NEW-ORLEANS BEE.

BY BULLITT, BULLEN & MAGNE

[illegible] AND PUBLIC [illegible] CERTAIN

NEW ORLEANS:
MONDAY MORNING, MARCH 11, 1839.

FOR PRESIDENT OF THE UNITED STATES,

HENRY CLAY,
OF KENTUCKY.

Subject to the decision of a National Convention.

THE NATIONAL CONVENTION.—We would suggest to the whig members of the legislature, the propriety of taking steps to secure a full representation of the state at the meeting of the national convention in December, to select a candidate for the presidency. It is all important that this state should be fully represented in that convention, and we have heard that it is probable that some of the delegates, heretofore chosen, may not be able to attend. It is advisable that the whigs make such arrangements as will put the representation of the state beyond doubt. No state in the Union has a more decided preference than Louisiana, among the candidates spoken of—and, consequently, no state should be more decidedly represented.

THE BOUNDARY DIFFICULTIES.

The letters of our Washington correspondent will be found highly interesting as they contain in detail the congressional proceedings on the important question of the north-eastern boundary. From the scene of the difficulties we have many rumors, but few facts M'Laughlan, the British land-agent, is still retained a prisoner, in consequence of his refusal to be released on parole. The whole of the Bangor division of volunteers have repaired to the seat of war. A letter of the 21st from Bangor, states that the preparations of the British fall far short of those of the Americans, and render highly improbable that any large force will be brought against our troops. Captain Rines has nearly 2,000 men under his command, and is stationed at the junction of the St. Croix with the Aroostook. He has thrown up a breastwork, 12 feet high, surrounded by ordnance, and has taken every necessary precaution to fortify his position.

Boston papers of the 25th reports a rumor that a skirmish had occurred between Rines' men and the British, in which 50 of the former were killed. Not much credit, however, was attached to this report.

The reply of governor Fairfield to Sir John Harvey is respectful, but firm. He repeats that the territory in dispute has been for years under the jurisdiction of Maine and Massachusetts; that both states have been in the habit of granting permits to cut timber there; that many persons have purchased the lands of Maine and entered into their actual occupation; and that in various other ways, Maine has exercised exclusive jurisdiction over the region. Speaking of the land agent and troops sent to drive off trespassers, he says—

"If your excellency chooses to send an armed force to attempt their expulsion, I can only say that the state will endeavor to meet such an attempt as it will deserve. I have no threats to make, no bantings to indulge. If Maine does her duty, as I trust in God she will, nothing that I could say in advance would add to the glory of her career. If the proper secretary of her duty, and honor, and safety can be expelled from her territory, by a force she could successfully resist, nothing can I say that would tend to diminish the measure of her ignominy and disgrace."

A special message from the governor of Maine had been sent to the legislature, enclosing a letter from Sir John Harvey, in which he requires the immediate withdrawal of the Maine troops from the territory, the delivery of the trespassers to the tribunals of this British government, in New Brunswick; and the enlargement of M'Laughlan, the British land-agent. Of course, these requisitions have been followed by a positive refusal on the part of the authorities of Maine.

POSTSCRIPT.—At a late hour last evening, we received the Express mail of the 6th inst., from New York. The intelligence from the seat of war is not very important. There are now 18,000 English regulars in North America, 3,000 of whom are in Nova Scotia and New Brunswick; the organization of the militia of New Brunswick is very defective; though Sir John Harvey pretends he can bring 8,000 quantity to the field.

One of our ships mentions that Mr. M'Laughlan still remains to be released, but the Journal of Commerce, whose authority is generally indisputable, states that he had been tendered a parole which he deemed satisfactory, and was thereupon liberated.

Additional troops were pouring in from all quarters, on their way to the disputed territory. Still it was expected that for the present at least, there would be no fighting. Gov. Harvey, it is presumed, will not take any more effective measures, until he hears from the British minister at Washington.

The legislature of Massachusetts have passed a series of resolutions strongly approbatory of the course pursued by Maine, declaring her to be entirely in the right, and asking that Massachusetts will co-operate with Maine in all constitutional measures for the protection of the interests of both states in the lands in the disputed territory, and for the speedy adjustment of the existing controversy.

The tone of the president's message on the subject appears to meet with general approval.

FREE BANKING.

In reply to our article of Friday last, in which we contended that bank issues based upon property would have a ruinous influence upon the interests of the state, it has been argued that the Citizens and several other banks of New-Orleans are property banks, and base their business upon mortgages and other hypothecated property, and that at the late crisis they sustained themselves as well as any other institutions in the city. The manner in which these institutions braved the storm of the last commercial convulsion, has been cited as an argument against the positions of the law, and we are made to attack the principle upon which they were chartered.

