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HOUSE OF REPRESENTATIVES, May 17, 1864.-Laid on the table and ordered to be printed.

[By the CHAIR.]

# REPORT

## ON THE

## CONDITION OF GOVERNMENT COTTON.

Contiguous to the Mississippi and its Tributaries.

TTEASURY DEPARTMENT, C. S. A., Richmond, May 16, 1864.

## Hon. THOMAS S. BOCOCK, Speaker of the House of Representatives :

SIR: In compliance with the resolution passed by the House of Representatives, on the 9th instant, I have the honor to transmit a copy of the report dated April 9th, 1864, made by J. D. B. DeBow, Esq., General Agent of the Produce Loan for the State of Mississippi, on the condition of Government cotton contiguous to the Mississippi and its tributaries.

I am, very respectfully,

C. G. MEMMINGER, Secretary of the Treasury.

Columbus, April 9, 1864.

#### Condition of the Cotton.

From every source of information, it is certain, that the cotton in the exposed district is in the most deplorable condition. Large plantations are abandoned everywhere, and the cotton has been left in sheds. These tumble down or are blown down. Stray cattle destroy the cotton; soldiers, particularly cavalry, strip it of the ropes and bagging, or make use of it for beds, scattering it in every direction ; fires are of frequent occurence per accident or incendiarism; the poor of the county take away as much as they can make use of; runaway negroes devastate; thieves, with whom the country abounds, carry off the cotton by wholesale, trading it to the Yankees, or hiding it in inaccessible places-they do it at night, or even in broad daylight, as there is little law in the country. Even those who have sold their cotton to the Government, in their desperate fortunes, regarding themselves as beyond the protection or reach of the Confederacy, sell it again to the Yankees, upon the pretext that they will replace it out of the next crop, or out of cotton in other quarters. They justify the act by their necessities. There is reason to fear that the soldiery are sometimes implicated in the guilt. Parties visit the section with forged powers, represent themselves as Government agents, and take away the cotton, using force, if necessary. General demoralization prevails throughout much of the entire section, reaching to every class. Trade with the enemy is universal. The temptations to fraud are overwhelming. Even our own agents are often charged with complicity. I have endeavored to procure men familiar with the country, and the best recommended. They report it to be impracticable to prevent the depredations.

## Quantity of Cotton in the District.

From the reports of agents, I estimate that there are about tenthousand bales of cotton, owned by Government, remaining in the district. It cost the Government from eight to fifteen cents in its depreciated issue, and is yet capable of reimbursing us for all losses in the district. The cotton, for reasons above, is generally in miserable condition. Even when best protected and guarded, the bagging and rope will burst after several years. Most of the representations made to Richmond, and to which the Secretary has frequently called my attention, have reference to *these coltons*. Those in other parts of the State are receiving constant supervision from my agents. The owners being on the estates, makes the matter practicable. Large quantities of cotton, owned by *private parties*, who reside out of the State, being greatly neglected, are frequently reported to be Government cotton.

#### Burning Cotton by the Military.

This has been accomplished in the wildest and most irrational manner. Under the influence of panic, thousands and ten thousands of bales have been burned, which the enemy could not possibly have reached. Even in presence of mere cavalry raids the torch has been frequently used. The most incompetent persons are often employed. The greatest possible irregularities occur. Whilst the cotton of some partices is burned, that of others is spared. The charge of *collusion* is frequently made; certain it is, that no general principle has been observed. Cotton is burned and no receipt given. It is burned at times with the gin-house. It is ordered to be turned out for burning, and after being stripped for the purpose, is left unburned, to be destroyed by the weather or cattle, or to be carried away. It is burned ruthlessly and madly, in places remote from danger, whilst entire districts, contiguous to the enemy, are spared. The commanding General (Johnston,) admitted this, in conversation with me, and deplored it. Thus, the most intense heart-burnings are engendered, and much of the demoralization among the people, frequently referred to, is the result. In one county, (Wilkinson,) the cavalry burned public cotton only, leaving the private cotton untouched. Private parties and holders will not burn, fearing retaliation from the enemy.

