

BY THE SENATE, MAY 10, 1780.

GENTLEMEN,

NOT having been able to prevail with you to separate the clauses, pledging the faith of this state to pay the convention money and state certificates without abatement or discount, and to make the new bills of credit a legal tender, from the bill, entitled, An act for bringing into the treasury the sum of twenty million five hundred and forty thousand dollars, and sinking the same, according to the requisition of congress, by the mode we judged most agreeable to our constitution, we return it with our negative; and as on a past occasion, far less important than the present, the house of delegates did, at the request of the senate, separate the parts of a bill, sent up for their deliberation, into two distinct bills, we have the greater reason to hope that you will now pursue a similar conduct, and send distinct bills, upon such principles as you may think proper.

It may not be improper to point out on this occasion, for your consideration, some very material objections to the plan of your bill, for bringing into the treasury our proportion of the continental debt, in the present circulating continental bills, and exchanging them for the new bills to be issued under the resolves of congress of the 18th of March last.

In the first place, the plan is justly exceptionable, in giving the exorbitant premium of twenty per cent. to the money holders, to induce them to bring this money into the treasury, when the five per cent. interest, which the new bills are to carry, will be, in our opinion, a sufficient inducement to every man well affected to his country to bring it in; but if you think a premium necessary, one half a tenth would certainly be enough; and the difference between this proposal and your plan would amount to seven hundred and seventy thousand two hundred and fifty pounds, to be put into the state treasury, and applied in ease of taxation.

The clause in the bill, limiting the sum to be brought in by each individual before a particular day, and whereby, in appearance, the advantage of the twenty per cent. is given to everyone, according to the taxes he pays, does not remove this objection, because the money holder, seeing he can make twenty per cent. by keeping his money till the day fixed, will not part with it to others at less than this advantage, and it will ultimately come to nearly the same thing, as if the proportions to be brought in by each individual had not been limited; the consequence of this will be, that the new money will fall into few hands, who will make their advantage of it.

Another objection to your plan is, that by calling all the money out of circulation sooner than was intended by congress, and before the farmer and planter can by his commodities acquire an equal share of it, you render the people less able to pay their subsequent taxes than they otherwise would be, and thereby make a tax of forty-five pounds four shillings, payable in seven months, much more burthensome than sixty pounds, payable in thirteen months, which we conceive would bring in our proportion of the continental money, and answer the contingent expences.

By the supply bill, a rate of ten pounds is to be collected by the tenth of July; this sum, with the five pounds now collecting, will make fifteen pounds in the hundred, which amounts to seven million six hundred thousand dollars, from which deduct three million one hundred and sixty thousand dollars, being our proportion which ought to have been collected in the months of January and February, and is to be again circulated, by the resolution of congress, to pay off contracts made before that time, leaves four million four hundred and forty thousand dollars; this is directed to be paid out of the treasury in continental money. Now if this sum was to be destroyed, agreeable to the last resolution of congress, and new bills to issue for one twentieth part, congress would have four tenths of it, and the state six tenths, which is five million three hundred and twenty-eight thousand dollars; this sum amounts to eight hundred and eighty-eight thousand dollars more than the sum paid in, being the fifth part thereof.

The duties and taxes imposed by your bill are insufficient to create a sinking fund for the new bills of credit, and in our judgment, an act passed at this session, imposing duties and taxes adequate to this purpose, would give much greater credit to these bills, than a promise that a future assembly, which may be composed of members different from the present, will make good deficiencies.

We have made these observations on your scheme, that you may consider them, and give them such weight as they deserve, and adopt them or not, as you think proper, in whatever bill you incline to send us.

However, gentlemen, if you still adhere to your own plan for imposing duties and taxes, and calling in the money, and will separate the clauses objected to in our former messages, send us the bill as it will stand without those clauses, and we will pass it, notwithstanding the objections to which it is justly liable, being extremely desirous to adopt some plan to effectuate the valuable and necessary purposes intended by congress; but we cannot agree to blend with a bill for these purposes, matters which we esteem contrary to the welfare of this state, and subversive of justice.

Of this nature we esteem the clause in your bill, pledging the faith of this state for the redemption, without abatement or discount, of its bills of credit and loan-office certificates, issued for monies borrowed; and it is matter of no small surprize to us, that while at one time, and to enforce a favourite measure, you insist on the inability of the people to pay the necessary taxes

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