

COLL.

NORTH AMERICA.

No. 5. (1864.)

CORRESPONDENCE

RESPECTING

IRON-CLAD VESSELS

BUILDING AT

BIRKENHEAD.

Presented to both Houses of Parliament by Command of Her Majesty.
1864.

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Correspondence respecting Iron-clad Vessels building at Birkenhead.

No. 1.

Mr. Adams to Earl Russell.—(Received July 11, 5.45 P.M.)

My Lord,

Legation of the United States, July 11, 1863.

IT is with unaffected regret that I perform the duty incumbent on me, as the Representative of the Government of the United States, of laying before you copies of a letter from the Consul of the United States at Liverpool, and of four depositions, all intended to show a determined perseverance in the same acts of hostility at the port of Liverpool, which have formed the subject of my remonstrances almost from the day that I had the honour first to occupy this post.

In many preceding communications I have endeavoured to set forth the facts which appear to me to prove beyond the possibility of a doubt, the establishment on the part of the insurgents in the United States of a systematic plan of warfare upon the people of the United States, carried on from the port of Liverpool, as well as in less degree from other ports of this kingdom. In this policy, the persons who have been sent out, and have acted as agents, have received the aid and effective co-operation of numbers of Her Majesty's subjects. The results of this conduct have been felt in the dispatch of numbers of steam-vessels laden with arms and munitions of war of every description, together with other supplies well adapted to procrastinate the struggle, with the purpose of breaking a blockade legitimately established, and fully recognized by Her Majesty in the proclamation issued by her forbidding all such acts. It is needless to point out to your Lordship how exclusively this business has been carried on by British subjects in British vessels, and how much the burden of the war has been increased by the necessity of maintaining a corresponding naval force on the ocean in order to suppress it. Nor yet will I enlarge upon the use to which the British Islands of Bermuda and New Providence have been put by British subjects, as convenient points for the storing of all these supplies to the end that they may be more easily dispatched to their illegal destination.

But not satisfied with the aid thus obtained, the next step of the agents alluded to has been to enlist the aid and co-operation of British subjects in constructing for their use steam-vessels expressly adapted to the object of carrying on war against the commerce of the people of the United States. The extent to which this has been actually procured has been made visible to your Lordship in the various remonstrances heretofore presented by myself to your attention, unhappily too little heeded to secure prevention, and still more by the fact, that for all the vessels now on the ocean engaged in the work of depredation on the commerce of the United States, British subjects must be held responsible in regard to their construction, equipment, manning, and outfit.

Furthermore, it appears that the aforesaid agents, under express instructions from the so-called authorities of the insurgents, who soon fell short in the pecuniary means to conduct their extensive warlike operations, have solicited the assistance of Her Majesty's subjects in this kingdom in advancing to them the funds to be appropriated to their objects. The purpose of this application to carry on the war with the people of the United States with the means thus raised was distinctly declared. To that end a loan of 3,000,000*l.* sterling was proposed. That negotiation was entered into, and the means have actually been obtained in a great measure from the contributions of Her Majesty's subjects.

Thus it is manifest that all of those things denominated the sinews of war, to wit, men and money, ships, arms, gunpowder, and supplies, have been continuously furnished by Her Majesty's subjects almost from the beginning of the contest. A war has thus been

practically conducted by a portion of her people against a Government with which Her Majesty is under the most solemn of all national engagements to preserve a lasting and durable peace.

The Government of the United States has in the meantime tried not to be wanting in performing the obligations incumbent upon it as a friend of Great Britain. In every particular in which it has been called upon in a suitable manner, it has laboured promptly to meet and satisfy every just cause of complaint. So far as possible, consistently with the difficulties in which it has been placed, it has assiduously striven to cultivate the most kindly relations. It has been, therefore, with the greatest regret that it has been compelled to feel itself the innocent object of a degree of active malevolence from a portion of Her Majesty's subjects which has largely contributed to aggravate the severity of its trials. The fact that the aid extended to this rebellion has had its source almost exclusively from Her Majesty's subjects is made too notorious by the events of the struggle to need to be further enlarged upon.

In making this representation I do not intend to be understood as implying the smallest disposition on the part of Her Majesty's Government in any way to sanction, or even to tolerate, the proceedings complained of. On the contrary, I cheerfully record my conviction that they condemn them as practically infringements of international obligations, which it is their desire to prevent with all the means under their control. Fruitless as have been the greater part of the remonstrances which I have had the honour to make, I am well aware that the causes assigned for it do not relate to the want of will so much as to the absence of power in the existing laws to reach a remedy. But, admitting this to be case, if an injury be inflicted upon an innocent friendly nation, it surely cannot be a satisfactory reply to its complaints to say that the Government having the will, is not also clothed with the necessary powers to make reparation for the past and effect prevention for the future.

Having thus acquitted myself of the painful duty of recapitulating the points I am instructed by my Government to present, I now have the honour to solicit your attention to the evidence of the last and gravest act of intentional hostility yet committed. It is the construction and equipment of a steam-vessel of war, of the most formidable kind now known, in the port of Liverpool. All the appliances of British skill to the arts of destruction appear to have been resorted to for the purpose of doing injury to the people of the United States. The very construction of such a vessel in a country itself in a state of profound peace, without any explanation of the objects to which it is to be applied, is calculated to excite uneasiness on the part of those involved in a contest where only it could be expected to be made of use. But when it further appears that it is constructed by parties who have been already proved to have furnished one vessel of war to the insurgents in America, and who are now shown to be acting in co-operation with their well-known agents on the spot in the preparation of that now in question, it is not unnatural that such proceedings should be regarded by the Government and people of the United States with the greatest alarm, as virtually tantamount to a participation in the war by the people of Great Britain to a degree which, if not seasonably prevented, cannot fail to endanger the peace and welfare of both countries. I trust I need not assure your Lordship how deeply concerned is the Government which I have the honour to represent in the view of any such possibility, and how earnestly it hopes that Her Majesty's Government, having the will, may find itself likewise vested with the needful powers to guard against any such occurrence.

I pray, &c.
(Signed) CHARLES FRANCIS ADAMS.

Inclosure 1 in No. 1.

Mr. Dudley to Mr. Adams.

Sir,

United States' Consulate Liverpool, July 8, 1863.

I HAVE the honour to inclose you a copy of an application by me made yesterday to the Collector of Customs at Liverpool, to stop the iron-clad ram building for the insurgents in the United States by the Messrs. Laird at Birkenhead, and launched from their yard on Saturday last. Also copies of William H. Russell's, Joseph Ellis', Clarence R. Yonge's, G. T. Chapman's, and my own affidavits, upon which the application was based. The affidavits were made before, and the originals left with, the said Collector.

I am, &c.
(Signed) THOMAS H. DUDLEY.

Inclosure 2 in No. 1.

Mr. Dudley to Mr. Edwards.

I, THE Undersigned, Thomas Haines Dudley, Consul of the United States of America for the port of Liverpool and its dependencies, do hereby apply to you on behalf of the Government of the United States of America, to seize and detain an iron-clad vessel-of-war launched from the yard of Messrs. Laird and Co. at Birkenhead on the 4th day of July instant, and now lying at Birkenhead aforesaid with her tackle, apparel, and furniture, with all the materials, arms, ammunition and stores which may belong to or be on board of the said vessel, pursuant to the power given to you in that behalf by the 7th section of the Act of Parliament 59 Geo. III, c. 69, on the ground that such vessel is being equipped, furnished, fitted out, and armed, in order that such vessel shall be employed in the service of the persons assuming to exercise the power of Government, and called the Confederate States of America, and with the intent to cruize and commit hostilities against the Government and citizens of the United States of America, with which Government Her Majesty the Queen is not now at war.

July 7, 1863.

(Signed) T. H. DUDLEY.

Inclosure 3 in No. 1.

Depositions.

WE, William Hayden Russell, of Brooklyn, in the State of New York, in the United States of America, master mariner, now at Liverpool, in the county of Lancaster, in England, and Joseph Ellis, of No. 161, Athol Street, in Liverpool aforesaid, master shipwright, make oath and say as follows:—

1. I, the said William Hayden Russell, for myself say: I have been in command of American merchant-vessels for the last thirty years, and for the last eighteen years I have commanded packet-ships trading between New York and Liverpool. I have frequently been on board British and American vessels of war of all classes, and I am well acquainted with their mode of construction.

2. I, the said Joseph Ellis, for myself, say I have been regularly brought up to the business of a shipwright, and I have assisted in the construction of iron-clad vessels of war.

3. And we, the said William Hayden Russell and Joseph Ellis, for ourselves, say as follows: On Saturday last, the 4th day of July instant, we were present in the shipbuilding yard of Messrs. Laird and Co. at Birkenhead, when an iron-clad steam-vessel built by them was launched.

4. The vessel in question was one of two iron-clad steam-vessels, built alongside of each other at the southern end of the yard, and which appeared to be in all material respects similar to each other.

5. Before the said vessel was launched we carefully examined her externally; we walked along the whole length of the vessel, within seven or eight yards of her, and saw the whole structure of the vessel from the keel upwards.

6. The said vessel is, to the best of our judgment, about two hundred and thirty feet long, with from thirty-eight to forty feet beam. She is covered with iron plates from the point of a ram or piercer projecting from her stem to within about twenty feet from her stern. We saw an iron plate which one of the foremen in the yard informed us was prepared for the other of the said iron-clad vessels, and similar to the plates upon the vessel which we saw launched. The thickness of such plate was about four and a-half inches. The said vessel had a space at the stern covered over with an iron-plated house of great strength, and there was a larger space forward, apparently intended for a fore-castle, which was also covered with a similar iron-house.

7. The ram or piercer which we have mentioned is a prolongation of the stem of the vessel projecting about seven feet from a perpendicular line drawn from the upper part of the stem. It is of immense strength, and is so placed that when the vessel is in sea-going trim, with her engines and stores on board, the upper part of it would be, as far as we can judge, two or three feet below the surface of the water.

8. On the quay near the said vessel, and also in Messrs. Laird and Co's. yard, we saw two circular iron turrets in the course of construction, such as would be used for carrying turret guns on board such a vessel. The diameter of each of these turrets, as well as we could judge was about twenty feet. The frames of these turrets were of iron, of

great strength, placed about fifteen inches apart from each other, and they were evidently prepared to receive planking and iron plating.

9. The said vessel was built in all respects as an iron-clad vessel of war, and is armed as above-mentioned with a projecting ram or piercer, for the purpose of destroying and sinking other vessels. We have no hesitation in saying that the said vessel is an iron-clad ram of the most formidable description, and cannot be intended for any purpose but that of war.

(Signed) W. H. RUSSELL.
JOSEPH ELLIS.

The same William Hayden Russell and Joseph Ellis were severally sworn at Liverpool in the County of Lancaster, the 7th day of July, one thousand eight hundred and sixty-three.

Before me,
(Signed) S. PRICE EDWARDS, *Collector, Liverpool.*

Clarence Randolph Yonge, of the State of Georgia, in the United States of America, late Paymaster on board the steamer "Alabama," formerly called "the 290," built by William and John Laird and Co. at Birkenhead, makes oath and says:—I know Captain James D. Bullock, of the State of Georgia, in the United States, now residing at Waterloo, near Liverpool, in England. He is a Commander in the Navy of the so-called Confederate States of America; his business in England is superintending the building of iron-clads and other war vessels for the Confederate States. In the autumn of 1861 Captain Bullock came from England to Savannah, Georgia, in the England steamer "Fingal." At that time I was in the Naval Paymaster's Office in Savannah, Georgia, under the Confederate Government. Previous to Captain Bullock leaving England, as I afterwards learned, he had contracted for two steamers for the Confederate Government, one called the "Oreto," now called the "Florida," built by William C. Miller and Sons, of Liverpool; the other "the 290," afterwards called the "Eureka," and now called the "Alabama," built by the Messrs. Laird at Birkenhead. Captain Bullock was about to return to England to look after the completion of these steamers and to assume command of the "Alabama," and wanted some one to accompany him. I was recommended by the Paymaster at Savannah to Captain Bullock. I was then released by the Paymaster from my engagement, and was subsequently appointed by Captain Bullock, under the written authority of S. R. Mallory, the Secretary of the Navy of the Confederate States, a Paymaster in the Confederate Navy, and assigned to the steamer "Alabama." We sailed for England in the steamer "Annie Childs," commanded by Captain William Hammer, from Wilmington, North Carolina, about the 5th day of February, 1862. Captain James D. Bullock, Lieutenant John Law, Midshipmen Eugene Maffitt and E. M. Anderson, and myself, came over in the "Childs." Law, Maffitt, and Anderson are now on the "Alabama." We arrived at Liverpool about the 11th March, 1862. I continued as Paymaster in the Confederate Navy from the time of my appointment in Savannah, Georgia, up to the time of my leaving the steamer "Alabama" at Port Royal in January, 1863. I went out in the "Alabama" when she sailed from England on the 29th of July, 1862, as Paymaster, and acted as such on said vessel up to the time of my leaving her as aforesaid. Previous to our leaving Wilmington in February I acted as clerk to Captain Bullock, and attended to his correspondence with the Confederate Government and others, and from this correspondence and other circumstances, I know that he is a Commander in the Confederate Navy, that he had contracted for building the two vessels now called the "Florida" and "Alabama," for the Confederate Government aforesaid, and was and is their acknowledged agent for building and fitting out naval or war vessels for the so-called Confederate Government to cruize against and to make war upon the Government and people of the United States. I wrote letters for Captain Bullock (which he signed) to Mr. Mallory, the Secretary of the Confederate Navy, and saw letters from the Secretary to Captain Bullock. There was much correspondence about building the two above-named and other war vessels in England for the Confederate Government, and about the money to pay for the same and those thereafter to be built in England. From this correspondence, and my transactions afterwards with the firm of Fraser, Trenholm, and Co., of Liverpool, I learned that Lieutenant James H. North had been sent over to England by the Confederate Government to make contracts in England for building and fitting out iron-clad vessels for said Confederate Government for the purpose of committing acts of hostility against and making war upon the Government and people of the United States. Captain Bullock was directed by Mr. Mallory, the Secretary of the Confederate Navy, in the correspondence to which I have referred, to aid Lieutenant North,

and assist him in getting up and making contracts for building and fitting out these iron-clad vessels in England.

