readily to do this he had authority to draw either on our bankers in London, or on this department. Drafts accordingly, to enable him to meet the arrangements he lately made at Algiers, have been received at this office; but owing to some cause, unknown to me, no dispatches from him on that subject have come to hand. We know only that the annuity due in March, 1806, was then paid, and something advanced on account of the annuity which would become due in March, 1807. To meet the payment of this annuity, cannon had been purchased; but before they were shipped, it was understood that the present dey would not have them, although they had been asked for by his predecessor. Hence it became necessary to order other articles in place of them. This was done last summer; and the shipment would have been made but for the precarious state of our foreign relations, and a hope that col. Lear would be able to prevail on the Dey to receive money in lieu of naval stores.

I have the honor to be,
Very respectfully, sir,
Your obedient servant,
JAMES MADISON.

The Hon. Josiah Quincy, Esq.
Chairman of the Committee.

FROM THE SALEM REGISTER.

The interesting revolution in Spain has been followed with many inconsistent reports, which are not deserving of the public notice. The internal state of Spain has been unknown since the French entered into that country. The acquiescence of the two crowned heads in the competition for power, in the judgement of the French Emperor, may lead us to believe, that opposition to his will would have been ineffectual. Alarms may have spread, and some measures of precaution may have been adopted in different parts of the kingdom, but we must have better authority than vague reports to induce a belief that the French Emperor would have adopted such measures as brought the royal family into his power without the best knowledge of the extent of his influence in the kingdom. —At least we are justified in the expectation that Spain will completely be in the power of France before any powerful measures can be adopted to prevent this very important event.

The event in Europe will not be so interesting to us, as it will be decisive of an entirely new policy in South America. Since the discovery of America the mangement of American affairs has never exhibited sound policy, or extensive views. This may be true of all American settlements, but particularly of South America. But all the settlements have approached more nearly to the state of Europe than those of the Continental Spanish possessions. Opinion has always been busy with the probable means of a change in the government and condition of South America. The French revolution gave a serious alarm, from the first progress of the doctrine against the slave trade, and from the consent which the Spaniards appeared to give to some measures which the French were pleased to adopt, and which issued in the surrender of St. Domingo to the French. The counter measures of the French upon the claims of independence of St. Domingo, relieved the public mind from the first alarm, but the late expeditions against the southern continent of America by the English gave new apprehensions. The secret expedition intended to produce a revolution in the Spanish colonies, and which report even fastened upon persons existing in our own states, discovered at least what an opinion was entertained of the condition of the Spanish colonies, and the consequent expedition of the English to the flourishing Spanish settlements upon the Plata proves that the English had serious hopes of entering by force, upon the richest settlements the Spaniards had in America. The failure of these expeditions did not prevent all thoughts that great revolutions would be accomplished. What at first appeared probable from moral and political causes, and afterwards from the naval force of England, has become more probable from the actual possession which France appears to hold of the country to which these colonies owe their allegiance, and upon which they profess dependence. And we find instantly that no establishments exist to prevent or embarrass a change of condition from any commercial relations which Spain has instituted with this country. Enriched as Spain has been by the commerce of America, it evidently appears uncertain about the measures it ought to adopt to secure its advantages to the nation. Mr. Bourgoanne has proved the weakness and impolicy of the act which established the exclusive trade in 1720, and the commercial inconsistency discovered in 1778, when Mexico had not a share of the benefits from the changes favorable to the freedom of commerce. And the new Phillippine company only threatened to be a new channel to divert the riches of South America from Spain. The present state of Europe has succeeded to all this uncertain policy, and induces a belief that the extraordinary events of Spain are only notices of the extraordinary occurrences we may expect in South America.

An entire revolution in South America will be important to the world, but deeply interesting to all settlements in America. The event has been predicted, but the consequences are unknown. We have no necessity of such gloomy apprehensions as filled Europe upon our own revolution. We have as good reasons to hope to share in the general prosperity, as we have to fear any eventual evils from the extended power of flourishing and free nation. We certainly have nothing to get by painful anticipations.