Nothing can be more erroneous than the idea that the article in question is in opposition to the fundamental principle upon which those banks were ushered into being—unless it be the assertion that they are property banks and base their business upon mortgages and hypothecated property. Indeed we could not have selected objects better calculated to illustrate our views upon the matter in relation than an examination of the principle and condition of those banks at once.

The banks in question issue their circulation upon a specie basis. For although the metals were pronounced upon mortgages, the assets of those banks are pronounced upon the metals and not upon the mortgages—The metals were obtained from abroad, and it is superfluously competent for any individual having property to mortgage that property for money and take stock in banking institutions with the proceeds. In the case of the banks alluded to, the state came in and of individual credit, and issued her hypothecate at a distant period of time, upon which bonds the specie or its equivalent was obtained, and upon which the banks commenced business.

It a circulation based upon property can be maintained the emission of state bonds was a useless and unnecessary trouble and expense. Had the banks done business upon the mortgages, without the intervention of the bonds and the banking capitals procured by the sale of them, the banks would have been property banks and not specie banks as is the case.

Now suppose those banks had gone into operation upon their mortgages, and the state pledged to institute legal proceedings against them in case of suspension of specie payments, the property now in possession of the planters upon a hypothecation of which the means of banking were obtained, would long since have been subjected to judgments at law, and the whole of it sold by order of the state comptroller,—perhaps fallen into the hands of foreign capitalists, and the sweets of free banking would have been tasted.

The actual cash capital of the Union bank soon after it commenced operations was $6,000,000,—that of the Citizens' bank now exceeds $5,000,000, which amounts furnish the guarantee for the depositors and holders of their notes. The free banking law of New York requires a bank to have one-eighth of its circulation in specie. The banks alluded to operating upon much large cash capitals would doubtless consider themselves in imminent danger with such a small proportion of specie,—how much greater weight be the danger were their capitals, upon which they base their operations and emit notes, constituted of mortgages, and unconvertable property.

But we are told that, the free banking system is to give greater security to the note holders. How much is seen lost by the holders of notes upon the present crisis? Has one dollar been lost? Has not every note been redeemed? Are they not prepared to take up every note outstanding against them? And during the suspension, was it not competent for any one holding notes against them, to institute proceedings at once thereon, and was not such a course adopted by many, and the amount of their notes with damages obtained? We believe such was the case. Again as to this bubbub about the security of note holders, when no one has lost his demand upon the present banks. It is true that bank notes depreciated in value during the suspension, and those who were compelled to use them lost the discount to which they were subject. But would not the cause of the free banks undergo a take depression, under like circumstances. Upon an investigation of the amount of bank bills broken throughout the United States since the suspension it will be found that it is so small as not to weigh in the argument in favor of free banks, even did they possess greater security, which is denied, for the ultimate payment of their issues than the present banks. The losses have been sustained, by holders of Owl Creek and Wild Cat notes, which were circulated without capital upon some new-fangled principle of banking, which, for aught we know, may be akin to the proposed method of free banking. But the notes of those banks which have been conducted in accordance with the recognized principles of banking, have been redeemed, or are capable of being redeemed,—at least with inconsiderable exception.

In reference to the banks of this state, not one dollar of need have been lost. The notes are be ready on demand, and all the mortgages in the world cannot coin cash them before demand, and consequently that branch of the argument has no force here. Enough for the present.

MR. CHATTON.—Extract from the manifest of the steam packet Merchant, which arrived last evening at the light house at 7 o'clock.

Passed Clayton and his balloon at half past five with high from southwest."

UPPER CANADA.—By an official document published in the Toronto papers, it appears that 126 prisoners have been tried and found guilty by the court martial sitting at Fort Henry, and that 4 were acquitted of the charge preferred against them. 42 found guilty at London, making a total of 172 in the Upper Province, of this number about 36 have suffered death.

CORRESPONDENCE OF THE BEE.

Washington, Feb. 27th, 1839.

The house of representatives sat till nearly 11 o'clock last night, and after considering and discussing various amendments to the *general appropriation bill.* The committee rose and reported the bill to the house.

Mr. Hardin, chairman of the select committee on defalcations, then asked leave to make a report. Objection was made, and on taking the ayes and nays on motion to suspend the rules for the purpose of receiving it, it was found there was not a quorum present so the house adjourned.

This morning Mr. Harlan obtained leave to make his report, and Mr. Owens, of Georgia, introduced the report of the minority. It was moved that 3000 copies of each report, with the journal, and 30,000 copies of each report without the journal of the committee, should be printed.