When we came over to England, it was understood by myself and the other officers who accompanied us that Captain Bullock was to have the command of the "Alabama," which was then building by the Lairds at Birkenhead, and I was to go in her as Paymaster. I came over for this express purpose. From the time of my coming to England, in March 1862, until I sailed in the "Alabama," on the 29th of July, 1862, my principal business was to pay the officers of the Confederate Navy who were over here in England and attached to the "Alabama," sent here to join and sail in her when finished. I used to pay them monthly, about the 1st of the month, at the office of Fraser, Trenholm, and Co., in Liverpool. I drew the money for that purpose from this firm. Captain Bullock kept all his papers at Fraser, Trenholm, and Co.'s, and transacted his business in one of the private offices of this firm. I was in the habit during my stay in Liverpool of visiting this office very frequently, almost every day, and saw, heard and knew what was being done and going on. I also made visits to Lairds' yard in Birkenhead, where the "Alabama" was building. Saw Captain Bullock there at times in the yard with the Lairds. I also saw the Lairds at Fraser, Trenholm, and Co.'s office with Captain Bullock. On one of the occasions of my visit to Captain Bullock, at Fraser, Trenholm, and Co.'s office in Liverpool, I made for him a copy of the original contract between himself and the firm of William and John Laird and Co., at Birkenhead, for building the "Alabama." This copy I had with me while I was serving as Paymaster on that ship, and it was left on that vessel by me. I also frequently made copies of other papers, &c., for Captain Bullock. Before we sailed in the "Alabama," I saw the plans, drawings, and specifications made and furnished by the firm of William and John Laird and Co., for building the iron-clad rams for the so-called Confederate Government. I think it was in the month of June 1862; it was in the office of Fraser, Trenholm, and Co., in Liverpool. Captain Bullock had them. Mr. Freeman, the chief engineer on the "Alabama," and several other officers were there with myself and Captain Bullock examining them. A set of plans and specifications for building these iron-clad rams had been previously sent over to Richmond for the approval of the Confederate Government. The Messrs. Laird had some doubts whether the British Government would permit them to build and fit out the vessels with tower or turrets on them, and were going to ascertain through the Mr. Laird who was a Member of Parliament whether they would be permitted to do so.

After we left Liverpool, Mr. Lowe told me the keel for one of these iron-clad rams had been laid by the Lairds at their yard before we sailed, which was afterwards corroborated by Mr. Freeman, the chief engineer of the "Alabama," who stated to me that he had been over to the yard and seen it.

Captain Bullock had made himself so useful and efficient in building war-vessels in England that the Confederate Government was not willing for him to take command of the "Alabama," but required him to remain and superintend the building and fitting-out of the iron-clads to be built by the Lairds and others in England. I learned this from himself. He told me that he had been ordered by the Navy Department to remain, to look after and superintend the building of these very iron-clads. He is very anxious to have command of a vessel, and expected in the first place to have the "Oreto," then to have the "Alabama." He told me just before I left he would not let all of the iron-clads slip through his hands as the "Oreto" and "Alabama" had.

On the fifth day of April, eighteen hundred and sixty-three, I went to the ship-yard of William and John Laird and Co., at Birkenhead. In the southerly part of the yard, under the sheds, side by side, saw two iron-clad ram steamers which they are building there. I believe them to be the same that I saw on the plans and drawings made by the Messrs. Laird, and in possession of Captain Bullock, at the office of Fraser, Trenholm, and Co. hereinbefore mentioned. I have not the least doubt about the matter.

(Signed) CLARENCE R. YONGE.

Sworn before me at the Custom-house in Liverpool, this sixth day of April, one thousand eight hundred and sixty-three.

(Signed) S. PRICE EDWARDS.

I, George Temple Chapman, of New York, in the United States of America, but now at Liverpool, in the county of Lancaster, gentleman, make oath, and say as follows:—

1. In the early part of the month of April last, I had occasion to call at Messrs. Fraser, Trenholm, and Co.'s office in Liverpool, to see Captain Bullock, whom I had known formerly in the United States.

Captain Bullock was not in when I first called at the office, but I saw Mr. Prisleau,

one of the partners in the firm of Fraser, Trenholm, & Co., and had some conversation with him. In the course of such conversation, Mr. Prisleau told me that his firm were the financial agents for the Confederate States of America, and that I might speak with him in perfect safety on anything connected with the South, as the whole of his establishment were in the Confederate interest. I noticed that there was a Confederate flag displayed in the office. On this occasion I handed to Mr. Prisleau some letters which had been given to me by the wife of Clarence Randolph Yonge, who, Mr. Prisleau told me, had been Captain Bullock's Secretary, and afterwards purser of the "Alabama."

2. On the day following that on which I had the conversation above-mentioned with Mr. Prisleau, I called again at Messrs. Fraser, Trenholm and Co.'s office, and saw there Captain Bullock, who told me that he had seen the letters which I had left with Mr. Prisleau, but that they were of no importance, and that he never trusted Yonge with anything important.

Captain Bullock told me that he came to Liverpool to build and procure ships and vessels of war for the Confederate service. He referred to the "Alabama," and the "Oreto" or "Florida," as two of the ships he had fitted out, and said that he was fitting out more, but that he managed matters so that he could defy any one to prove that he was fitting them out for the use of the Confederate Government.

3. Whilst I was with Captain Bullock, Lieutenant John Randolph Hamilton, son of Governor Hamilton, of South Carolina (formerly a Lieutenant in the United States' Navy, and since of the Confederate Navy), came in, and I recognized him. I first knew him at the Naval Academy at Annapolis, in the United States, where we were midshipmen together. I knew him afterwards as Lieutenant in the United States' service. He told me he had become a Lieutenant in the Confederate service, and that he came to Liverpool by direction of the Confederate States' Government, to assist Captain Bullock in the fitting out of vessels, and to advise Messrs. Fraser, Trenholm, and Co., and to give him advice generally in the interests of the Confederate Government. The said John Randolph Hamilton told me that he and Bullock had a private office in Fraser, Trenholm, and Co.'s house of business, and that the "Alabama" was built according to a model prepared by Captain Bullock, and that Lairds were not entitled to any credit for that ship. He spoke without hesitation about the "Oreto," which they had sent out, and both he and Captain Bullock spoke of themselves as the employés of the Confederate Government, and that they were paid as such.

4. In the early part of the month of April last, a Captain Morton, who is the over-looker for Messrs. Boulton, English, and Brandon, of Liverpool, merchants, took me with him to Messrs. Laird and Co.'s ship-building yard at Birkenhead, in order that I might see two iron rams, or vessels-of-war, which he said were, without doubt, for the Southerners. I saw the two vessels in question, which were being built alongside each other at the south end of the yard. The hulls were complete, and the sides were covered with slabs of teak wood about twelve inches thick. In the early part of this present month one of the vessels, the more northwardly of the two, had a great number of her iron armour-plates fixed. The armour plates appeared to me to be about four inches thick. Each vessel was about 250 feet long, as well as I could judge, and the deck of each vessel was prepared to receive two turrets. I saw the turrets being built in the yard near the rams above-mentioned. Each ram had a stem made of wrought iron about eight inches thick, projecting about five feet under the water-line, and obviously intended for the purpose of penetrating and destroying other vessels.

The rams in question were of immense strength, and could by no possibility be intended for anything but vessels-of-war. The only other vessels building in the yard at that time were an iron-plated vessel-of-war for the British Government, to be called the "Agincourt," and two merchant-vessels, one a steamer and the other a sailing-ship.

5. I saw the above-mentioned John Randolph Hamilton some days after I had seen the rams above-mentioned. I met him at his request at the Angel Hotel, in Liverpool. On that occasion the said John Randolph Hamilton told me that the rams which were being built by Laird and Co. were for the Confederates.

(Signed) GEORGE TEMPLE CHAPMAN.

Sworn before me at the Custom-house, Liverpool, this 29th day of June, 1863.

(Signed) G. S. GEORGE, *pro Collector*.

I, Thomas Haines Dudley, of No. 3, Wellesley Terrace, Prince's Park, Liverpool, in the county of Lancaster, Esquire, do solemnly, sincerely, and truly affirm and declare that the taking of any oath is, according to my religious belief, unlawful, and I do also solemnly, sincerely, and truly affirm and declare as follows:—

1. I am the Consul of the United States of America for the port of Liverpool and its dependencies.

2. I say that there is now and for some time past has been a war carried on between the Government and people of the United States of America and certain persons who have rebelled against such Government, and pretended to set up and assume to exercise the powers of government, styling themselves the Confederate States.

3. I further say, that to the best of my knowledge and information and belief no leave or license has been had or obtained from or of Her Majesty the Queen under the Sign-Manual, or any Order in Council, or any Proclamation of Her said Majesty or otherwise, or at all authorizing any person within any part of the United Kingdom to equip, furnish, fit out, or arm ships or vessels with intent or in order that such ship or vessel shall be employed in the service of the said so-called Confederate States, to cruise or commit hostilities against the Government and people of the said United States of America, and that Her Majesty is not now at war with the said United States.

4. I say there have been built in this port for the Government of the said so-called Confederate States two vessels of war. One of them, namely, the "Oreto," now called the "Florida," was built by Messrs. W. C. Miller and Son, of Liverpool, and another, the "Alabama," by Messrs. Laird and Co.; and they have been employed by the said so-called Confederate States against the Government and people of the United States of America in the war that is now going on, and armaments and war crews for both the said vessels went out in them, or were sent out from England to meet the ships abroad, and were then placed on board of them. On the 4th of the present month of July another vessel, built by the said Messrs. Laird and Co., and intended for an iron-clad steam-ram, and, as this deponent verily believes, built and intended for a vessel of war, was launched by them from their ship-building yard at Birkenhead, and such vessel is now at Birkenhead, in the United Kingdom of Great Britain and Ireland.

5. I say that I have read the affidavits of George Temple Chapman, sworn on the the twenty-ninth day of June last, of Clarence Randolph Yonge, sworn on the sixth day of April last, and of William Hayden Russell and Joseph Ellis, sworn the seventh day of July instant; and I say that from the facts there spoken to, and from the facts and circumstances aforesaid, I verily believe and say that the said vessel above-mentioned is being equipped, armed, and fitted out with intent and in order that the said vessel shall be employed in the service of the said persons setting up to exercise the power of Government, and called the Confederate States of America, and with intent to cruise and commit hostilities against the Government and citizens of the United States of America.

(Signed) THOMAS H. DUDLEY.

Affirmed before me at the Custom-house, Liverpool, in the County of Lancaster, the seventh day of July, one thousand eight hundred and sixty three.

(Signed) S. PRICE EDWARDS, *Collector*.

No. 2.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, July 13, 1863.

I HAVE the honour to acknowledge the receipt of your letter of the 11th instant; and I have to state to you that I have lost no time in communicating with the proper Departments of Her Majesty's Government relative to the steam-vessel of war which is stated to be in process of construction at Liverpool, in order that such steps may be taken in the matter as can be legally and properly adopted.

I am, &c.

(Signed) RUSSELL.

No. 3.

Mr. Adams to Earl Russell.—(Received July 17.)

My Lord,

Legation of the United States, London, July 16, 1863.

I HAVE the honour to submit to your consideration copies of two more affidavits, in addition to those already sent with my note of the 11th instant, relating to the war-vessel now believed to be fitting out against the United States at the port of Liverpool.

I pray, &c.

(Signed) CHARLES FRANCIS ADAMS.

Inclosure 1 in No. 3.

Mr. Dudley to Mr. Edwards.

Sir,

United States' Consulate, Liverpool, July 15, 1863.

REFERRING to the application I made to you on the 7th instant to stop the iron-clad steam-ram building by the Messrs. Laird for the insurgents in the United States, and which was launched on the 4th instant, in addition to the affidavits I then submitted to you and that of Joseph Brady on the 11th instant, I now submit one other, that of Austin Joseph Hand, which shows this vessel and the other ram not yet launched are being built under the superintendence of Captain James D. Bullock, the well-known agent of the so-called Southern Confederacy in this country for building war-vessels.

I am, &c.

(Signed) THOMAS H. DUDLEY.

Inclosure 2 in No. 3.

Deposition of John Brady.

I, JOHN BRADY, of No. 10, Livingstone Street, Birkenhead, in the County of Chester, make oath and say:—

I have worked in the ship-building yard of Messrs. Laird and Co. at Birkenhead for several years. I am now in their service as a boiler maker. I remember the keels of two iron-plated vessels of war being laid alongside each other at the southern end of the yard about the end of last year. One of the said vessels was launched on the 4th day of July instant. I have seen Captain Bullock in the yard very frequently whilst the iron-clad vessels above-mentioned have been building. He was very often with the foreman who attended to the building of the vessels in question, or with one of the Messrs. Laird. He paid particular attention to the vessels in question, and his business in the yard appeared to be to look after the building of the vessels above mentioned.

Sworn at Liverpool in the county of Lancaster, the 11th day of July, 1863.

(Signed) JOHN BRADY.

Before me, &c.

(Signed) S. PRICE EDWARDS, *Collector.*

Inclosure 3 in No. 3.

Deposition of Austin Joseph Hand.