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We have by the late accounts from India been informed that the Danish settlements in India have fallen into the hands of the English. Tranquebar is in the Raujee of Tanjore, upon a branch of the Caveri, and not far from 11 degrees of N. lat. and a few minutes less longitude than Point Calymere. The Danes were in this settlement as early as 1777, and in 1778 engaged to pay the Rajah of Tanjore $ 200,000 for their possessions. In this settlement they had 15,000 inhabitants. Besides Tranquebar and the fortress of Danburg, they had 19 villages. They had also factories in Bengal, the Carnatic and Calicut. Their principal factories were at Portonovo, Calicut, Fredericksnagor (or Serampore,) Balasore & and Patna. In Tranquebar which was the capital, was an evangelical lutheran mission. Tranquebar has been in the hands of the India company, but belongs to the government which has given the company special privileges of trade. Other vessels pay duties by which the government is indemnified for its expences in those colonies, as they yielded scarcely any to the government. Tranquebar, as on the king's books, produced eight times as much as Fredericksnagor (Serampore.) In a report respecting the Danish India company in 1797, counsellor Anker proved that for several years the administration of the Danish India Company had been successful, and after all their embarrassments that no such establishment was in better circumstances. In 1799, the dividends in the East-Indies were reported as giving 14 per cent.

FROM THE AURORA.

We copy the following from a London paper of Friday the 10th June—the federal papers of Boston and New York, and their tory friends, have taught their friends at Nova Scotia to believe these things to be as they wished them to be, and no doubt their effect in England must have been considerable.

HALIFAX, (N. Scotia,) May 3.

Many of the people here are turning their ships into privateers, in expectation of an American war; there are letters in town from New York, dated as late as the 28th April, in which they say great discontent prevails against Congress for the embargo. The country neither can, nor will suffer it to continue much longer, every part of the country will be ruined. The planters (farmers) will not submit to be ruined with their hands across, and I should not be surprised to see Congress by force of arms dismissed. Flour will scarcely bring 2 dollars a barrel, beef and pork 1d. per lb. tobacco two dollars the hundred weight—cotton & wool can be purchased at 8 cents—(4d. sterling) per pound; all our yards and wharves are so full of produce, that some lumber brought down in March last, was obliged to be sold for fire wood—it may perhaps be alleged by some, that our planters (farmers) pay no rent or taxes, and having purchased their farm at four or six dollars per acre, can afford to sell their produce at any price; but if their lands are cheap, the wages of their servants are enormous—and when it is considered that the usual wages of farmers' servants is 280 dollars per annum, or betwixt 50 and 60 pounds sterling, British money, you will easy perceive that it is impossible for the farmers to stand it. Their servants must be dismissed if the embargo continues, and 40,000 or 50,000 men thrown idle, with arms in their hands, will not be easily controlled; anarchy, confusion and bloodshed must ensue—and none knows where it will end.

WASHINGTON CITY.

FRIDAY, AUGUST 12.

In the present distracted state of the world, when the sober precepts of reason appear to have lost their influence on the belligerent nations of Europe, and when a just nation finds herself the victim of unprincipled violence, it is the dictate of sound sense for her to render herself as independent as possible of those who regulate their conduct by no fixed principles of reason or justice. The more we reflect on the measures of Britain towards neutral nations the more we are lost in astonishment at them. It would seem as if a blind fatality hurried her to destruction; and as if having abandoned all regard for the rights of others, she had been deprived, as a just punishment, of all perception of her own interests. Dependent upon the disposition of her manufactures for the means of carrying on the unequal conflict which she wages with Europe, she has adopted the readiest, if not the only mode of diminishing a demand for them. Unable herself to carry them to a market, she has resolved on preventing any one else from doing it. She has placed us in a situation, in which we have no other alternative, but to suspend our commerce or go to war, which itself might involve the like suspension.

In a state of things so unprecedented, produced without any sufficient cause, it is difficult to decide on the best measures for alleviating or removing the evils inflicted upon us. This arises principally from an inability to decide whether this state of things will be temporary or of a long duration. The universal disposition of human nature to look at the bright side of things, is the source of a lively hope, almost amounting to a belief that in a short period our relations with the foreign world will be restored to their ordinary state, when we shall be able to resume our usual pursuits and habits. We flatter ourselves with the expectation that this will be the effect of a general peace, of the death of the British monarch, of a change of the British ministry, or the revocation of the French decrees. Although these events should be viewed as far from improbable, is it the dictate of wisdom to act as though we were certain of their occurrence? Inasmuch as it is possible that they may not happen, ought we not to do every thing in our power to meet the evils, which on the contrary issue, may befal us?

