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From the NATIONAL INTELLIGENCER.

TO THE PEOPLE.
THE DEFENCE.
No. VIII.

In this view of the financial operations of the government, it may be proper concisely to notice a topic, brought up from time to time to suit party purposes. About the close of the year 1802 the Commissioners of the Sinking Fund made a contract with a Mr. Baring, whereby they sold him 2,220 shares of Bank Stock, for an advance of 45 per cent. making 1,287,600 dollars, *on the condition* that he should pay an equivalent sum of the foreign debt due by the United States at the exchange of 41 cents the guilder. At the close of the ensuing session, within two days of its termination, Mr. Bayard brought forward a motion of enquiry, on the ground that the Commissioners had no legal authority to sell the Bank shares, and that if they had the power, they had sacrificed the interest of the United States by the low price at which they had been sold We shall pass over the disingenious manner in which this enquiry was urged, with the single remark, that no other motive but the desire to wound the administration in the tenderest point, without giving them an opportunity to justify their conduct, could have produced the motion at the time it was submitted. Fortunately, however, the friends of the administration manifested, on this occasion, a vigilance and knowledge that confounded their enemies.

In this discussion it was contended that the commissioners had no legal authority to sell the Bank shares. In answer to this declaration, reference was had to the act of Congress of 1796 in relation to the payment of the public debt. The act authorises the commissioners of the sinking fund to borrow five millions, for the purpose of paying *such debts to the bank of the United States*, to the bank of New York, and such instalments of the foreign debt, *as were then due or should become due in the course of the year* 1796. The law provided that this authority might be exercised in three different ways; the two first authorised loaning the money from individuals, and the third authorised the commissioners, if they deemed it most advantageous, to sell such, and so many of the shares in the bank of the United States, as they might think proper, for the above purpose. Of the sum due to the bank of the United States in the year 1796, it was shewn that 2,740,000 dollars remained due on the 1st of January 1802. For the purpose of in part paying this debt, the Commissioners sold the bank shares The power given in 1796 to sell the bank shares being unlimited in point of time and the objects to which only it was limited remaining in existence, it appeared as clear as day light that the authority was legal. Such, moreover, appeared to have been the contemplation of the legislature in the antecedent year (1802) who had passed a law providing for the discharge of the public debt, in which it is provided that the power given to reloan certain instalments of the Dutch debt "shall not be construed to repeal, diminish, or affect the power given to the commissioners by an act making provision for the payment of certain debts of the United States (the very act in question passed in 1796) to borrow certain sums of money, and *to sell the shares in the bank of the United States, belonging to the United States*, in the manner, on the terms, and for the purposes provided by the said act."

To prove that the interest of the United States was not sacrificed by the sale, but that on the contrary, it was eminently promoted by it, we shall extract from Mr. Nicholson's speech the following statements, which, it is conceived, will be satisfactory to every unprejudiced mind.

"The 2,220 shares sold at 45 per cent. advance, or for 580 dollars each, and produced the sum of 1,287,600 dollars. By selling to Baring, the commissioners of the sinking fund were enabled to make an advantageous contract with him for the payment of the debt in Holland.—The bank of the United States had refused to contract to make the remittance; the Manhattan bank in New York offered to contract, but the lowest rate offered was at forty three cents the guilder. Mr. Baring offered to contract at forty one cents the guilder, provided the commissioners would sell him their shares in the bank of the United States. This proposition they acceded to, and sold the 2,220 shares for