I, AUSTIN JOSEPH HAND, of 35, Crosby Street, Liverpool, in the county of Lancaster, make oath, and say: I am a caulker, and work in the yard of Messrs. Laird at Birkenhead. I went to work in their yard just before the "Alabama" was launched, and have worked there ever since. I remember the time the keels of the two iron-plated steam-rams were laid alongside of each other at the south end of their yard; they were laid after the "Alabama" was launched. They are both armed on the stem with a ram, and no doubt are intended for war purposes. One of them was launched on the 4th day of the present month of July. I saw the keels of these two vessels laid. I saw Captain Bullock at the "Alabama" before she was launched, and afterwards at these two iron-clad rams. I have seen him in the yard a number of times, sometimes with one of the Messrs. Laird, at other times with the foreman of the yard. He was there assisting and superintending the laying of the keels of these two iron-clad rams on the occasions I have spoken of. When I have seen Captain Bullock in the yard since the launching of the "Alabama" his business seemed to be in connection with these two iron-clad rams, and the superintendence of their building.

Sworn and subscribed before me, the Collector, at Liverpool, this 15th day of July, 1863.

(Signed)

AUSTIN J. HAND.

(Signed)

S. PRICE EDWARDS, *Collector.*

No. 4.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, July 17, 1863.

I HAVE the honour to acknowledge the receipt of your letter of the 16th instant, inclosing further depositions respecting the steam-vessel of war which is alleged to be fitting out against the United States at the port of Liverpool; and I have to state to you that I have lost no time in communicating on the subject with the proper Department of Her Majesty's Government.

I am, &c.

(Signed) RUSSELL.

No. 5.

Mr. Adams to Earl Russell.—(Received July 27.)

My Lord,

Legation of the United States, London, July 25, 1863.

HAVING received information of the existence of a report that the iron-clad vessel at Liverpool had been claimed by the French Consul at that port, and having since perceived that some credit has been given to the story by the first Minister of the Crown, immediate measures were taken to ascertain whether there was any foundation for it in fact.

I now have the honour to transmit a copy of a letter received from Mr. Dudley, the Consul of the United States at Liverpool, which appears clearly to show the precise nature of the pretence.

Renewing, &c.

(Signed) CHARLES FRANCIS ADAMS.

Inclosure in No. 5.

Mr. Wilding to Mr. Adams.

Sir,

United States' Consulate, Liverpool, July 24, 1863.

ON reading in the "Times" of this morning the statement reported to have been made by Lord Palmerston in reply to Mr. Cobden last night that he was informed, as regards one of the iron-clads referred to, that the French Consul claimed it for the Emperor of the French, I addressed a note to the French Consul asking him whether the information referred to was true.

In reply, he sent his Vice-Consul to assure me that there is no truth whatever in the information, that he does not know of any iron-clads being built here for the Emperor of the French.

I addressed the inquiry to my colleague, not supposing there was any truth whatever in the information, but that I might have his authority for saying there was none.

The Vice-Consul while with me stated that about the 3rd, or morning of the 4th of July, the Consul received an invitation from a M. Bravay (a Frenchman, but unknown to him) to a luncheon at Messrs. Laird's yard on the 4th, on the occasion of the launch of an iron-clad vessel. The invitation came so late that the Consul said he could not go. The Vice-Consul was then asked to go, and M. Bravay, introduced by one of the Messrs. Laird, waited upon him and pressed him to go.

He, M. Bravay, then, in the presence of Mr. Laird, said he wished to get French papers for the iron-clad, and asked what formalities were necessary. He was instructed on the point, and then said the matter would be attended to by his brother, who had more to do with it than he had, and that he himself had to be in Madrid on the 9th. The Vice-Consul referred to a French Paris directory, and asked M. Bravay if he was one of the firm of Bravay and Co., therein described as merchants, and he said he was.

The Consul nor Vice-Consul has neither of them seen M. Bravay nor Mr. Laird since, and did not go to the luncheon.

This indicates the source of Lord Palmerston's information, and also that some such trick as getting foreign papers for the ram under cover of which she would sail out has been, and perhaps is, intended.

Very respectfully, &c.

(Signed) HY. WILDING.

No. 6.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, July 29, 1863.

I HAVE the honour to acknowledge the receipt of your letter of the 25th instant, and to acquaint you that the information therein contained relative to the iron-clad vessels in course of construction at Messrs. Laird's yard at Birkenhead has been communicated to the proper Department of Her Majesty's Government.

I am, &c.

(Signed) RUSSELL.

No. 7.

Mr. Adams to Earl Russell.—(Received August 14.)

My Lord,

Legation of the United States, London, August 14, 1863.

I HAVE the honour to submit to your consideration copies of letters from the Consul of the United States at Liverpool, containing further information respecting movements of persons believed to be agents of the insurgents at that port. I regret to perceive that the preparation of the dangerous armed vessel of which I have had the honour heretofore to take notice in my notes to your Lordship is not intermitted. It is difficult for me to give your Lordship an adequate idea of the uneasiness and anxiety created in the different ports of the United States by the idea that instruments of injury of so formidable a character continue to threaten their safety, as issuing from the ports of Great Britain, a country with which the people of the United States are at peace.

I pray, &c.

(Signed) CHARLES FRANCIS ADAMS.

Inclosure 1 in No. 7.

Mr. Dudley to Mr. Adams.

Sir,

United States' Consulate, Liverpool, August 7, 1863.

COLONEL GEORGE H. BIER, a Lieutenant in the Confederate navy, with his wife; a man by name of Joseph N. Barney, and two engineers, one by Name of W. H. Jackson (the other I have not learned), arrived here on Sunday last in the steamer "Asia" from Boston *via* Halifax. Bier, Barney, Jackson, and the other engineer came from Halifax. Mrs. Bier passed through our lines at Fort Monroe under the assumed name of Mrs. Henry. I understand, through a passenger on board of the "Asia," that these persons came here to go out as officers in the iron-clads now building by the Messrs. Laird at Birkenhead.

Colonel Bier stated in the steamer that he had been in the Confederate army, and Jackson, the engineer, that he had been as an engineer on the steamer "Florida." Upon examining the register of the Confederate Navy I find that Bier is a Lieutenant in their navy, and is mentioned as being with the army, and Jackson as an engineer in the steamer "Florida;" thus confirming all that they told the passengers. I have no doubt about the truth of their statements, that they are here to join these iron-clads.

The one that is launched has her masts up, boilers and machinery in, and I learned to-day is shipping her turrets. She no doubt can be got ready for sea in a week's time. My information about the other is, that she is to be launched on the 15th instant—to-morrow week.

I am, &c.

(Signed) THOMAS H. DUDLEY.

Inclosure 2 in No. 7.

Mr. Dudley to Mr. Edwards.

Sir,

United States' Consulate, Liverpool, August 11, 1863.

REFERRING to the application heretofore made by me to you to stop the iron-clad steam-ram now building by the Messrs. Laird at Birkenhead for the so-called Southern

Confederacy, and which was launched on the 4th day of July last past, I now submit to you another affidavit, that of Thomas Sweeney, of Liverpool, which, with those heretofore submitted, I hope will induce you to take the necessary steps (if they have not already been taken) to prevent this vessel from sailing, destined as she is to make war upon and commit acts of hostility against the Government of the United States.

I am, &c.
(Signed) THOMAS H. DUDLEY.

Inclosure 3 in No. 7.

Deposition of Thomas Sweeney.

THOMAS SWEENEY, of No. 57, Crosby Street, Liverpool, being duly sworn, doth depose and say:—I am a deck planer, and am now, and have been for about ten years last past, in the employ of Messrs. Laird, ship-builders, at Birkenhead. There is now building in their yard two iron clad steam war-vessels; they are sister ships, of same size, dimensions, and construction, built side by side in the southern part of their yard; each is armed on the stem with an iron piercer or ram, for the purpose of piercing and destroying vessels. They are known and numbered in the yard as Nos. 294 and 295 respectively; they are each being built apparently for turrets.

On the 4th day of July last past No. 294 was launched, and then placed in one of the dry docks of said yard, where she now is being completed. Her boilers and machinery are in, and her three masts up; the two turrets for her guns are alongside, nearly in a complete condition, and ready to be placed on board.

I have talked with many of the men and workmen in the yard who are now, and have been from time to time, employed and working there on their vessels, and they have told me they were for the Confederates in the United States, the same parties for whom the "Alabama" was built. On the 29th day of July last past I had a conversation with Mr. Moore, one of the head workmen in the yard. I asked him what he thought of the "Alabama." His reply was, she was all right enough; but said, Wait for the 294 and 295 (alluding to the two rams above-mentioned), get out and alongside the "Alabama," and then you will soon see the Southern ports opened, meaning the ports in the Southern Confederacy now blockaded.

On the 7th August instant I had a conversation with Captain Henderson, the head-rigger in Messrs. Laird's yard. I asked him to make room and get my son and son-in-law a berth on No. 294; he said he would not advise me to let them go on this vessel, as Nos. 294 and 295 were both going out on purpose to fight against the Federals, and to break up the blockade, but went on further to say, "If either of them wants a berth on these vessels, I shall find them one, but they will not be told where they are going to." At the time the "Alabama" was being built in the yard, my present son-in-law was going to ship in her, and I had a conversation with Captain Henderson about it, and he told me then in substance what he told me on the 7th instant about the two rams, Nos. 294 and 295.

(Signed) THOS. SWEENEY.

Sworn and subscribed to before me at the Customs in Liverpool, this 11th day of August, 1863:

(Signed) W. G. STUART, *Assistant Collector.*

No. 8.

Mr. Layard to Mr. Adams.

Sir,

Foreign Office, August 14, 1863.

I HAVE the honour, in Lord Russell's absence, to acknowledge the receipt of your letter of the 14th instant, inclosing copies of further papers relative to the iron-clads in course of construction at Messrs. Laird's yard at Birkenhead; and I have the honour to state to you that I have lost no time in communicating copies of these papers to the proper Departments of Her Majesty's Government.

I am, &c.
(Signed) A. H. LAYARD.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, September 1, 1863.

YOU have already been informed that the depositions inclosed in your letters of the 11th, 16th, and 25th of July, and the 14th ultimo, relative to the iron-clad vessels in course of construction at Messrs. Laird's yard at Birkenhead, had been forwarded to the proper Departments of Her Majesty's Government, in order that such steps might be adopted as could legally and properly be taken. And I have now the honour to communicate to you the result of the inquiries which have been instituted.

In the first place, Her Majesty's Government are advised that the information contained in the depositions is in great measure mere hearsay evidence, and generally that it is not such as to show the intent or purpose necessary to make the building or fitting out of these vessels illegal under the Foreign Enlistment Act.

Secondly. It has been stated to Her Majesty's Government, at one time, that these vessels have been built for Frenchmen, and at another that they belonged to the Viceroy of Egypt, and that they were not intended for the so-called Confederate States.

It is true that in your letter of the 25th of July you maintain that this statement as regards French ownership is a pretence, but the inquiries set on foot by Her Majesty's Government have failed to show that it is without foundation. Whatever suspicion may be entertained by the United States' Consul at Liverpool as to the ultimate destination of these vessels, the fact remains that M. Bravay, a French merchant residing at Paris, who is represented to be the person upon whose orders these ships have been built, has personally appeared, and has acted in that character at Liverpool. There is no legal evidence against M. Bravay's claim, nor anything to affect him with any illegal act or purpose; and the responsible agent of the Customs at Liverpool affirms his belief that these vessels have not been built for the Confederates.

Under these circumstances, and having regard to the entire insufficiency of the depositions to prove any infraction of the law, Her Majesty's Government are advised that they cannot interfere in any way with these vessels.

I can only assure you that a careful watch shall continue to be maintained over them; and that if any act or proceeding contrary to the Statute can be shown by trustworthy evidence to have taken place, or if any trustworthy person will furnish Her Majesty's Government with such declaration as may suffice to justify the detention of the vessels till further inquiry can be made, I will apply to the Treasury to prevent the departure of these vessels till such further inquiry can be made.

But I am sure you will be disposed, in justice to Her Majesty's Government, to admit that in the absence of all evidence, upon mere hearsay, surmise, conversation, and conjecture, Her Majesty's Government could not properly direct a prosecution or action under the Foreign Enlistment Act. A Court of Justice would never condemn in the absence of evidence, and the Government would be justly blamed for acting in defiance of the principles of law and justice, long recognized and established in this country.

I feel the more convinced that such will be your opinion as Mr. Seward, in answering a note of Lord Lyons respecting a supposed plan of issuing letters of marque in behalf of the Japanese Government, says, "Prosecutions, however, cannot, it is presumed, be set on foot without affidavits of credible witnesses, as in other cases of imputed misdemeanours and crimes."

Such are, in fact, the principles of American as well as of British law.

I am, &c.

(Signed) RUSSELL.

Mr. Adams to Earl Russell.—(Received September 3.)

My Lord,

Legation of the United States, London, September 3, 1863.

I HAVE the honour to transmit copies of further depositions, relating to the launching and other preparations of the second of the two vessels of war from the yard of Messrs. Laird at Birkenhead, concerning which it has already been my disagreeable duty to make most serious representations to Her Majesty's Government.

I believe there is not any reasonable ground for doubt that these vessels, if permitted

to leave the port of Liverpool, will be at once devoted to the object of carrying on war against the United States of America.

I have taken the necessary measures in the proper quarters to ascertain the truth of the respective statements current here that they are intended for the use of the Government of France or for the Pasha of Egypt, and have found both without foundation. At this moment neither of these Powers appears to have occasion to use concealment or equivocation in regard to its intentions, had it any, in obtaining such ships.

In the notes which I had the honour to address to your Lordship on the 11th of July and 14th of August, I believe I stated the importance attached by my Government to the decision involved in this case with sufficient distinctness. Since that date I have had the opportunity to receive from the United States a full approbation of its contents. At the same time I feel it my painful duty to make known to your Lordship, that in some respects it has fallen short in expressing the earnestness with which I have been in the interval directed to describe the grave nature of the situation in which both countries must be placed in the event of an act of aggression committed against the Government and people of the United States by either of these formidable vessels.