Of all the evils which attach themselves to our present situation, the inactivity occasioned, by uncertainty and suspence is the most to be dreaded. In the mean time the consumption of the community is but little diminished, while the common stock, losing its usual accession, becomes gradually impaired; and it is evident that just in proportion the degree of consumption exceeds that of production, the national wealth is lessened.

To guard against this evil, perhaps to convert it into a blessing, it is only necessary to give the greatest possible activity to our internal concerns.

To point out the best mode of effecting this end is the object of the following remarks. They are respectfully submitted to the *state legislatures*, as the direct and enlightened guardians of individual interest.

It is manifest, that so long as the present state of things continues, a suspension of commerce will produce a considerable declension of agriculture. The farmer will not apply himself with his ordinary assiduity to the cultivation of his land, with the uncertain prospect that lies before him of being able to dispose of his surplus produce to a profit. Without the interposition of some extraordinary circumstances, it is but too probable that the thirst for gain will be supplanted by the strong love of indolence that takes so powerful a hold of human nature in the absence of stronger passions.

The monied capitalist will feel the same alarms, and will, in many instances, hoard up his riches without employment, rather than embark them in precarious venture.

In this stagnation of commerce and agriculture the only remaining resources left are manufactures and internal improvements. Happily for us these are great national objects which demand cultivation in war as well as peace, and which must, if wisely prosecuted, in all events be productive of the greatest benefit.

Let then the attention of our citizens be immediately directed to these objects. Let them rest assured that they will find their reward, be the future state of the country what it may.

To accomplish these objects on a scale sufficiently large to countervail the present evils, will require a very considerable capital. To obtain this capital, the following plan is offered to the consideration of the public.

I. Let the legislature of each state authorise the incorporation of a bank, to be located in the centre of the state or other more eligible situation, with a branch bank allotted to every fifty miles square in the state.

II. Let the discounts of these banks be limited, in the first instance, to paper offered as the basis of loans in aid of manufactures or internal improvements.

III. Let these discounts be made for a short term of years, instead of sixty days.

IV. Let all the public monies of the states be deposited in them.

V. Let each state take as large a portion of the capital, as it possesses the means of doing.

It is not extravagant to calculate that a capital of fifty millions might be created and advantageously employed in this way. By such an institution great benefits would be brought within the reach of every man in the union. In the settled parts of the U. States no one would be above twenty-five miles distant from a bank, from which he would be able to obtain the necessary assistance towards the accomplishment of any object connected with the nature of the institutions. Every such district would soon have its peculiar natural advantages explored, which would be made tributary to the general interests. An active rivalry would be excited between adjacent districts, which would give activity to the whole labor of the country. Manufacturing establishments, either conducted by individuals or associations, would be spread over the face of the country, and roads and canals cut in the most eligible directions. So great and universal an interest would be created in favor of domestic fabrics that it would soon become fashionable to give them a preference over foreign goods. The capital of the country, heretofore accumulated almost exclusively in towns, would, by this means, be distributed over the whole country, and by this means be kept so distributed.

The interest of the several states in these institutions would be the strongest guarantee that they would be protected by proper regulations; and that interest, together with the vast and ramified private interest, diffused throughout the whole union and pervading and animating every part of it, would insure that attention from the general government which circumstances might render expedient or necessary.

By this means the most powerful obstacle to the extension of manufactures on a large scale would be removed, and the strongest incitement to it substituted. Nothing has so inauspicious an influence on manufactures as the apprehension lest the general government might take off the existing bounties upon them, or refuse to aid them by suitable encouragements, in case they eventually turned out profitable, or required new legislative provisions. The influence of so large a capital, distributed over the whole country, possessed by so large a part of the community, and whose benefits would be so sensibly and extensively felt, would be decisive. It would be felt in the national and state councils, and would guard the institution that created it from the least invasion of its rights.

To guard such an institution from the injurious effects of monopoly, and to extend the public interest in its favor, it would be a proper feature of it, to admit no individual, when the books were first opened, to subscribe for more than one share. If the share should be fixed at fifty dollars, there would be about as many shares as there are heads of families in the U. States; and to hold out an inducement to every man to possess a share it would be desirable that it should be paid in small instalments at convenient periods.