dolls.	1,287,600
Gained on the purchase of bills of exchange for 3,140,417 guilders at 41 cents each, instead of 43 cents; the difference 2 cents per guilder, equal to 62,809,	62,809
	1,350,409
This sum makes the real proceeds of the bank shares, and shews the true amount received by the United States for them,	1,350,409
But the gentleman from Delaware says the sale might have been made at 50 per cent advance, and we might likewise have received a half yearly dividend; and this he thinks would have been a better bargain. Let this be tried	
Suppose the 2,220 shares sold at 50 per cent. advance or for 600 dollars each.	1,332,000
Add the half yearly dividend at 4 per cent. which it is said we might have received likewise, besides getting the 50 per cent. advance, the dividend of 4 per cent or 16 dollars per shares equal to	35,520
This would have given us for our shares the sum of,	1,367,520
In this case, however, we should have been obliged to pay at the rate of forty three cents the guilder, instead of 41 cts. and the difference of 2 cents per guilder on 3,140,487 guilders would have been against us, instead of in our favour. This therefore is to be deducted, and is equal to 62,809 dollars,	62,809
Making the true proceeds of our shares agreeably to this operation, only, dolls.	1,404,711

or 45,528 dolls. less than the commissioners of the sinking fund actually received.

But the gentleman from Delaware supposes that we might have retained our bank shares, and might have advanced money from the treasury to buy the bills on Holland; in which case, if we had kept them another year, we might then have sold them at 50 per cent. advance, and should have received two half yearly dividends upon them, equal to 8 per cent. or thirty-two dollars the share. If this calculation is made, it will be found that we have still made money by the contract.

Suppose the 2,220 shares sold at 50 per cent. advance, they would have yielded, as before stated,	1,332,000
Add the two half yearly dividends at 4 per cent. each, or 32 dollars for each share,	71,040
This then would have been the amount received by the United States,	1,403,040
We must however have given 43 cents the guilder for 3,140,487 guilders, instead of 48 cents, which the purchase was made from Mr. Baring at; or 62,809 dolls more, which must therefore be deducted, and is,	62,809
And it shews that we should only, in that case, have received for our 2,220 shares the sum of,	1,340,231

Or 10,178 dollars less than the commissioners received; and if to this sum of 10,178 dollars be added the year's interest, which we must have paid to the bank for the amount of debt paid by the proceeds of the shares, which interest calculated at 6 per cent. on 1,287,000 dollars, is equal to

	Dollars.
	77,220
To which add the former sum of	10,178
And it shews that we should have lost by this operation the sum of	87,398

Thus, in every point of view, it appears that the sale made by the commissioners was highly advantageous."

CURTIUS.

From the National Intelligencer.

Attempts have been recently made by letters from, and representations of occurrences at Madrid, to excite the feelings of the public on the issue of a question of great magnitude to the United States. It is said that the king of Spain has refused to ratify the convention for the indemnification for spoliated property, on several grounds, among which is assigned the legislative authority given to the president to erect a port of entry on the Mobile and its waters emptying into the Gulph of Mexico east of that river. Whether it be true that Spain has refused on this, or any other ground, to ratify the convention, we shall not undertake to say; much less to determine the accuracy of the fact that Mr Pinkney has demanded his passports and is about returning to the United States; or whether we are on the eve of a war with Spain. We shall only observe that the pictures drawn in some of the Eastern prints appear to us so extravagantly coloured as to lead to a suspicion that they are intended to cover some commercial project. Waving, however, all considerations arising out of these circumstances, as unlikely from the little knowledge respecting them in possession of the public, to afford much important light, we have considered it proper to attempt laying before the public a view of the merits of the interesting question,—"What are the boundaries of Louisiana," as acquired by the United States from France by the late treaty of cession This point, independent of any connection it may have with the ratification of the convention, or with any pending negociation, is extremely important; and although the discussion of it, at this time, may be premature, as it has been brought into public notice, it appears necessary, to avoid erroneous impressions, to state the prominent facts on which its decision must depend. We shall at present attempt little more than this; our object being to take sure ground, and to exhibit a short and clear view of facts, and to draw those inferences only which immediately flow from them.

In order to exhibit this view the more distinctly, it is necessary to go back to an early period of the colonisation of Louisiana.