I pray, &c.
(Signed) CHARLES FRANCIS ADAMS.

Inclosure 1 in No. 10.

Mr. Dudley to Mr. Edwards.

September 1, 1863.

I, THE undersigned Thomas Haines Dudley, Consul of the United States of America for the port of Liverpool and its dependencies, do hereby apply to you, on behalf of the Government of the United States of America, to seize and detain an iron-clad steam-vessel of war launched from the yard of Messrs. Laird and Co., at Birkenhead, on the 29th day of August last, and now lying at Birkenhead aforesaid, with her tackle, apparel, and furniture, with all the materials, arms, ammunition, and stores which may belong to or be on board of the said vessel pursuant to the power given to you in that behalf by the 7th section of the Act of Parliament 59 Geo. III, cap. 69, on the ground that such vessel is being equipped, furnished, fitted out, and armed in order that such vessel shall be employed in the service of the persons assuming to exercise the power of Government, and called the Confederate States of America, and with the intent to cruize and commit hostilities against the Government and citizens of the United States of America, with which Government Her Majesty the Queen is not now at war.

(Signed) THOMAS H. DUDLEY.

Inclosure 2 in No. 10.

Affirmation of Thomas Haines Dudley.

I, THOMAS HAINES DUDLEY, of No. 3, Wellesley Terrace, Princes Park, Liverpool, in the county of Lancaster, Esquire, do solemnly, sincerely, and truly affirm and declare that the taking of any oath is according to my religious belief unlawful, and I do also solemnly, sincerely, and truly affirm and declare as follows:—

1. I am the Consul of the United States of America for the port of Liverpool and its dependencies.

2. I say that there is now and for some time past has been a war carried on between the Government and people of the United States of America and certain persons who have rebelled against such Government and pretended to set up and assume to exercise the powers of Government styling themselves the Confederate States of America.

3. I further say that to the best of my knowledge, information, and belief, no leave or license has been had or obtained from or of Her Majesty the Queen, under her Sign-Manual or any Order in Council, or any Proclamation of Her said Majesty, or otherwise or at all authorizing any person within any part of the United Kingdom to equip, furnish, fit out, or arm ships or vessels with intent or in order that such ship or vessel shall be employed in the service of the said so-called Confederate States to cruize or commit hostilities against the Government and people of the said United States of America, and that Her Majesty is not now at war with the said United States.

4. I say there have been built in this port for the Government or persons assuming the Government of the said so-called Confederate States two vessels of war, one of them,

namely, the "Oreto," now called the "Florida," was built by Messrs. W. C. Miller and Son of Liverpool, and another, the "Alabama," by Messrs. Laird and Co., and they have been employed by the said so-called Confederate States against the Government and people of the United States of America in the war that is now going on, and armaments and war-crews for both the said vessels went out in them, or were sent out from England to meet the ships abroad, and were then placed on board them. On the 4th day of July last another vessel built by the said Messrs. Laird and Co., and intended for an iron-clad steam-ram, and as this deponent verily believes built and intended for a vessel of war, was launched by them from their ship-building yard at Birkenhead.

5. On the 29th day of August last another vessel built by the said Messrs. Laird and Co., and intended for an iron-clad steam-ram, and as I verily believe for a war-vessel, was launched by them from their ship-building yard at Birkenhead.

6. The said vessels mentioned in the 4th and 5th paragraphs of this affirmation respectively are now lying at Birkenhead aforesaid.

7. I say that I have read the affidavits of George Temple Chapman, sworn on the 29th day of June last; of Clarence Randolph Yonge, sworn on the 6th day of April last; of William Hayden Russell and Joseph Ellis, sworn the 7th day of July last; of John Brady, sworn on the 11th day of July last; of Austin Joseph Hand, sworn on the 15th day of July last; of Thomas Sweeney, sworn on the 11th day of August last; of Joseph Ellis, sworn on the 1st day of September instant; and Charles Prentis, sworn on the 29th day of August last; and I say that from the facts there spoken to, and from the facts and circumstances aforesaid, I verily believe and say that the said vessels above-mentioned as having been launched on the 4th day of July last and on the 29th day of August last respectively are being equipped, armed, and fitted out with intent and in order that the said vessels shall be employed in the service of the said persons setting up to exercise the powers of Government, and called the Confederate States of America, and with intent to cruize and commit hostilities against the Government and citizens of the United States of America.

(Signed) THOMAS H. DUDLEY.

Affirmed at the Custom-house, Liverpool, in the county of Lancaster, the 1st day of September, 1863.

Before me,
(Signed) W. G. STEWART, *Assistant Collector.*

Inclosure 3 in No. 10.

Deposition of Joseph Ellis.

I, JOSEPH ELLIS, of No. 161, Athol Street, in Liverpool, in the county of Lancaster, shipwright, make oath and say as follows:—

1. I am well acquainted with the construction of iron-plated vessels of war, having assisted to build vessels of that description.

2. I was present in the ship-building yard of Messrs. Laird and Co, at Birkenhead, on Saturday, the 29th day of August, 1863, when an iron-plated vessel lately built by them was launched.

3. The launch took place about 11 o'clock in the morning, and before the vessel went off the ways I had an opportunity of seeing her perfectly well, from the keel upwards.

4. The vessel in question is a screw-steamer, somewhat over 200 feet long, as well as I could judge, and of great strength, and covered with iron plates from stem to stern. The said vessel would have about 40 feet of beam amidships, and she has a space at the stern, and another space at the bows, both of which are covered in and protected by strong iron plating.

5. The said vessel is armed with a very formidable ram, or piercer, which is made of iron or steel, and projects, as well as I could judge, about 5 feet from the stem. The said ram or piercer was nearly submerged when the said vessel was afloat after being launched, and when the vessel is in sea-going trim the ram will be quite under the water. The said ram was of great strength, and I am satisfied that it is intended to be used for destroying other vessels. It was similar in appearance to the rams which I have seen on other iron-clad vessels of war.

6. The said vessel's bulwarks were not completed.

7. I was at Messrs. Laird and Co.'s yard aforesaid on the 4th day of July last, when

another iron-clad vessel, armed with a similar ram or piercer was launched from the ways on the north side of the ways from which the iron-clad vessel mentioned in the preceding paragraphs of this affidavit was launched on Saturday last. The said vessels were, as far as I could judge, sister ships, and similarly constructed in all material respects. On the said 4th day of July last one of the said Messrs. Laird and Co.'s workmen showed me one of the iron plates prepared to be used on the said vessel launched on Saturday last; such plate was about $4\frac{1}{2}$ inches in thickness.

8. On the said 4th day of July last I examined the said vessel which was launched on Saturday last, and I saw that she was prepared to receive two circular turrets, such as would be used for carrying turret guns. On the same day I saw in Messrs. Laird and Co.'s yard the frames of two turrets, such as would be used for carrying guns on board such a vessel. On Saturday last I saw in Messrs. Laird and Co.'s yard two turrets of the same description, but in a more advanced state, both of them being partially plated with iron.

9. The said vessel which was launched on Saturday last was built on and launched from the slip which is at the south end of Messrs. Laird and Co.'s yard, adjoining Birkenhead Ferry. The other vessel above-mentioned, which was launched on the 4th day of July last, was built on and launched from the adjoining slip, on the north side of the slip firstly mentioned in this paragraph. The said vessels were, in fact, built side by side.

10. The said ship which was launched on the 4th day of July last was on Saturday last lying afloat in a wet dock in Messrs. Laird and Co.'s yard, and I endeavoured to get to the dock to see her; I was, however stopped by some of Messrs. Laird and Co.'s men. I told them I wanted to go to look at the vessel lying in the wet dock, but they told me that their orders from head-quarters were not to allow any one to pass to see that vessel.

11. The said vessel was launched on Saturday last as aforesaid, and the said vessel launched on the 4th day of July last as aforesaid are, beyond all doubt, intended for iron-clad vessels of war, and not for any other purpose whatever.

(Signed) JOSEPH ELLIS.

Sworn at the Custom-house at Liverpool, in the county of Lancaster, the 1st day of September, 1863.

Before me,
(Signed) W. G. STEWART, *Assistant Collector.*

Inclosure 4 in No. 10.

Deposition of Charles Prentis.

I. CHARLES PRENTIS, of New London, Connecticut, at present in Liverpool, formerly a master mariner and now a merchant in business at New London aforesaid. make oath and say as follows:—

1. I was formerly for ten years master of merchant-vessels and also of whaling-vessels, and I have seen and examined many vessels of war, both of wood and iron; I have also examined the construction of several of the iron-clad vessels of war lately built by the United States' Government.

2. On the twenty-eighth day of the present month of August, I visited the yards of Messrs. Laird, Brothers, at Birkenhead, and inspected two iron-clad vessels in course of construction there. One of the said vessels is in the wet dock, and has three masts, the fore and mainmasts being square rigged; she has a round overhanging stern, and is propelled by a screw; her bow is wedge-shaped; the cutwater is almost perpendicular nearly down to the water line, where it curves outwards so as to form a large projecting ram under water. She has also, about midships, a turret capable of carrying a very large gun. I verily believe that the said vessel is an iron-clad war-vessel of the most formidable character, armed with a ram or piercer constructed for the express purpose of sinking and destroying other vessels.

3. The said vessel lastly before mentioned appeared to be in such a state of preparation that, in my opinion, she could be sent to sea at a few hours' notice.

4. The other of the said two iron-clad vessels was on the ways; she is finished from the keel to the upper deck, and her bulwarks are partly erected. She resembled the other of the said vessels which was in the wet dock in size and construction, so far as I could judge from looking at her on the ways, and she was armed with a similar ram or

piercer on her stem. I have no doubt whatever that she is also intended for an iron-clad vessel of war.

(Signed) CHARLES PRENTIS.

Sworn at Liverpool, this 29th August, 1863.

Before me,

(Signed) W. G. STEWART, *Assistant Collector, Customs, Liverpool.*

No. 11.

Mr. Adams to Earl Russell.—(Received September 4.)

My Lord,

Legation of the United States, London, September 4, 1863.

I HAVE the honour to transmit copies of several papers transmitted to me by Mr. Dudley, the Consul of the United States at Liverpool, relating to the preparation for immediate departure of the steam-vessel fitting out at that place for the purpose of carrying on war against the Government and people of the United States.

Begging your Lordship's permission here to record, in the name of my Government, this last solemn protest against the commission of such an act of hostility against a friendly nation, I pray, &c.

(Signed) CHARLES FRANCIS ADAMS.

Inclosure 1 in No. 11.

Mr. Dudley to Mr. Edwards.

Sir,

United States' Consulate, Liverpool, September 3, 1863.

REFERRING to my application made to you so long since as the 7th day of July last, to detain a steam iron-clad ram built by Messrs. Laird for the Confederates, and launched on the 4th of July last, I have now to inform you that intelligence, on which I place full reliance, has reached me that the vessel is taking coal on board, and I apprehend that she may go to sea at any time unless detained.

I am, &c.

(Signed) THOS. H. DUDLEY.

Inclosure 2 in No. 11.

Messrs. Duncans, Squarey, and Blackmore to Mr. Edwards.

Sir,

10, Water Street, Liverpool, September 2, 1863.

WE beg to hand you herewith another affidavit by Thomas Sweeney in reference to the iron-clad ram launched by Messrs. Laird and Co. on the 4th of July last, from which we submit it appears clearly that there is the greatest risk that the vessel may go to sea at any time. On behalf of the United States' Government we beg respectfully to urge upon you, in the strongest manner, the importance of taking immediate steps for the detention of the vessel in question.

We are, &c.

(Signed) DUNCANS, SQUAREY, AND BLACKMORE.

Inclosure 3 in No. 11.

Deposition of Thomas Sweeney.

I, THOMAS SWEENEY, of No. 57, Crosby Street, Liverpool, deck-plainer, make oath and say as follows:—

1. I was in the ship-building yard of Messrs. Laird Brothers, at Birkenhead, on Friday last, the 28th day of August last, at about 3 o'clock P.M., and I then saw in one of the graving or dry docks in the said yard the iron-clad ram referred to in the affidavit sworn by me on the 11th day of August last, before the Deputy Assistant Collector of Customs at Liverpool, as having been launched on the 4th day of July last, and known as "No. 294."

2. When I saw the said vessel on Friday last, as above mentioned, the forward turret had been put into the place prepared for it on board the said vessel a few feet aft of the foremast, and the other turret, intended for the after part of the said vessel, was on the quay alongside of the dock in which the vessel was lying, in a position from which it might be lifted at once, and placed on board the said vessel by the crane. The vessel has her masts in, and her rigging, so far as I could judge, is completed. She had no sails bent, but as her engines and machinery were all in order, and her funnel up, she is in a position to get up steam and go to sea at any time.

3. The graving dock in which the said vessel lies has direct communication with the River Mersey, from which it is separated by a caisson, so that the water can be let in at any time with the flood by removing the caisson.

Sworn at the Custom-house, Liverpool, this second day of September, one thousand eight hundred and sixty-three.

(Signed) THOS. SWEENEY.

Before me,
(Signed) W. G. STEWART, *Assistant Collector.*

No. 12.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, September 4, 1863.

WITH reference to your letter of yesterday's date, with respect to the iron-clad steam-rams from Messrs. Laird's yard at Birkenhead, as well as with reference to previous letters from you on the same subject, I have to inform you that the matter is under the serious and anxious consideration of Her Majesty's Government.

I am, &c.
(Signed) RUSSELL.

No. 13.

Mr. Adams to Earl Russell.—(Received September 5.)

My Lord,

Legation of the United States, London, September 5, 1863.