Mr. Petrican, of Pennsylvania, called for the reading of the whole; but on being *reluctantly* with by the speaker, and several members of both parties, on the ground that the reading of the whole would consume the entire day and night, he withdrew his motion, and by general *consent* both reports were laid on the table, and the motion for printing as above mentioned, was carried in the affirmative.

The reports will not be discussed during the present session.

The house then proceeded to the consideration of the general appropriation bill, which was discussed by Messrs Adams, Bell, and Bronson.

At half past three o'clock the house took a recess.

The senate to-day, went into the election of a public printer. Gales and Seaton received eleven votes, Ogden Niles, (publisher of the Register) *five*,—Thomas Allen (of the Madisonian) two—and Blair and Rives *twenty-five*.—So Blair and Rives were declared duly elected printers to the senate for the next two years.

The bill providing for the establishment of light houses, buoys, &c. was taken up, and after a brief discussion ordered to be engrossed.

The resolution offered yesterday by Mr. Tallmadge, calling on the postmaster general to give a list of the postmasters who had been removed by him; and of those whom he had appointed in their place; and to state his reasons for not having complied with a former resolution asking for this information, was taken up, and after some discussion was adopted.

The senate then proceeded to the consideration of the bill for securing the freedom of elections by preventing the interference of office-holders. Mr. Crittenden rose and made a most powerful speech in support of the bill, and in reply to the arguments and objections which have been urged against the measure. Mr. Crittenden closed with a most glowing compliment to Mr. Rives, and a most eloquent rebuke of his sentiments. He computed him to

"A good man struggling with the storms of fate,"

and said that, if such circumstances should ever befall him, he only hoped that his end should be like that of Mr. Rives; and that if he should fail, he would fall as Mr. Rives should by the manner he had borne himself in the struggle—

"With his back to the falchion and his feet to the foe,
And leaving in battle no blot on his name,
Look proudly to heaven from the death-bed of fame."

Mr. Wall replied, and was followed by Mr. Niles. The question was then taken on the bill and it was negatived.

Washington, Feb. 28th, 1839.

After I closed my letter last night, there was a most interesting, animated and important discussion in the senate, in reference to the Maine border difficulties. Mr. Webster, Mr. Preston, Mr. Davis, and Mr. Calhoun spoke. The discussion arose on another executive communication.

At eight o'clock in the evening, the president transmitted to both houses a message communicating a *protocol* signed by the secretary of state and the British minister, preposing an arrangement for the temporary adjustment of the difficulties on the Maine border — to be binding on both parties to the controversy, until a final settlement shall be made.

This important paper recites the "understanding" of the British government of its right to exclusive jurisdiction in the disputed territory, resting on an "explicit agreement," and the denial by the government of the United States of any such right, and of any agreement ever having been made to that effect.

The two functionaries then propose that hereafter, the territory's government in New Brunswick, will not seek to expel by force those who have been sent to the disputed territory by the authority of Maine, and that the government of Maine will withdraw the forces of that state from the territory *voluntarily*. They further suggest that the work of driving off the trespassers should be conducted by the the common exertions of both governments. They admit that they have no authority to effect an agreement of this kind, and it is of course altogether in the nature of a recommendation to the government of Maine and the lieutenant governor of New-Brunswick.

Mr. Williams of Maine, made some remarks which indicated no favor for this protocol, and a conviction that it would not do any good. He contended that Maine ought not, and probably would not comply with the recommendation.

Mr. Preston expressed his approbation of the arrangement as being evidently dictated by a sincere desire to preserve the peace of the two countries; and as calculated to lead to a satisfactory termination of the present difficulties. It was proposed only as a temporary arrangement; and he expressed the hope that the people of Maine would be disposed to comply with the recommendations made by the official representatives of the two governments.

Mr. Davis, in a short speech, reminded the senate that Great Britain had distinctly declared that she would not consent to negociate for the fine prescribed by the treaty of 1783. Sir Charles Vaughan in behalf of his government, had in the most explicit manner stated this to be their determination. Great Britain would negotiate for a conventional line, but not for the treaty line. The answer of the American government on that occasion was, that the United States could not negotiate for a conventional line, without the consent of Maine. The matter was referred to that state; and by her legislature Maine positively refused her assent to any negociation for a conventional line; and took her stand on the treaty line.

Now Mr. Davis contended that *this* denying ever since that period on this question, without any thing being done, it was time the matter was settled. But it never could be settled without using a bold and decisive tone at once. It would be perfectly idle now to go back to the system that has been followed for years past. Great Britain must be told without delay, and in the most explicit manner, that this matter must be settled and settled soon.