In the year 1673, M. Joliet and Marquette, two French Canadians, excited by the information of the Indians, explored and struck the Mississippi, which they descended to the Arkansas. Their representations awakened the curiosity of M. de la Sale, who, in the year 1680, under the permission of the French government, explored the Mississippi. On the lower part of the Illinois he garrisoned a fort called Crevecour; and he sent father Hennepin down the Mississippi until he reached the ocean. In 1682, M la Sale and M. Jonti went down the river with sixty men, named the country Louisiana, built a fort in the Chickasaw territory, 60 leagues below the Ohio, by the name of Prudhomme. M. la Sale then returned to France. The French government entering with ardour, into his scheme of forming settlements along the St. Lawrence and Mississippi from sea to sea, placed under his direction four sales, with men and stores. He sailed in 1684; but missing the mouth of the Mississippi, landed on the 18th of February in the Bay of St. Bernard. Here he made two successive establishments.

About this time the Chevalier Tonti descended the mouth of the Mississippi, and on ascending the river formed a permanent settlement on the Arkansas. Not long after this period several other small settlements were made by enterprising Frenchmen.

In 1689 war commenced between France and Spain, which lasted till 1697, during which period nothing appears to have been done by France to succour her colony. In 1691, M. D'Iberville was dispatched as governor. He established two settlements, one at Isle Massacre, which he called Isle Dauphin, and the other at Mobile. It may be proper to observe that during the war, in 1696, Spain had taken post at Pensacola.

From those facts it follows that France enjoyed the actual and undisturbed possession of the coast from the Mobile to the Bay of St. Bernard, and from the mouth of the Mississippi to the Illinois, which, together with other territory, comprises what is now called West Florida, but which then, together with the country as far as Canada, went by the common name of Louisiana.

In this condition things stood, when Louis XIV. by letters patent, on the 14th Sept. 1712 granted to M. Crozat, the exclusive commerce of this country for fifteen years. This document is important, as it appears to contain the first formal recognition of the extent of the French possessions. The extracts in point, are as follows:

"LOUIS by the grace of God, King of France and Navarre: To all who shall see these letters, greeting. The care we have always had to procure the welfare and advantage of our subjects have induced us, notwithstanding the almost continual wars which we have been obliged to support from the beginning of our reign, to seek for all possible opportunities of enlarging and extending the trade of our American colonies, *we did in the year* 1683 *give our orders* to undertake a discovery of the countries and lands which are situated in the Northern part of America between New France and New Mexico. And the Sier de la Sale, to whom we committed that enterprize, having had success enough to confirm a belief that a *communication might be settled from New France to the Gulph of Mexico* by means of large rivers; this obliged us immediately after the peace of Ryswick to give orders for the establishing a colony there, and maintaining a garrison, *which has kept and preserved the possession*, we had taken in the very year 1683 of the lands, coasts and islands which are situated in the gulph of Mexico *between Carolina on the East, and Old and New Mexico on the West*. But a new war having broke out in Europe shortly after there was no possibility, till now, of reaping from that new colony the advantages that might have been expected from thence because the private men, who are concerned in the sea trade were all under engagements with other colonies, which they have been obliged to follow: *And* WHEREAS upon the information we have received concerning the disposition and situation of the *said countries known at present by the name of the province of Louisiana*, we are of opinion that there may be established therein a considerable commerce, so much the more advantageous to our kingdom in that there has hitherto been a necessity of fetching from foreigners the greatest part of the commodities which may be brought from thence, and because in exchange thereof we need carry thither nothing but commodities of the growth and manufacture of our own kingdom; we have resolved to grant the commerce of the country of Louisiana to the Sieur Anthony Crozat, our Counsellor, Secretary of the Household, Crown and Revenue, to whom we entrust the execution of this project. We are the more readily inclined hereunto, because his zeal and the singular knowledge he has acquired in maritime commerce encourage us to hope for as good success as he has hitherto had in the divers and sundry enterprizes he has gone upon, and which have procured to our kingdom great quantities of gold and silver in such conjunctures as have rendered them very welcome to us.