AT this moment, when one of the iron-clad war-vessels is on the point of departure from this kingdom on its hostile errand against the United States, I am honoured with the reply of your Lordship to my notes of the 11th, 16th, and 25th of July and of the 14th of August. I trust I need not express how profound is my regret at the conclusion to which Her Majesty's Government have arrived. I can regard it no otherwise than as practically opening to the insurgents free liberty in this kingdom to execute a policy described in one of their late publications in the following language:—

“In the present state of the harbour-defences of New York, Boston, Portland, and smaller Northern cities, such a vessel as the ‘Warrior’ would have little difficulty in entering any of those ports, and inflicting a vital blow upon the enemy. The destruction of Boston alone would be worth a hundred victories in the field. It would bring such a terror to the ‘blue-noses’ as to cause them to wish eagerly for peace, despite their overweening love of gain which has been so freely administered to since the opening of this war. Vessels of the ‘Warrior’ class would promptly raise the blockade of our ports, and would, even in this respect, confer advantages which would soon repay the cost of their construction.”

It would be superfluous in me to point out to your Lordship that this is war. No matter what may be the theory adopted of neutrality in a struggle, when this process is carried on in the manner indicated from a territory and with the aid of the subjects of a third party, that third party, to all intents and purposes, ceases to be neutral. Neither is it necessary to show that any Government which suffers it to be done fails in enforcing the essential conditions of international amity towards the country against whom the hostility is directed. In my belief it is impossible that any nation retaining a proper degree of self-respect could tamely submit to a continuance of relations so utterly deficient in reciprocity. I have no idea that Great Britain would do so for a moment.

After a careful examination of the full instructions with which I have been furnished in preparation for such an emergency, I deem it inexpedient for me to attempt any recurrence to arguments for effective interposition in the present case. The fatal objection of impotency which paralyzes Her Majesty's Government seems to present an insuperable barrier against all further reasoning. Under these circumstances I prefer to desist from communicating to your Lordship even such further portions of my existing instructions as are suited to the case, lest I should contribute to aggravate difficulties

already far too serious. I therefore content myself with informing your Lordship that I transmit by the present steamer a copy of your note for the consideration of my Government, and shall await the more specific directions that will be contained in the reply.

I seize this opportunity to pray permission of your Lordship to correct a clerical error inadvertently made in my note of the 3rd instant, in inserting the dates of two notes of mine as having received the express approbation of my Government. The intention was to specify only one, that of the 11th of July. The correction is not material excepting as it conforms more strictly to the truth.

I pray, &c.

(Signed) CHARLES FRANCIS ADAMS.

No. 14.

Mr. Layard to Mr. Stuart.

(Extract.)

Foreign Office, September 5, 1863.

WE have given orders to-day to the Commissioner of Customs at Liverpool to prevent the two iron-clads leaving the Mersey. These orders had scarcely been sent when we received the note from Mr. Adams, of which I send you a copy.*

Mr. Adams is not yet aware that orders have been given to stop the vessels. You may inform Mr. Seward confidentially of the fact.

No. 15.

Earl Russell to Mr. Adams.

Foreign Office, September 8, 1863.

LORD RUSSELL presents his compliments to Mr. Adams, and has the honour to inform him that instructions have been issued which will prevent the departure of the two iron-clad vessels from Liverpool.

No. 16.

Mr. Adams to Earl Russell.—(Received September 10.)

My Lord,

Legation of the United States, September 9, 1863.

I HAVE the honour to acknowledge the reception of your Lordship's note of yesterday, announcing the determination of Her Majesty's Government to prevent the departure of the war vessels now fitting out at Liverpool. I shall take great pleasure in transmitting a copy for the information of my Government.

I pray, &c.

(Signed) CHARLES FRANCIS ADAMS.

No. 17.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, September 11, 1863.

I HAVE received your letter of the 5th instant. I have read it with great regret.

It has been the aim of the Government of Great Britain to maintain a strict neutrality between the parties who for two years have carried on a civil war of unusual extent and loss of life, on the Continent of North America.

Her Majesty's Government have for the most part succeeded in this impartial course. If they have been unable to prevent some violations of neutrality on the part of the Queen's subjects, the cause has been that Great Britain is a country which is governed by definite laws, and is not subject to arbitrary will. But law, as you are well aware, is enforced here, as in the United States, by independent Courts of Justice, which will not admit assertion for proof, nor conjecture for certainty.

In the United States, as in England, questions of this nature have been discussed by Judges of great legal ability, whose learning and impartiality have given weight and authority to their decisions in every part of the civilized world.

Her Majesty's Government feel confident that the President of the United States will be disposed rather to resort to those great expositors of international law, and to be guided rather by a careful examination of the course of Her Majesty's Government, than to yield to the hasty conclusions and prejudiced imputations of public clamour.

* No. 13.

For instance, in the case still pending of the iron-clad steam-rams at Birkenhead, Mr. Seward, with his knowledge and perspicuity of judgment, cannot fail to acknowledge that it was necessary to show, not only that these vessels were built and equipped for purposes of war, but also that they were intended for the so-called Confederate States.

With a view to complete the evidence on this head, it was material to prove that the iron-clads were not intended for the French Government or for the Pasha of Egypt. With respect to the French Government, Her Majesty's Government have received, upon inquiry, assurances through Earl Cowley and the Marquis of Cadore that the French Government have nothing to do with the Birkenhead iron-clads.

With respect to the Egyptian Government, it was only on the 5th instant that Her Majesty's Government received a despatch from Mr. Colquhoun, Her Majesty's Consul-General in Egypt, which is conclusive on this subject.

Mr. Colquhoun reported, on the 28th August, that M. Bravay, a French subject and a member of the French Chamber of Deputies, had stated to Ismail Pasha very lately that the orders for the two iron-clads were given when Said Pasha was last in Paris. M. Bravay seems to have urged Ismail Pasha to fulfil the verbal contract of his predecessor, by purchasing these vessels, for which he, M. Bravay, had paid, as he alleged, a large sum on account. But Ismail Pasha, Mr. Colquhoun adds, refused to purchase these vessels.

From this example, and that of the vessels built for the Emperor of China, whose name was alleged all over the United States to be a mere sham to cover the real destination of the vessels, the President will gather how necessary it is to be dispassionate and careful in inquiries and statements upon subjects involving such great interests and affecting the good faith and character of a Power so honourable as Great Britain.

These matters will no doubt be duly and dispassionately considered by the Government at Washington, however they may have been understood in London.

I deem it right, however, to observe that the question at issue between yourself and Her Majesty's Government relates to two separate and distinct matters: the general international duties of neutrality, and the Municipal Law of the United Kingdom. With regard to the general duties of a neutral according to international law, the true doctrine has been laid down repeatedly by Presidents and Judges of eminence of the United States, and that doctrine is, that a neutral may sell to either or both of two belligerent parties any implements or munitions of war which such belligerent may wish to purchase from the subjects of the neutral, and it is difficult to find a reason why a ship that is to be used for warlike purposes is more an instrument or implement of war than cannon, muskets, swords, bayonets, gunpowder, and projectiles to be fired from cannon and muskets. A ship or a musket may be sold to one belligerent or the other, and only ceases to be neutral when the ship is owned, manned, and employed in war, and the musket is held by a soldier and used for the purpose of killing his enemy. In fact, the ship can never be expected to decide a war or a campaign, whereas the other things above mentioned may, by equipping a large army, enable the belligerent which acquires them to obtain decisive advantages in war. Then again, as regards the employment of the subjects of a neutral by either belligerent, it is obvious that even if the whole crew of a ship of war were composed of the subjects of a neutral, that crew would have less influence on the results of the war, than whole regiments and brigades employed on land, and composed of the subjects of a neutral State.

Now admitting that the Confederates have been able to employ some vessels built in the United Kingdom, in spite of the efforts of Her Majesty's Government to prevent it, and admitting also that which is believed to be the fact, that the Confederates have derived a limited supply of arms and ammunition from the United Kingdom, notwithstanding the Federal blockade of their ports, yet, on the other hand, it is perfectly notorious that the Federal Government have purchased in and obtained from the United Kingdom a far greater quantity of arms and warlike stores.

As far, then, as regards the drawing warlike supplies from the United Kingdom, the Federal Government has done in that respect a great deal more than the Confederates have done, and if in contradiction to the doctrine repeatedly and deliberately promulgated by Presidents of the United States, the furnishing of such supplies by the subjects of a neutral to one belligerent is, as you would seem to represent it, an act of war against the other belligerent, the United Kingdom of Great Britain must be deemed to be at war with both the contending parties in North America, but to have given greater assistance in the war to the Federals than to the Confederates.

But if the question with regard to war is to be raised, the difference is far greater. Even admitting, as asserted by you—though Her Majesty's Government have no knowledge

of the fact—that a small number of British subjects have, in defiance of Her Majesty's Proclamation, engaged in the service, either by sea or by land, of the Confederates, it might be asked whether no British seamen are now employed in the naval service of the United States' Government; at all events it is well known that large numbers of natural-born subjects of Her Majesty have fought and fallen in the ranks of the Federal armies, and it is confidently asserted, though Her Majesty's Government have no proof of the fact, that agents of the Federal Government are employed within the United Kingdom to engage subjects of Her Majesty to emigrate to the United States with a view of engaging, when there, in the military service of the Federal Government. Her Majesty's Government would fain hope that such reports are unfounded, because such a proceeding would not only be a departure from international comity, inasmuch as it would be tempting British subjects to act in violation of Her Majesty's Proclamation, but it would also be diametrically at variance with the doctrine laid down by the President of the United States upon a similar matter in 1855, during the war between Great Britain and Russia.

Upon the second branch of this subject, namely, the question how far Her Majesty's Government have enforced the Municipal Law of the United Kingdom, commonly called the "Foreign Enlistment Act," Her Majesty's Government can only repeat that they have taken every step to enforce that law which by legal authority they have been advised to be within their competency, and Her Majesty's Government will, from a due regard to their own good faith and to the national dignity, continue, without regard to any other consideration, to pursue the same course.

Her Majesty's Government forbear from making any remarks upon the passage which is quoted by you from some Confederate newspaper, the editor of which tries to show what damage the "Warrior" could inflict upon the sea-board of the Federal States.

Such remarks have happily no bearing upon the present state of things, and may be dismissed without comment.

Her Majesty's Government, in conclusion, can only hope that the Government at Washington may take a calmer and more dispassionate view of these matters than seems to be inferred from your note; but at all events Her Majesty's Government can with perfect sincerity assure you that it is their earnest desire faithfully to perform the duties of neutrality in the unhappy conflict which now devastates so large a portion of the States of North America, and that so far from being animated by any feelings of hostility towards either of the contending parties, they would deem it fortunate and honourable to Great Britain if any opportunity should occur which could offer to Her Majesty's Government the slightest chance of being in any way useful in promoting the establishment of peace.

I have to add that instructions have been issued for preventing the departure of the iron-clad vessels in question from Liverpool until satisfactory evidence can be given as to their destination, or, at all events, until the inquiries which are now being prosecuted with a view to obtain such evidence shall have been brought to a conclusion.

I am, &c.
(Signed) RUSSELL.

No. 18.

Mr. Adams to Earl Russell — (Received September 18.)

My Lord,

Legation of the United States, London, September 16, 1863.

I HAVE the honour to acknowledge the receipt on the 14th of your note dated on the 11th, in reply to mine of the 5th of the current month.

Your Lordship remarks that you had read my letter with great regret. On my part I am very sure that it could not exceed the regret with which I wrote it.

You are pleased to observe that Her Majesty's Government hopes my Government may take a calmer and more dispassionate view of the matters involved in this discussion than seems to be inferred from my note. If in that note I should have unfortunately led Her Majesty's Government to any inference of the kind, I can only assure your Lordship that the fault must be exclusively mine. At the same time I feel it my duty not to disguise from you the very grave sense it entertains of the danger that Her Majesty's Kingdom may be freely used by the enemies of the United States, in conjunction with numerous ill-disposed subjects of her own, to carry on a war against them in manner and spirit wholly at variance with the rules of neutrality which Her Majesty's

Government has prescribed for itself in the present contest, as well as with the stronger obligations of amity and good-will imposed by solemn Treaties long since entered into between the parties.

Your Lordship appears, disposed to throw aside the extract made in my note from an insurgent publication as "happily having no bearing upon the present state of things." That publication was predicated upon the expectation raised by the report of the case of the "Alexandra," that no farther obstructions to the full execution of the policy therein indicated would be made in the ports of Her Majesty's kingdom. Coming as it did in corroboration of secret information derived from other sources, I certainly felt as if it was incumbent upon me to lay before you a view of the consequences not unlikely to result from the adoption of the conclusions announced to me in your note of the 1st, which fully justified that expectation. If Her Majesty's Government have not the power to prevent the harbours and towns of a friendly nation from being destroyed by vessels built by British subjects, and equipped, manned, and despatched from her harbours, with the intention to work that immense mischief, then is the neutrality of the kingdom nothing more than a shadow under which war may be conducted with more effect than if undisguised; and all international obligations, whether implied or expressed, not worth the paper on which they are written.

It is no part of my intention to renew with your Lordship the discussion of the extent to which a belligerent may draw resources from the territories of a neutral, nor yet to examine the degree in which the respective parties to the present contest have done so in Great Britain. The limit in the first instance is well known to be the law of trade which passively ignores the character of the purchaser. That limit I desire once more to declare to your Lordship has never been passed by the Government of the United States. Whatever may be the insinuations or intimations to the contrary, to which your Lordship alludes, the repeated and authorized denials of them made by me would seem in ordinary courtesy to be entitled to full confidence, at least so long as it is admitted that no evidence exists to impair its reputation for good faith.

