recommend this measure, because they apprehend, on payment of the principal, the state will be discharged from the obligation of furnishing annually, to the aforesaid Nicholas and Jacob Van Staphorst, the thousand hogsheads of tobacco, at the low stipulated price of six and a half guilders, or at eleven shillings and eleven pence sterling per cent. Your committee are warranted in this opinion, by the heads or abstract of the agreement transmitted to the governor and council by Matthew Ridley, Esq; in his letter of the fourteenth day of last October from Paris, by which they are led to believe, that the clause stipulating a certain time for the repayment of the principal, was inserted in favour of the borrowers, that they might not be distressed by being called on for payment of so large a sum during an expensive war, or too quickly after its conclusion. Although the contract expressly provides for the annual delivery of one thousand hogsheads of tobacco during ten years, this provision, it is evident, was made on the supposition that the principal would remain so long unpaid, an indulgence granted, it should seem, on an impartial consideration of all circumstances, as a favour to the borrowers. There is nothing, in the judgment of your committee, contained in the contract, which can be construed to prevent the state from repaying before the expiration of ten years the principal borrowed; in case of failure in the payment of the yearly interest, it is expressly covenanted, that the state shall be bound directly to redeem and pay off the capital, interests and charges due. The obligation to furnish annually for ten years a thousand hogsheads of tobacco, will be done away, as your committee conceive, by the extinguishment of the principal debt; nor can any just inference to the contrary be drawn from the application of the residue of the thousand hogsheads, after paying the interest, being left at the disposition of the state, to obtain future loans, by securing the payment of the interest on such, if necessary to be negotiated, or to be applied to any other purposes the state may think proper, without an express appropriation being made in the contract of such residue to the gradual or partial extinguishment of the capital borrowed; the loan being made when a continuance of the war was problematical, it is natural to suppose that Mr. Ridley concluded, that the state would want to apply the residue of the thousand hogsheads of tobacco to the exigencies of the war, and that on the re-establishment of peace, a prompt payment of the principal might take place, as a gradual and yearly application of the said residue or surplus of one thousand hogsheads, to the extinguishment of the capital, could not be so advantageous to the state, as an entire discharge thereof in some other more speedy and efficacious manner. All which is submitted by your committee to the consideration of the honourable senate.

Which was read.

Charles Carroll, of Carrollton, Esq; brings in and delivers to the president a bill, entitled, An act empowering the intendant to dispose of the galley and barges; which was read the first time and ordered to lie on the table.

The senate adjourns till 3 o'clock.

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P O S T