He offered no opinion as to the protocol, but if the design was to continue the mode of proceeding in which we had been slumbering so long, he felt convinced that it would only lead to additional embarrassment and difficulty, and further postpone the time of a complete and satisfactory settlement.

Mr. Webster then took the floor, and made a speech which will be as by those who heard it among the most memorable they ever listened to. He expressed himself in the most emphatic manner, that the protocol would do no good. *Negotiation*, said he, is *procrastination*. The case grows worse and worse every day. He hoped no collision would take place. But he was still more anxious that Maine should not be disgraced, mortified, or humiliated. If a higher tone had been used by our government; if its language had been decisive and conclusive, we would now be nearer a pacific termination of the matter. He hoped that the regent occupying so high a station would be a lesson to both governments of the necessity of settling the difficulties at once. He thought, for his part, that we ought now to say to Great Britain, "if you do not agree to settle this matter according to the treaty of 1783, we will take possession of that line—and then discussion as if you can." After some remarks from Mr. Calhoun, of a pacific character, the message and documents were referred to the committee of foreign affairs.

In the house, of representatives, to-day, Mr. Howard from committee on foreign affairs, to whom was referred the message of the president in relation to the Maine border difficulties brought in a long and elaborate report concluding with a bill giving additional powers to the president of the United States for the protection of the state of Maine against foreign invasion. It empowers the president to raise during the recess if necessary provisional force of thousand men, authorizing the calling them and fitting out of vessels of war; and appropriates —— millions of dollars in order to enable the executive to meet any emergency; and also proposes an appropriation for the support of a special minister to Great Britain.

After a short discussion in relation to the phraseology of the report; it was on motion of Mr. Howard that the report and bill should be referred to the committee of the whole on the state of the union, and made the special order of the day for to-morrow at eleven o'clock; and that ten thousand copies should be printed.

The house then took up the Florida war bill and the bill for the protection of the north-eastern frontier, passed them and sent them to the senate for concurrence.

The house then went into committee of the whole and took up the bill providing for taking the next census and was still engaged on it when this letter was closed.

The senate have been in secret session during the whole day.

We subjoin the "protocol" referred to by our correspondent.

Memorandum.—Her majesty's authorities consider it to have been been understood and agreed upon by the two governments, that the territory in dispute between Great Britain and the United States, on the north-eastern frontier, should remain exclusively under British jurisdiction until the final settlement of the boundary question.

The United States government have not understood the above agreement in the same sense, but consider, on the contrary, that there has been no agreement whatever for the exercise, by Great Britain, of exclusive jurisdiction over the disputed territory, or any portion thereof, but a mutual understanding, that pending the negotiation, the jurisdiction there exercised by either party, over small portions of the territory in dispute should not be enlarged, but continued merely for the preservation of local tranquility, and the public property, both forbearing as far as practicable from exercising any authority, and, when any should be exercised by either, pausing upon the conduct of each other the most favorable construction.

"A complete understanding upon the question thus placed at issue, of present jurisdiction, can only be arrived at by friendly discussion between the governments of the United States and Great Britain; and it is to be confidently hoped that there will be an early settlement of the question, this subordinate point of difference can be at best little moment.

In the mean time, the government of the province of New Brunswick, and the government of the state of Maine, will act as follows: her majesty's officers will not seek to expel, by military force the armed party which has been sent by Maine upon the district lying on the Aroostook river; but the government of Maine will voluntarily, and without needless delay, withdraw beyond the bounds of the disputed territory, any armed force now within them; and if further necessity should arise for dispersing the notorious trespassers, or protecting public property from depredation by armed force, the operation shall be conducted by concert jointly or separately, according to agreements between the governments of Maine and New Brunswick.

"The civil officers on the service, respectively, of New Brunswick and Maine, who have been taken into custody by the opposite parties, shall be released.

"Nothing in this memorandum shall be construed to forfeit or prejudice in any respect, the rights of the claims of either party to the ultimate possession of the disputed territory.

"The minister plenipotentiary of her Britannic majesty having no specific authority to make any arrangements on the subject, the undersigned can only recommend, as they now earnestly do, to the governments of New Brunswick and Maine, to regulate their future proceedings according to the terms agreed to before set forth, until the final settlement of the territorial dispute, or until the governments of the United States and Great Britain shall come to some definitive conclusion on the subsequent point on which they are now at issue. JOHN FORSYTH,

Secretary of the United States of North America.