On the other hand, the history of the past two years has proved, beyond the possibility of denial, that the insurgents have steadily and persistently been engaged in transgressing the limit above laid down. They have built ships, in the ports of this kingdom, with the intent to make war on the United States; they have equipped and armed those ships with the aid of British subjects; they have manned those ships by enlistments of British subjects; and without ever entering any insurgent harbour, they have sailed on the high seas, committing depredations on the property of the people of the United States, under the protection of the British flag. In advance of this series of proceedings, I have been steadily engaged in making representations of the danger of the same to your Lordship, the correctness of which has been almost uniformly verified by the result. In the very first instance in which I had the honour to present a remonstrance to your Lordship, the case of the gun-boat "Oreto," it appears from the admission of the individual now in command of that vessel under the name of the "Florida," that she was built in the port of Liverpool with the intent to carry on war against the United States. I quote from the language of a letter signed by J. N. Maffitt, which has appeared in the public prints, when I say that "that corvette has, in fact, been built and armed by the Government of the Confederate States of America." This building and arming are well known to have been done from the ports and harbours of Great Britain and its dependencies. And just so has it been with the other vessels of the same nature on the ocean that have never yet earned any national character excepting that which may attach to them from the territory where they were built, equipped, manned, and armed.

It is unnecessary for me to enlarge further upon this view of the case, or to contrast this conduct of the insurgents with that observed by the United States. I shall content myself only with pointing out to your Lordship that the suffering by Great Britain of such proceedings as I have complained of is in violation of the rules of neutrality established by the Law of Nations, as laid down by distinguished writers, including your Lordship, as well as of the very terms of the Enlistment Act, as adopted in this kingdom for the purpose of enforcing those rules.

This is the language of Martens on the subject:—

"Celui-là au contraire blesse les devoirs de la neutralité qui, sans engagements antérieurs . . . tolère sur son territoire les préparatifs militaires de l'une des Puissances belligérantes en souffrant des armements en course," &c.

I now quote from the authority of your Lordship himself:—

"Attempts on the part of the subjects of a neutral Government to take part in a war, or to make use of the neutral territory as an arsenal or barrack for the preparation and inception of direct and immediate hostilities against a State with which their

Government is at peace,—as by enlisting soldiers, or fitting out ships of war, and so converting, as it were, neutral territory into a hostile depôt or post in order to carry on hostilities therefrom,—have an obvious tendency to involve in the war the neutral Government which tolerates such proceedings. Such attempts, if unchecked, might imply at least an indirect participation in hostile acts, and they are therefore consistently treated by the Government of the neutral State as offences against its public policy and safety, which may thereby be implicated.”

How far the Enlistment Act appears to have been infringed upon, I trust I need go no further to show than to quote the view with which your Lordship has heretofore honoured me of what acts constitute a violation of that Statute :—

“The Foreign Enlistment Act is intended to prevent the subjects of the Crown from going to war when the Sovereign is not at war. Thus private persons are prohibited from fitting out a ship of war in our ports, or from enlisting in the service of a foreign State at war with another State, or in the service of insurgents against a foreign Sovereign or State. In these cases the persons so acting would carry on war, and thus might engage the name of their Sovereign and of their nation in belligerent operations.”

And here your Lordship will permit me to remind you that Her Majesty's Government cannot justly plead the inefficacy of the provisions of the Enlistment Law to enforce the duties of neutrality in the present emergency, as depriving them of the power to prevent the anticipated danger. It will doubtless be remembered that the proposition made by you, and which I had the honour to be the medium of conveying to my Government, to agree upon some forms of amendment of the respective statutes of the two countries in order to make them more effective, was entertained by the latter, not from any want of confidence in the ability to enforce the existing statute, but from a desire to co-operate with what then appeared to be the wish of Her Majesty's Ministers. But upon my communicating this reply to your Lordship, and inviting the discussion of propositions, you then informed me that it had been decided not to proceed any further in this direction, as it was the opinion of the Cabinet, sustained by the authority of the Lord Chancellor, that the law was fully effective in its present shape.

It should here be observed that it was because I inferred from the language of your Lordship's note of the 1st of this month a virtual abnegation by Her Majesty's Government of all power practically to prevent the violation of these admitted obligations of neutrality notoriously going on within this kingdom, that I felt it my duty to represent, in firm, but I trust not disrespectful or unsuitable, language, the strong sense of injury which my Government would unquestionably entertain on learning the unfortunate conclusion to which they had arrived.

And here I must ask permission of your Lordship to observe that the disposition shown in that note to attach credit to a fraud which to me seemed so transparent as that attempted in the person of M. Bravay, was calculated to inspire in me the most serious fears of the possibility of my ever being able to interpose the smallest obstacle in future to the most barefaced imposture that might be practised in these cases on Her Majesty's Government. Well knowing the unscrupulous character of the parties engaged in these operations, I had every reason to apprehend they would always be prepared with some similar specious pretence to annul any attempts further to hinder their illegal operations.

The simulated ownership of this M. Bravay appears to have dated so long back as on the 3rd of July last. It was first alleged that it had been claimed through the official agency of the Consul of France at Liverpool. And in this form the story was honoured by the countenance of the First Minister, Lord Palmerston, in the debate which took place in the House of Commons on the 23rd of that month. Your Lordship will recollect that I took immediate measures to procure an effectual disavowal of that authority by the French Consul, and to furnish the evidence to you. Supposing that Her Majesty's Government were perfectly satisfied with this, you may judge of my extreme astonishment when I gathered from your note of the 1st instant that Her Majesty's Government nearly two months afterwards was still entertaining doubts about the truth of this story, and had not during the long interval obtained the evidence to set the matter at rest. Had your Lordship done me the favour to mention the doubt at any time, I flatter myself that I could have supplied the necessary proof to dispel that illusion. I could have pointed out the fact that M. Bravay, professing to act as the agent of the Pasha of Egypt, yet carefully abstaining from any communication with his alleged employer, had addressed himself instead to the Emperor of the French, to get the support of his Embassy in England, in order to effect the transfer of the vessels from under the British authority. He was foiled in this attempt by the plain answer that the ships having a foreign destination, the French agents had no authority to intervene with the British Government to

effect such a transfer. Not satisfied with making this answer, however, I am informed that the French Government at once applied to the Viceroy of Egypt, in order to verify the correctness of M. Bravay's statement. The answer was what might naturally have been inferred—a complete disavowal of any share in the transaction. M. Bravay on being applied to for a copy of any contract under which he could claim to act for the Pasha, was obliged to confess that he had none. But he then pretended that his agreement was verbal with a person who he was sure could not this time be confronted with him to prove his want of veracity, the late Pacha of the same country.

Such being the facts attending this extraordinary imposture, your Lordship may judge of my surprise on learning from your note that on the 1st of September, "the inquiries set on foot by Her Majesty's Government had failed to show that the statement of French ownership was without foundation." Furthermore that "there was no legal evidence against M. Bravay's claim, and that the responsible agent of the Customs at Liverpool affirmed his belief that these vessels had not been built for the Confederates." Lastly, that "upon these and other grounds Her Majesty's Government were advised that they could not interfere in any way with these vessels."

Under these circumstances, I trust, I may be pardoned if I was somewhat moved on perceiving that the peace of two great countries, and the lives of perhaps thousands of the people inhabiting them, were about to be seriously endangered by the acts of profligate and unscrupulous mischief-makers, whose operations were to be permitted by reason of the want of a scruple of technical evidence to prove a gross and flagrant fraud. With regard to the opinion of Her Majesty's Customs Agent at Liverpool, I had already had abundant cause to know the value of that in various preceding instances in which I have had occasion to address remonstrances against the notorious proceedings at that port. If Her Majesty's Ministers look no further for proof to invalidate the evidence which I have had the honour to present, I can readily foresee what will be the issue. I respectfully submit that the interests of two nations are of too much magnitude to be measured by the infinitesimal scale of the testimony permissible before a jury in a Common Law Court. I may be pardoned if I here remind your Lordship of the significant language used in a parallel case in former days by that distinguished British Statesman George Canning, when he deprecated the consequence of "permitting the paltry, pettifogging way of fitting out ships in British harbours" to "sneak his country into a war." It may, indeed, well be that the inability to prevent some violations of neutrality in past instances which your Lordship is candid enough to confess, may be regarded by the United States as proceeding from special causes, which ought not to impair confidence in the enforcement of a general policy of neutrality by Her Majesty's Government; but I pray your Lordship to consider what can be that security when all the barriers are virtually removed out of the way of an effective levying of war against them from this kingdom on the most formidable scale.

I feel it my duty to persist in the opinion that the evidence which I have had the honour to present to your attention in regard to the character and intent of the war-vessels fitting out at Liverpool is entitled to belief, at least so long as it is not rebutted by far stronger proof to the contrary than that held out by the unsupported word of a French commercial adventurer, proved to have been capable of prevarication, if not of absolute falsehood, or by the bare opinion of an official person probably entertaining a sympathy with the cause of the guilty parties. The very fact that resort has been had to such flimsy pretences to prevent the detection of the true object seems to afford the strongest proof that that object is not a lawful one, and is the one pointed out in that evidence. All exterior circumstances go to confirm this view. The universal impression notoriously existing in Liverpool, the concurrent intimations of the Press of the insurgent States, and the absence of any other suitable explanation, though not constituting in themselves technical evidence, are yet important adjuncts to that which may fairly be classed under the definition. For myself, I must add that I entertain not a shadow of doubt that the substance of the evidence is true. If, then, there be any virtue in the authority upon which Her Majesty's Government deliberately decided that the provisions of the Enlistment Act could be enforced, without the need of any amendment, this is surely a most fitting and urgent occasion upon which all the majesty of the law may be invoked to the end of establishing justice and maintaining peace.

In conclusion, I pray your Lordship's attention to the fact that, in spite of the decision to which Her Majesty's Government appear to have arrived, and which you have done me the honour to communicate to me, I have reason to believe that no efforts are intermitted to prepare the war-vessels for immediate departure. Well acquainted as I am with the desperate character of the chief persons engaged in the insurrection in the United States, I shall be little surprised at learning of their resort to any and every

expedient, however audacious or dishonest, which may have for its object the possession of these formidable ships.

I pray, &c.
(Signed) CHARLES FRANCIS ADAMS.

No. 19.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, September 25, 1863.

I HAVE had the honour to receive your letters of the 16th and 17th of September.*

As the whole question is under the consideration of Her Majesty's Government, and the orders given not to permit the iron-clads to leave Liverpool until further inquiry has been made seem to be sufficient for the purpose of the present moment, I will delay any answer to those letters till the facts have been more fully ascertained.

It is right to inform you that upon receiving assurances, which the Treasury consider satisfactory, that the vessel shall be returned to Birkenhead, the Messrs. Laird have been permitted to make a trial trip with the vessel which is the most advanced.

I can assure you that I am not less anxious than yourself that the duties of neutrality should be performed strictly and impartially by the Government of Great Britain.

There are, however, passages in your letter of the 16th, as well as in some of your former ones, which so plainly and repeatedly imply an intimation of hostile proceeding towards Great Britain on the part of the Government of the United States, unless steps are taken by Her Majesty's Government which the law does not authorize, or unless the law which you consider as insufficient is altered, that I deem it incumbent upon me, in behalf of Her Majesty's Government, frankly to state to you that Her Majesty's Government will not be induced by any such consideration, either to overstep the limits of the law or to propose to Parliament any new law which they may not, for reasons of their own, think proper to be adopted. They will not shrink from any consequences of such a decision.

I am, &c.
(Signed) RUSSELL.

No. 20.

Mr. Adams to Earl Russell.—(Received September 26.)

My Lord,

Legation of the United States, London, September 24, 1863.

I AM credibly informed that seventy or more of the men belonging to the insurgent vessel the "Florida," formerly the "Oreto," nearly all of them British subjects, have been sent over from Brest, and are now in Liverpool. They were provided with a letter to the person acting on behalf of the insurgents at Liverpool, a copy of which is herewith transmitted. I need not point out to your Lordship the fact that the last sentence implies habitual action in direct violation of the law of the realm; such, indeed, as if committed by any Agent of the United States would be likely to attract the immediate notice of Her Majesty's Government. It corroborates all the evidence heretofore presented by me on the same subject. I have further reason to believe that under this sentence is intended a transfer of many of these men to one of the iron-clad war-vessels now in preparation at Liverpool with intent to carry on war against the United States. It is known to me that the intention to dispatch that vessel is not yet abandoned by the parties concerned in the enterprise.

I pray, &c.
(Signed) CHARLES FRANCIS ADAMS.

Inclosure in No. 20.

Commander Maffit to Captain Bullock, C.S.N.

Sir,

"Florida," Brest, September 3, 1863.

HEREWITH I send you a list of men discharged from the "Florida," with their accounts and discharges. Many of them have asked for transfers, and others for reference to you or to a Confederate agent. I would request you to provide them situations in the service.

I have, &c.
(Signed) J. N. MAFFIT.

* For Letter of 17th December, see "North America, No. 1 (1864)," No. 15.

No. 21.

*Mr. Adams to Earl Russell.—(Received September 29.)*My Lord, *Legation of the United States, London, September 29, 1863.*

I HAVE the honour to acknowledge the reception of your note of the 25th instant. I shall take pleasure in transmitting a copy to my Government.

I must pray your Lordship's pardon if I confess myself at a loss to perceive what portions of my late correspondence could justify the implications to which you refer. So far from intimating "hostile proceedings towards Great Britain" "unless the law which I consider as insufficient is altered," the burden of my argument was to urge a reliance upon the law as sufficient, as well from the past experience of the United States as from the confidence expressed in it by the most eminent authority in the Kingdom.

Neither do I find any ground for the other implication. It is very true that I have deeply regretted the supposition that Her Majesty's Government should admit itself powerless to execute any of those obligations which are recognized by the consent of civilized nations, as well as the faith of Treaties to be binding equally upon all; and I have taken the liberty to point out the consequences which follow that inability, in the absolute necessity imposed upon an aggrieved party to defend itself from the worst of injuries. This is the principle which I have been directed to maintain, not from any idea of presenting any form of condition whatever to Her Majesty's Government, but from a confident expectation that an address to its sense of right may avail to gain for the United States exactly the same measure of justice which it would expect from that country in return were the respective situations reversed.