"For these reasons, being desirous to shew our favor to him, and to regulate the conditions upon which we mean to grant him the said commerce, after having deliberated this affair in our council, of our certain knowledge, full power, and Royal authority, We by these Presents, signed by our hand, have appointed and do appoint the said Sieur Crozat solely to carry on a trade in all the lands possessed by us, and bounded by New Mexico, and by the lands of the English of Carolina, *all the establishments ports, havens, rivers, and principally the port and haven of the Isle Dauphine, heretofore called Massacre; the river St. Lewis heretofore called Missisippi from the edge of the sea as far as the Illinois, together with the river of St. Philip, heretofore called the Missouries, and St. Jerome, heretofore called Ovabache with all the countries, territories, lakes within land, and the rivers which fall directly or indirectly into that part of the river St. Lewis.*

"The ARTICLES—1st—Our pleasure is, that all the aforesaid lands, countries, streams, rivers and islands, be and remain comprised *under the name of the government of Louisiana*, which shall be dependent upon the general government of New France, to which it is subordinate; and further that all the lands which we possess from the Illinois be united, so far as occasion require to the general government of New France, and become part thereof, reserving however to ourselves the liberty of enlarging as we shall think fit the extent of the government of the said country of Louisiana."

This is a solemn declaration that the waters running directly or indirectly into the Mississippi, and the country they embrace, constituted the province of Louisiana. Within these limits France continued without disturbance to extend her settlements till the year 1763. During this period were formed the treaties of Ryswick in 1697, of Utrecht in 1713, and of Rastadt in 1714, to which Spain was a party, and which in none of their provisions invalidate the rights of France.

In 1718, the French took Pensacola from Spain, to whom it was restored at the peace of 1719; since which the Perdido, between Mobile and Pensacola, has been the acknowledged boundaries between Louisiana and Florida.

The boundaries of Louisiana, then, as held by France, were the coast and islands from the Perdido to the Rio Norte; up that river to its source; thence to the high lands and round the sources of the Missouri and Mississippi, and their waters to the Alleghany mountains, along those mountains and the high lands surrounding the waters of the Mobile to the head of the Perdido, and down that river to the Ocean.

There was, it is true, a collision between these claims and those of the English colonies, whose charters extended from sea to sea; but these interfering claims were adjusted by the treaty of Paris of 1763; by which the Mississippi and Iberville were made the limits of the English possessions on the East, and Louisiana on the West.

Thus far then, that is to the year 1763, there is no doubt that, what is now denominated West-Florida, was a part of Louisiana.

To the war which commenced between France and England in 1755, Spain in 1762 became a party on the side of France. England having been so successful as to conquer a considerable portion of the Island of Cuba from Spain, negociations were entered into for a peace. In these negociations G. Britain required Florida and that part of Louisiana between the Iberville and the Perdido, in exchange for Cuba. To enable Spain to offer these as an equivalent, France, by a secret treaty dated Nov. 3, 1762. (the same day on which the preliminary treaty of peace was signed) consented to cede to Spain all Louisiana. By the definitive treaty, signed on the 10th February, 1763, France ceded to England all Louisiana east of the Mississippi, except the Island of New-Orleans; which, with the remainder of the province she ceded to Spain. The cession to England, although *formally* on the part of France (for the treaty between France and Spain was still secret) was *substantially* made by Spain, who had become the real proprietor of all Louisiana.

England immediately divided her newly acquired possessions into two distinct governments; to one she gave the name of *West Florida*, which embraced the tract west of the Apalachicola; and to the other, embracing the residue of her possessions, she gave that of East Florida. This is the first that we hear of *West Florida*, it being a name given by Great-Britain to a subdivision of her territory.

At the close of the American war in 1783, G. Britain restored to Spain. Florida, and the country east of the Iberville. Spain, on taking possession, continued, with some modification, the English arrangements placing, however, West Florida under the jurisdiction of the governor of Louisiana, who resided at N. Orleans; and since that time this territory, as well in public instruments, and in general conversation, has gone by the names of Louisiana or West Florida, sometimes the one and sometimes the other name being used.

On the 1st of October, 1800, by th