All that is asked for this proposition is that it be treated with serious attention, that it be reflected upon before it is condemned, and that it be only embraced on the maturest consideration.

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A recent event which may materially affect the United States, from their vicinity, is the determination of the Governor and apparently of the inhabitants of Havanna to resist the conveyance which the old king of Spain had made to the emperor of France of his dominions, & the island of Cuba as an appendage to them.

Could it be ascertained that Cuba would declare itself independent, we should undoubtedly rejoice at it; but should a *change of masters* only be contemplated, it would not be a subject of gratulation.

It may be well here to take a short review of the history of Cuba, and the Havannah particularly, for the information of those of our readers who may not have a ready access to accounts of it.

The island of Cuba is about 700 miles long, and its mean breadth about 70. It is situated about one hundred miles south of Cape Florida, and 75 north of Jamaica. It was discovered in 1492, but no attempt made to settle it till 1511, when it was wrested from the natives, after a dreadful slaughter, by Diego de Velasquez.

In a very few years after this settlement, the island was wholly depopulated by the small pox.

In 1519 the island was again settled and Havanna built and improved by means of the money expended in the port by the Spanish commanders who made it a place of rendezvous for the fleet from South America.

From this time forward the town of Havanna gradually improved, and being considered the key of the West Indies, was strongly fortified.

The ministry which superceded Mr. Pitt's, at the commencement of the reign of the present king of England, having declared war against Spain, sent a fleet consisting of 19 ships of the line, 18 frigates, and about 150 transports, with 10,000 troops, who were to be joined by 4000 men from North America, to the attack of Havanna; as the West Indies were destined for the theatre of war. The immensity of this force shews of what importance the possession of Havanna was then deemed to the security of the British North American possessions, now the United States, as well as the resistance apprehended on an attack. Independent of the vast fortifications by which the Havanna was defended, there were stationed there 12 ships of the line and 3 frigates; which together with the fortifications, it was then supposed, were competent to resist almost any force. Owing to the security and supineness of the inhabitants and garrison, the place was taken after a siege of 29 days, with the loss of many men. Independent of the importance of this conquest, the victors found in Havanna 45 millions of silver and other valuable property. This was an auspicious event for the commencement of the present king's administration; and accordingly in the second session of the first parliament under his reign, the king thus announces it on the 25th November, 1762: "Martinico and other islands in the West Indies have been conquered; the Havannah, a place of the utmost importance to Spain, is in my possession; and with it great treasures and a very considerable part of the navy of Spain, are fallen into my hands."

This acquisition, however valuable, was not long maintained. The people of England being clamorous for peace, a treaty was formed in 1763 with France and Spain, then allied, by which the courts of Madrid and Versailles gave up to the British all their possessions from the St. Lawrence to the Missisippi in North America: in consideration of which England restored to Spain Cuba, Martinico, and all her conquests during the war. "And from this time," says the Abbe Raynal, "England lost the opportunity which perhaps may never return, of seizing all the avenues and making itself master of the sources of all the wealth of the new world."

Since that time great additions have been made to the fortifications at the Havanna, at an enormous expence of money, time and labour; so that it is now almost deemed impregnable. Its harbor is said to afford anchorage for 1000 ships, whilst thro' the entrance to it not more than one can enter at a time.

The population of Cuba was estimated in 1774 at 171,628 persons, of whom 28,766 were slaves—an estimate supposed to be less than the then real population; which may now be estimated at about 350,000 souls: of whom those competent to bear arms are formed into a militia well organised and disciplined.

It should seem, then, that the future possession of this island may be chosen, and that choice maintained, by the *people*. If they determine to throw off the Spanish yoke, (Spain and France being now identified) it will be impossible for the Spanish nation to re-enslave them. Almost equally difficult will it be for Great Britain to add the island to her dominions, if they chuse to resist her.

TREASURY DEPARTMENT,
August 1.

It was the President's intention that vessels to which permission might be granted to proceed to foreign ports, should sail previous to this day. As this does not appear to be fully understood, the time may be extended till the 13th inst. after which day no vessel must be either cleared or suffered to depart under the permission aforesaid. I will add that owners of vessels to which permissions had formerly been granted, either to Europe, Asia, or Africa, and who have not availed them-