If in any respect I have appeared to transgress the line of argument here laid down, I pray your Lordship to consider the fault as one not of intention on my part, and not at all belonging to my Government.

In transmitting your Lordship's note, without further comment, I shall hope to be able to submit the question in what degree its sentiments may been in any particular misinterpreted by me.

I trust that it is unnecessary for me to make any assurances to your Lordship of the earnestness with which I have ever striven to maintain to the utmost of my power the relations of amity and goodwill between the two countries.

I pray, &c.

(Signed) CHARLES FRANCIS ADAMS.

No. 22.

*Earl Russell to Mr. Adams.*Sir, *Foreign Office, September 30, 1863.*

I HAVE the honour to acknowledge the receipt of your letter of the 24th instant, calling my attention to the arrival at Liverpool of a large party of men belonging to the Confederate steamer "Florida;" and I have to acquaint you that I lost no time in communicating to the Secretary of State for the Home Department copies of your letters and of its inclosures.

I have to add, however, that the attention of Her Majesty's Government had been some days previously to the receipt of your letter attracted by paragraphs in the public papers to the arrival of these men, and that inquiries were at once set on foot, and that the course which can be taken in regard to them is under the serious consideration of Her Majesty's Government.

I am, &c.

(Signed) RUSSELL.

No. 23.

*Earl Russell to Mr. Adams.*Sir, *Foreign Office, October 5, 1863*

I HAVE the honour to acknowledge the receipt of your letter of the 29th September in answer to mine of the 25th of that month, and I am very glad to find that I had misunderstood you, and that the passages in your correspondence which had led to my observations were merely intended by you to express your confidence that the sense of right on the part of Her Majesty's Government would avail to gain for the United States exactly the same measure of justice which it would expect from the United States in return, were the respective situations reversed.

I am, &c.

(Signed) RUSSELL.

No. 24.

Mr. Adams to Earl Russell.—(Received October .)

My Lord,

Legation of the United States, London, October 12, 1863.

I TAKE great pleasure in performing the duty imposed on me by my Government of expressing its satisfaction with the intelligence which I had the honour of communicating to it by the transmission of your Lordship's note to me of the 8th of September.

The President, not insensible of the difficulties in the way of the decision to which Her Majesty's Government in that note signified it had arrived, is gratified in being able to regard it in the light of a sincere desire on just principles to maintain its friendly relations with the United States. I am therefore instructed to inform your Lordship that the Government will hereafter hold itself obliged, with even more care than heretofore, to endeavour so to conduct its intercourse with Great Britain as that the war in which it is now unhappily involved may, whenever it may terminate, leave to neither nation any permanent cause of discontent.

I pray, &c.

(Signed)

CHARLES FRANCIS ADAMS.

No. 25.

Lord Lyons to Earl Russell.—(Received January 11.)

My Lord,

Washington, December 24, 1863.

I HAVE the honour to transmit to your Lordship an extract from the Washington newspaper "Star" of the 19th instant, containing what purports to be parts of a Report of the Secretaries of the so-called Confederate Treasury and Navy.

Your Lordship will observe that the Secretary of the Navy states, that during the months of July and August, he sent twenty-seven commissioned officers and forty trustworthy petty officers to the British Provinces with orders to organise an expedition and co-operate with army officers in an attempt to release the prisoners on Johnson's Island.

The Secretary also states that by the last courier he had sent instructions that would shortly be made apparent to the enemies of the Confederates nearer home. This passage is supposed to refer to the plan for the seizure of United States' vessels by Confederates embarking as passengers, which was executed in the case of the "Chesapeake."

The Secretary gives, moreover, particulars respecting contracts for building iron-clad vessels for the Confederate service, in England and France, and respecting the use to which those vessels were to be put.

I have sent the newspaper extract to the Governor-General of Canada.

I have, &c.

(Signed)

LYONS.

Inclosure in No. 25.

Extract from the "Star" of December 19, 1863.

A MISERABLE COUPLE.—MEMMINGER AND MALLORY IN A MUDDLE.—The official reports of the rebel Secretaries of the Treasury and Navy, Memminger and Mallory, are even more lugubrious in tone, if that were possible, than that of their master Jeff.

The whole actual receipts into the rebel treasury within the ten months covered by Memminger's report is less than ten millions of dollars; the war tax yielding only \$4,128,988, and sequestration of the property of Union men, \$1,862,550; customs, \$934,798; export duty on cotton, \$8,101; and the patent fund, \$10,794. The other receipts (apparent) have been from borrowed money and the issue of notes.

Mr. Memminger estimates that with the present amount of rebel debt, and what will be due at the end of the year 1864, the frightful aggregate will be \$2,500,000,000. The debt now is loosely stated at \$1,000,000,000, of which \$800,000,000 are treasury notes. Mr. Memminger declares that the only plan that he can devise is, to restore the currency to a specie basis. The Confederacy has been disappointed in supplies from abroad. It expected immense sums to it for their cotton and for the privilege of trade, but the yield has been very trifling. Less than a million of dollars has been received for the customs revenue of all the rebel States, and yet Jeff. Davis tells Europe that the blockade is inefficient. Mr. Memminger intends to borrow a few hundred millions more, and desires the

wise men at Richmond to devise means to pay the interest in specie. The latter is to be raised by a specie tax, which is to be wrung out of a population entirely destitute of coin, or by the creation of notes, to be received as specie. The whole affair is evidently a sublime muddle to Mr. Memminger.

He has a sort of dazed idea, however, that the Confederate people can be forced into taking the bonds by the requirement that they shall pay half their tax in coin or coupons, thus creating a demand for the coupon bonds.

The parties most likely to contribute to the loan, Mr. Memminger thinks, are banks, railroad companies and capitalists, and they all have a direct interest in taking up a loan that will retire the currency and thus reduce prices. In reply to the objection that the limitation of the time in which the Treasury notes may be redeemed is a violation of the compact, expressed or implied, on which they were taken, Mr. Memminger raises the argument that the measure is a necessity of war, and unless it is adopted these very notes will cease to be of value. He says, "The proposed scheme tenders the creditor payment of his debt before it is due in a security of greater value. The Government, in effect, does what an honest creditor in distress is bound to do—recognizes its debt, offers the best security in its power for payment, and asks for time. If the currency remains in its present state prices must advance, taxes become fruitless by reason of the depreciation of the money, the army cannot be paid or fed, the Government cannot be supported, and the country must succumb. Calamities so disastrous must be averted by every means within the power of the Government. No contract, however solemn, can require national ruin, and in such case the maxim must prevail that the public safety is the supreme law."

Mallory, Secretary of the Confederate Navy, has a budget of disasters to chronicle.

On the Mississippi many of the Confederate vessels "were either captured by the enemy or burned by our officers to prevent them from falling into the hands of the United States' forces." He has a crumb of satisfaction in the capture of the "Harriet Lane," but "owing to the vigilance of the enemy" he has "not deemed it advisable to attempt any offensive operations."

He had designed to "harass the enemy" severely with the Nashville, but "unfortunately she was destroyed by the enemy." The ram "Queen of the West" was "recaptured by the enemy," with her officers and crew, "the result of carelessness on the part of the commander."

Owing to the surrender of Port Hudson and Vicksburg, the machinery prepared for western rebel boats in progress of construction is declared useless, and Mallory advises that it be sold. The following paragraphs are significant, as showing the nature of the rebel plot for the release of Confederate prisoners on Lake Erie, as admitting to the fullest by rebel official authority what the British Government seems to find difficult to prove—*i.e.*, the rebel ownership of the rams in the Mersey; and further, the important fact that both England and France are now turning the cold shoulder to the rebel pirates:—

"During the months of July and August, I sent twenty-seven commissioned officers and forty trustworthy petty officers to the British Provinces, with orders to organize an expedition, and co-operate with army officers in an attempt to release the Confederate prisoners confined on Johnson's Island, in Lake Erie. From time to time I learned that the arrangements made were such as to insure the most complete success. A large amount of money had been expended, and just as our gallant naval officers were about to set sail on this expedition, the English authorities gave information to the enemy, and thus prevented the execution of one of the best planned enterprises of the present war.

"In accordance with the order of the President, early in the present year I dispatched several agents to England and France with orders to contract for eight iron-clad vessels, suitable for ocean service, and calculated to resist the ordinary armament of the wooden vessels of the enemy. These ships were to be provided with rams, and designed expressly to break the blockade of such of the ports as were not blockaded by the iron-clad monitors of the enemy. Five of these vessels were contracted for in England, and three in France. Due precautions were taken against contravening the laws of England in the construction and equipment of the vessels. They have been completed, but owing to the construction of her neutrality law, the Government of England stationed several war-vessels at the mouth of the Mersey, and prevented their departure from England. Subsequently they were seized by the British Government. Another and larger vessel has since been completed, but it is doubtful if she will be allowed to leave the shores of England, although it is believed the precautions taken are sufficient to exempt her from the fate of her consorts.

"The vessels being constructed in France have been subjected to so many official visitations that I have forwarded instructions to cease operations upon them, until the result of negotiations now pending shall permit our agent to resume work upon them. In this

connection it is proper for me to state that the great revulsion in popular sentiment, both in England and France, towards the Confederate Government has rendered our efforts to obtain supplies from those countries almost abortive. In view of all possible contingencies I have instructed the agents of this Department to wait a more favourable opportunity for carrying out the instructions previously forwarded. By the last courier I sent instructions that will shortly be made apparent to our enemies nearer home. I do not deem it advisable to communicate any portion of these plans to your honourable Body at the present time, for reasons perfectly satisfactory to the President.

“Although the operations of our navy have not been extensive, I cannot overlook the services of Captain Semmes in the ‘Alabama.’ During the year, he has captured upwards of ninety vessels, seventy of which he destroyed, the others being either bonded or released. One of the greatest drawbacks this officer reports having experienced is the difficulty he now has in procuring full supplies of coal. The provincial English authorities have hitherto afforded him every facility, but recently they have interpreted their neutrality laws so stringently that our war-vessels and privateers are much embarrassed in obtaining suitable supplies.”

No. 26.

Lord Lyons to Earl Russell.—(Received January 16.)

My Lord,

Washington, December 31, 1863.

I HAVE the honour to inclose an extract from the “New York Times” newspaper of yesterday, containing a complete copy of the Report of the Secretary of the so-called Confederate Navy.

The passages concerning the invasion of Canada, the construction of iron-clads in England and France, and the passage suppose to refer to the projects for seizing the “Chesapeake” and other vessels, were among those parts of the Report which were transmitted to your Lordship with my despatch of the 24th instant.

I have, &c.
(Signed) LYONS.

Inclosure in No. 26.

Report of the Secretary of the Confederate Navy.

Hon. T. S. Boccock, Speaker of the House of Representatives, Confederate States of America.

Sir,

I HAVE the honour to submit herewith my third Annual Report of the condition of this Department. The operations of this branch of the Confederate service have been chiefly confined to preparations for ridding our waters of the enemy’s vessels now blockading our seaports. We have also been engaged in building, arming, and equipping iron-clads and other steamers for service in our rivers and inland sounds. On the Mississippi many of these vessels have done valuable service to our cause, while others, not yet completed, were either captured by the enemy or burned by our officers to prevent them from falling into the hands of the United States’ forces. On the 1st of January some of our naval officers manned a steamer and two schooners, in which they sailed forth from the harbour of Galveston, and captured the United States’ gun-boat “Harriet Lane,” safely withdrawing her out of the reach of the other United States’ vessels then blockading that port.

The “Harriet Lane” has since been put into complete order, and has on board a sufficient number of officers and men ready for an opportunity to distinguish themselves. Owing to the vigilance of the enemy, I have not deemed it advisable to give orders for this vessel to attempt any offensive operations. In accordance with my instructions, the Confederate steamer Florida successfully ran the blockade from Mobile on the 13th of January, since which time she has been engaged in operations against the commerce of the enemy, capturing and destroying vessels and property amounting already to several millions of dollars. On the 17th of the same month, the “Alabama” destroyed the United States’ gun-boat “Hatteras,” in the Gulf of Mexico, for which daring exploit her commander deserves the thanks of the Congress. On the 31st of the same month, three of our iron-clad steamers, officered and manned by some of the bravest men of our navy, succeeded in

inflicting serious injury upon the blockading fleet off Charleston harbour. Two of the enemy's vessels were disabled, and although one of them surrendered we were unable to secure the fruits of this victory, owing to the injury sustained by our own vessels, by the collision that occurred.

Had the commander of this expedition been careful to strike the enemy amidships, his vessel would have remained uninjured, and our victory would have been complete. I had ordered a crew to be detached for service on the steamer "Nashville," designing to use her for the purpose of harassing the enemy while erecting batteries at the mouth of the Ogechee river; but unfortunately she was destroyed by the enemy before my plans were carried out. On the 16th of April, the ram "Queen of the West," which we had captured from the enemy, was recaptured, and her officers and crew, numbering one hundred and twenty persons, made prisoners. This occurrence was the result of carelessness on the part of the commander, who has since been cashiered and dismissed from the service. During the months of May and June, our gun-boats on the Western waters actively co-operated with our land forces, and, although operating under many disadvantages, many gallant exploits were performed by their officers and crews.

Owing to the evacuation of Vicksburg and the surrender of Port Hudson, I deemed it advisable to give orders to withdraw all our vessels in that region to safe and secure harbours, and cease the construction of those contracted for, the machinery for which was being transported to the several depôts. Some of this machinery is now stored at various points, and as it seems unlikely to be required for service at the West, and is unsuitable for use elsewhere. I suggest that it be sold, and the proceeds be applied to other purposes. On the seas some of our small privateers have inflicted considerable injury upon the enemy's commerce. The "Tacony" entered the harbour of Portland, and captured the United States' revenue cutter "Caleb Cushing." Owing to ignorance of the harbour, our officers were unable to take the "Cushing" out to sea, and she was again recaptured on the 27th of June by vessels sent in pursuit. Her crew were made prisoners.