H. B. M. Envoy Extra and Min. Plenipotentiary.

H. S. FOX,
Washington, February 27, 1839.

LATEST FROM BUENOS AYRES AND MONTEVIDEO.

By the arrival at Philadelphia of the bark Madonna from Montevideo letters from that city to the 30th December and papers from Buenos Ayres to the 15th have been received. It appears that general Oribe is attempting to regain the presidency of the Banda Oriental from which he was driven by Fructuoso Rivera. The French are favorable to Rivera, while the Buenos Ayreans take sides with Oribe. The latter hate the French and ascribe the defeat and downfall of Oribe to their influence.

The following extract of a correspondent of the N. Y. Journal of Commerce furnishes additional interesting intelligence.

Montevideo, Dec. 23d, 1838.

The French have bought up 14 small craft, some of which have already sailed for the Pasana to prevent Oribe's passing into the province of Entre Rios, where he is assembling an army under Rosas. I suppose to attack Fructuoso's army, which has already marched towards Colonia and Payasander under the command of generals Madina and Lavallee. Entre Rios, no doubt, is destined to be the seat of war. The French blockade of Buenos Ayres will continue with much vigor. Packets with passengers only allowed by the French admiral to run from Montevideo to Buenos Ayres.—Rosas still holds out, and has sent by the last British packet a minister plenipotentiary (Mr. Moreno) to England to endeavor to induce that government to interfere in his behalf. American commerce is flourishing here, there being now no less than 17 vessels in port, but produce is very scarce, and has risen 15 a 20 per cent within the last week. Flour and sugar—vessels will be detained sometime for their cargoes.

We have the United States vessels Fairfield, lieut. com. Mackenzie, at Buenos Ayres, another Dolphin, at com. Pennance, here; the latter fitted to have had command of the French a short time since. I refer you to the British Packet for a sketch of that affair. With such commanders as these two vessels have, our commerce need fear no aggressions or impediments; but I am sorry to say I cannot add one item of praise in favor of the superior commander at Rio, where he appears to be about mouths out of the year, very much at his ease and comfort, indeed of being more at the seat of war and trouble. In fact all our naval officers in the navy, are becoming superannuated, and I should like to see more responsibility and charge thrown into the hands of the younger officers.

The American vessels in the port of Montevideo were—ships Erie for New York; Helen Mar arrived on the 15th from Philadelphia; Globe do do.

Bark Col. Howard from Cadiz, discharging; Harriet do do.

Brigs America, Alcyone, Jupa, Irica, Susan Elizabeth, Cybele, Russian, Susan, Mentor, and schooner Fleet, discharging.

The wheat harvest in the Argentine Republic had commenced, and was expected to be very abundant.

A paper in the English language has been commenced at Rio Janeiro, called the "Rio Circular." It is conducted by John M. Forbes.

Gen. Alexandro Heredia commander of the Buenos Ayres army of operations against Bolivia and Peru, was murdered on the 12th November at a place called Los Lules by certain military officers who had sometime before implanted in a conspiracy in favor of general Santa Cruz, but had been pardoned after a short imprisonment by Heredia. They took refuge in the adjoining woods, and were under close guards. It is said, they were to be sent to Buenos Ayres for trial.

BUENOS AYRES, Dec. 15.—Mr. Mandeville, R. B. M's minister plenipotentiary, visited the U. S. ship Fairfield, on Sunday last, and was received in due form on board with a salute of 15 guns. He afterwards proceeded on board H. M. S. ship Calliope, and duged with the ward-room officers of that ship.

From the British Packet, Dec. 15.

We learn that the U. S. brigantine Dolphin, which sailed from this port on the 3d inst. arrived on the 11th off the mouth of the Salado. The rumors current in this city, at the time of her departure, would seem not to have been wholly without foundation for we understand that it was found necessary, on her arrival, the commander of the Dolphin, lieut. Parrishaw, sagaciously left the exhaustion of the French brig Bordelaise, of his being ordered to sea with a salute of 15 guns. He after wards proceeded on board H. M. S. ship Calliope, and duged with the ward-room officers of that ship.

From the British Packet, Dec. 15.

We learn that the U. S. brigantine Dolphin, which sailed from this port on the 3d inst. arrived on the 11th off the mouth of the Salado. The rumors current in this city, at the time of her departure, would seem not to have been wholly without foundation for we understand that it was found necessary, on her arrival, the commander of the Dolphin, lieut. Parrishaw, sagaciously left the exhaustion of the French brig Bordelaise, of his being ordered to sea with a salute of 15 guns. He after wards proceeded on board H. M. S. ship Calliope, and duged with the ward-room officers of that ship.