During the months of July and August I sent twenty-seven commissioned officers and forty trustworthy petty officers to the British Provinces, with orders to organize an expedition and to co-operate with army officers in an attempt to release the Confederate prisoners confined on Johnson's Island, in Lake Erie.

From time to time I learned that the arrangements made were such as to insure the most complete success. A large amount of money had been expended, and just as our gallant naval officers were about to set sail on this expedition, the English authorities gave information to the enemy, and thus prevented the execution of one of the best planned enterprises of the present war. In accordance with the order of the President, early in the present year I despatched several agents to England and France, with orders to contract for eight iron-clad vessels suitable for ocean service, and calculated to resist the ordinary armament of the wooden vessels of the enemy. These ships were to be provided with rams, and designed expressly to break the blockade of such of the ports as were not blockaded by the iron-clad monitors of the enemy. Five of these vessels were contracted for in England and three in France. Due precautions were taken against contravening the laws of England in the construction and equipment of these vessels. Three have been completed, but owing to the unfriendly construction of her neutrality laws, the Government of England stationed several war-vessels at the mouth of the Mersey, and prevented their departure from England. Subsequently they were seized by the British Government. Another and larger vessel has since been completed; but it is doubtful if she will be allowed to leave the shores of England, although it is believed the precautions taken are sufficient to exempt her from the fate of her consorts. The vessels being constructed in France have been subjected to so many official visitations that I have forwarded instructions to cease operations upon them until the result of negotiations now pending shall permit our agent to resume work upon them. In this connection, it is proper for me to state that the great revulsion in popular sentiment, both in England and France, toward the Confederate Government, has rendered our efforts to obtain supplies from those countries almost abortive. In view of all possible contingencies, I have instructed the agents of this Department to wait a more favourable opportunity for carrying out the instructions previously forwarded. By the last I sent instructions that will shortly be made apparent to our enemies near home. I do not deem it advisable to communicate any portion of these plans to your honourable Body at the present time, for reasons perfectly satisfactory to the President.

Although the operations of our navy have not been extensive, I cannot overlook the services of Captain Semmes in the "Alabama." During the year he has captured upward of ninety vessels, seventy of which were destroyed, the others being either bonded or released. One of the greatest drawbacks this officer reports having experienced, is the difficulty he now has in procuring full supplies of coal. The provincial English authorities have hitherto

afforded him every facility, but recently they have interpreted their neutrality laws so stringently that our war vessels and privateers are much embarrassed in obtaining suitable supplies. I have instructed Captain Semmes to purchase coal from neutral shipmasters wherever he found it, and give them every necessary document to protect them against the effect such sale may have upon their vessels when they return to their several countries. By this means I anticipate a sufficient supply of coal will be obtained to enable him to continue his operations during the coming year.

The other operations of this Department have been chiefly confined to making such preparations for naval operations as circumstances might permit. From time to time I have caused surveys to be made upon steamers running the blockade, with a view of purchasing such as could be made available as war-vessels. Several have been bought and are now being transformed into ships of war.

For the armament of these vessels it will be necessary that Congress should make an additional appropriation. Appropriations will also be required to conduct our naval operations during the coming year. The estimated expenditure of the Department for the fiscal year ending July 1, 1864, will amount to \$27,249,890, in addition to \$14,024,016 remaining to the credit of this Department in the Treasury. Since my last annual report, the expenditures for the navy have been \$24,413,645. The business transacted during the year in this Department has kept my very large clerical force so constantly engaged that from time to time I have ordered a number of naval officers to assist them in duties not properly devolving upon them. This course occasions so much dissatisfaction that I trust Congress will make such addition to my official staff as shall enable me to permit all our naval officers to resume their respective positions. The great disproportion of officers in our service to the seamen enrolled is a matter requiring the legislation of Congress. The number of commanders, now on active service, either at sea or on shore, remains the same as previously reported.

Many of those occupying a lower grade in the service have volunteered in the army, owing to their desire to be actively employed against the enemy. I have not accepted the resignations of these gentlemen, but furnished them with temporary absences, until I can recall them for the performance of other duties. I have considered it important to keep the roll as complete as possible; therefore, whenever I have been notified of the death of any naval officer, serving in the army, I have appointed his successor. The total number of commissioned officers at present attached to the Confederate army is 383. The petty officers number 191, while the roll of sailors gives a return of 877, not including those on board of vessels now at sea, accurate rolls not having been transmitted.

In conclusion, I must add my testimony to the gallantry and efficiency of our navy, who have nobly sustained our cause under many trying circumstances. The proud spirit of our officers chafes at the inaction they are compelled to endure; and I trust that Congress will make provision for increasing the efficiency of this Department, and permitting it to undertake more offensive operations against the enemy. In conclusion, I would recommend the immediate passing of an Act authorizing the construction of at least six turreted iron-clads for harbour operations. The experience of the past year has demonstrated that such vessels are absolutely necessary if we expect to break through and destroy the blockade at present established by the enemy. Attached to this communication I have the honour to submit the various reports of different commanders and officers sent upon detached duty, together with the reports of naval agents and other officers, at home and abroad, who have been engaged on duty connected with this Department.

All of which is respectfully submitted.

(Signed)

S. R. MALLORY, *Secretary of the Navy.*

No. 27.

Mr. Adams to Earl Russell.—(Received January 19.)

My Lord,

Legation of the United States, London, January 19, 1864.

I HAVE the honour to submit to your consideration a copy of what purports to be the Annual Report of Mr. S. R. Mallory, the person who is known to be officiating at Richmond as Director of the Naval Operations of the insurgents in the United States. Although this paper has been received only in the form here presented, I entertain little doubt that in substance it may be relied upon as authentic:

If this be once assumed, I am sure I need not point out to your Lordship the great importance of the admissions therein made of the systematic violation of the neutrality of

Her Majesty's Kingdom, which it has for a length of time been my chief labour to make apparent. This Report boldly assumes the responsibility for the action both in Great Britain and France, in the construction and outfit of powerful war-vessels in their ports, for the use of the insurgents in carrying on war from those countries against the United States. In this particular there can be found little or nothing in the allegations made by me in the notes which I have heretofore had the honour to address to you on this subject, however strong their language, that is not fully sustained by this paper.

Furthermore, there appears to be an avowal, with similar frankness, of the expediting of twenty-seven so-called commissioned officers and forty trustworthy petty officers from Richmond to the British Provinces, with orders to organize an expedition from thence in co-operation with the so-called army officers, to make war on the northern adjoining borders of the United States. Of the fact that such an enterprise was actually undertaken, your Lordship is already well apprised. This paper does not hesitate to confess that, although so cunningly contrived to operate from a known neutral territory as a base, it has failed because the British Provincial authorities gave information to the Government of the United States in season to render it abortive.

Lastly,—in connection with these two explicit avowals, the same authority announces that another courier has been despatched with instructions which will shortly be made apparent to the enemy nearer home. Which declaration, construed by later events, may be fairly understood to allude to the directions under which the persons employed to perpetrate the piracy and murder committed on board the steamer "Chesapeake" proceeded in that enterprise, making the British Provinces of New Brunswick and Nova Scotia the base of their criminal operations to and fro.

In laying this information before your Lordship I am directed to convey the opinion of my Government that the proof thus furnished is sufficient to remove all doubt that may yet be lingering over the objects, character, and designs of the builders of the steam-rams now under detention in the ports of this kingdom, upon the strength of former representations which I have had the honour to make to Her Majesty's Government.

Secondly. Whilst readily acknowledging on the part of my Government the friendly services of the British Provincial Authorities in the case referred to, I am instructed to solicit your Lordship's attention to the fact that a toleration within this kingdom or any of its dependencies of the practices of the insurgents since they have been so openly published to the world, and after the knowledge of them now communicated, would be not simply inconsistent with neutrality, but equivalent to a permission to the enemies of the United States to make war against them from the British shores.

Thirdly. I am further directed respectfully to represent that the toleration of these avowed enemies of the United States, whilst known to be carrying on these hostile practices, now fully revealed, within the British realm and its dependencies, without restraint of any kind, cannot be regarded as an exercise of the unquestioned right of sheltering political exiles, but rather as equivalent to permitting them to abuse that right for the purpose of more effectually availing themselves of British aid and co-operation, now notoriously given them, in waging war with a country with which Great Britain is at peace.

Fourthly. It is the deliberate conviction of my Government that there has been and continues to be in all these proceedings a fixed purpose to plunge Great Britain into a war with the United States, in order to extricate the conspirators from the perilous embarrassments in which they have involved themselves. The tendency to produce that evil is so obvious that it would seem to call for the strongest and most persevering efforts of both countries to prevent it.

Fifthly. It has been the desire of my Government, under the constant pressure of these annoyances, which have so materially contributed to procrastinate the painful struggle, to bear itself in the spirit and in the manner best calculated to defeat this wicked design, without giving cause of offence or irritation to Her Majesty's Government or to the British people.

The President sincerely wishes that he could suggest any adequate remedy for the deplorable state of things thus presented, that is not inconsistent with the policy which Great Britain has pursued in regard to this insurrection. It must ever be his opinion, that it has directly resulted, although unexpectedly and unintentionally on the part of Her Majesty's Government, from the earliest step taken in that policy. The speedy recognition of the insurgents, at a moment when they were without navy, ports, courts, or coasts, as a belligerent Power on the ocean, was unquestionably construed by them and by ill-disposed British subjects conspiring with them, as an invitation to use British ports, ships, men, money, and coasts, so as to make themselves the naval power which they never could by any possibility become from their own unaided resources.

Indications of active co-operation in the designs of the insurgents have been all along but too painfully apparent in British communities. The evidences of it have already constituted a large part of the correspondence which I have had the honour to conduct with your Lordship since the day of my arrival. And much more that I have been unable to put into official form has not escaped my observation. None of these movements, however, are likely to assume so dangerous a character as those which are perceived to originate or to be encouraged in territories coterminous with those of the United States, where the opportunities abound for aggressive and injurious acts, and the temptation as well as the power to retaliate is correspondingly strong. It must be manifest that this danger is one which my Government can do no more to avert than it has already done. If it is to be prevented at all, it would seem that a resort to some measures of greater stringency than have yet been taken is necessary on the part of Her Majesty's Government.

In making, in the most respectful manner, these frank explanations of the difficulties under which the respective countries at present labour, I pray your Lordship to believe that my Government is desirous to act in a spirit of perfect friendliness, and with an earnest desire to confirm the most cordial relations between them. Having acquitted myself of the duty with which I have been charged, I propose, for the present, most respectfully to leave the whole subject for your Lordship's just consideration.

I pray, &c.
(Signed) CHARLES FRANCIS ADAMS.

Inclosure in No. 27.

Report of the Secretary of the Confederate Navy.

[See Inclosure in No. 26.]

No. 28.

Earl Russell to Mr. Adams.

Sir,

Foreign Office, February 8, 1864.

HER Majesty's Government have had under their consideration the representations contained in your letter of the 19th ultimo with regard to the alleged use of British territory for belligerent purposes by the Government of the so-styled Confederate States, as shown in the Report of the Confederate Secretary of the Navy, Mr. Mallory, of which you inclosed a copy; and I have now to state to you that this document appears to Her Majesty's Government to contain the strongest proof, if any were wanted, that they have endeavoured in good faith to observe strictly and impartially, under circumstances of no small difficulty, the obligations of neutrality which they have undertaken, and that the practical effect of their doing so has been advantageous in no slight degree to the more powerful of the two belligerents, namely, the United States.

What is termed in Mr. Mallory's Report "the unfriendly construction of Her Majesty's Laws" is therein made matter of grave complaint against England by the Government of the so-styled Confederate States, while to the same cause is ascribed the fact that those States have been prevented from obtaining the services of the greater part of a formidable war-fleet which they had desired to create.

Her Majesty's Government are fully sensible of the nature and importance of the admissions made in Mr. Mallory's Report of the endeavours of the Government of the so-styled Confederate States, by their agents in this country and in Canada, to violate in various ways Her Majesty's neutrality.

Her Majesty's Government have already taken steps to make that Government aware that such proceedings cannot be tolerated, and Her Majesty's Government will not fail to give to these admissions, to which you have invited their attention, the consideration which they undoubtedly deserve.

There is, however, one passage in your letter which it is impossible for Her Majesty's Government to pass over without special notice. This passage is as follows:—"I am further directed respectfully to represent that the toleration of these avowed enemies of the United States, whilst known to be carrying on these hostile practices, now fully revealed, within the British realm and its dependencies, without restraint of any kind, cannot be regarded as an exercise of the unquestioned right of sheltering political exiles, but rather

as equivalent to permitting them to abuse that right for the purpose of more effectually availing themselves of British aid and co-operation now notoriously given them in waging war with a country with which Great Britain is at peace."

In reply to this allegation, Her Majesty's Government think it right to state that Her Majesty's dominions must necessarily continue to be open to the subjects of both belligerents as long as Her Majesty is at peace with both of them, but that Her Majesty's Government will, at the same time, continue to put in force, as they have hitherto done, to the full extent of the means in their power the laws of this country against those subjects of either of the belligerents who may be found by transgressing those laws to have abused the rights of hospitality and to have offended against the authority of the Crown.

With regard to its being made a matter of complaint by the Government of the United States, that Her Majesty's Government thought fit, upon the original commencement of hostilities, to recognize the status of belligerents in both the parties to this unhappy contest, Her Majesty's Government can only repeat the observation which they have had occasion to make on former occasions in reply to similar representations received from you, that any other course would have justly exposed this country to a charge of violating the clearest principles and soundest precedents of international law.

I am, &c.
(Signed) RUSSELL.

NORTH AMERICA.

No. 5. (1864.)

Correspondence respecting Iron-clad Vessels
building at Birkenhead.

*Presented to both Houses of Parliament by Com-
mand of Her Majesty. 1864.*

LONDON:

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