#### Removal of the Cotton.

Frequent orders from Richmond have come to remove the cotton from the exposed districts, and a large organization was set on foot by me for the purpose. Responsible and competent persons were sent into the district with ample means and authority. After an experiment of nearly six months, the whole may be regarded a failure. In that time eight hundred bales were brought out from the south-western counties, at an expense equal to nearly the original cost, and sent to Enterprise to be stored. This was regarded a most eligible point, but it reached there only in time to be largely used up by the Sherman expedition, which destroyed also such as was en route. Had the cotton remained on the plantations, it would have escaped. Thirteen hundred bales were removed out in north-western Mississippi, and stored in the vicinity of Goodman, to await transportation on the Central railroad. More than half of it was immediately afterwards fired by incendiaries and destroyed. This, too, though a guard had been ordered over it. I caused all the cotton to be brought out of Panola county. It no sooner reached points on the railroad, than it was all destroyed by the military. Six thousand bales were used in Fort Pemberton. I was in the set of having it, re-bailed and brought away, when the cavalry dashed in and destroyed it. General Pemberton advised me to remove all our cotton from the Yazoo and Tallahatchie. I asked him to fix a place for them, which he would regard secure. He named points on the Southern road, between Morton and Meridian. Had I adopted this course, every bale would have been lost. Four thousand bales were removed by me from north-castern Mississippi; I carried it, to be stored, near the eastern border of the State. on the Tombigbee, but the rough handling received from the wagon and the railroad has put much of it out of order, and extensive repairs are being now conducted. This cotton was, however, saved by removal; but it is exposed to accident from fire by such large aggregation, and I have sent an agent to procure other warehouses, so as to divide the risk in several parts. It is almost impossible to get storehouses or warehouses. Mobile would be an unsafe point to store, I cannot often build stores on account of the great scarcity of materials and labor. They are absorbed by the army. There is another great difficulty in the way of removal. The planters have no transportation,

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and there is little in the country. Horses, mules and wagons have been taken away by one or the other army, or by the enemy. Where there are teams, the parties will not accept Confederate money. They cannot use it. I have been compelled to pay for transportation in sugar and salt, bought for the purpose. The necessities of the crops, in general, require all the teams that remain. To impress them would intensify the discontent and increase the demoralization, thus effecting more harm than good. The cotton is, besides, in no condition for transportation for any distance.

#### Exchanging Cotton for Gold or Sterling.

. I have the means at any time of sending agents into Memphis or New Orleans to transact with foreigners or their consuls. Citizens of high character are in communication with me, wishing to undertake the business. I enclose some of their letters. The policy of such exchange is almost universally maintained in the State to be the true one for the Government. I have received assurances, almost official. from Yankee authorities at Vicksburg, Memphis, New Orleans, &c., that no interference would be had in the matter.

## Exchange of Cotton for Quartermaster's and Commissary Stores.

The War Department has several contracts embracing the delivery of Mississippi cotton. One of collossal character is given to Mr. Pollard. Thus the Administration's virtual control of the cotton will be taken out of the Treasury. I have the evidence that Mr. Pollard is giving out sub-contracts, and their numbers may be indefinite; each petty sub-contractor having military protection to take out the cotton and bring stores. Parties that I know to be irresponsible, have likewise obtained contracts at Richmond. I have the lists of articles needed by the War Department, and the price they are paying, and can have a responsible agent in each county to deliver cotton in all cases of purchase, and turn over the stores to the nearest quartermaster, obtaining his voucher for the same. Under the Pollard contract, the military authorities are now hauling our cotton to the vicinity of the river, to await the arrival of stores, and if there is any failure of such arrival, the cotton will inevitably be lost, either by act of the enemy or of marauders, with whom the country abounds. This, too, whilst I have been expending large sums upon the very opposite policy, indicated in your telegram of December Sth. of bringing away the cotton from such localities.

### No Time to be Lost.

Whatever is done must be done speedily. On the most intelligent and reliable testimony, if the cotton in the exposed district be not parted with in the next few months, it is *irredeemably lost to the Gov*ernment. Now is the time to move. Everything favors action. The occasion may not happen again. Better to part with the property, even for treasury notes, than to incur the total loss. It can be sold for them at from eight to ten times what it cost the Government. J. D. B. DE BOW.

General Agent Produce Loan.

#### Supplemental.

Since the preparation of the preceding pages, a letter from the Department, of date March 30th, requires some remarks. It has been shown that no adequate plan of protection can be organized for the cotton in exposed districts. There are, of course, exceptions to the general rule, and upon these exceptions the Department may rest satisfied I am actively employed. There are representatives of this office in all the counties, who are doing what is practicable, and whose reports. hereafter, will be very valuable in implicating individual wrong-doers. Redress will be very remote and difficult. If, under the circumstances, the Government determines not to part with its entire property, these agencies will be kept up and increased, and all other resources, secret as well as open, will be exhausted in securing as much as possible of the cotton.

The exposed district embraces either the whole or a part of the following counties: Panola, Tallahatchee, Bolivar, Sunflower, Lafayette, Yallabusha, Carroll, Holmes, Washington, Yazoo, Issaquena, Madison, Warren, Claiborne, Copiah and Amite, Jefferson, Franklin, Adams.

According to the best estimate that I can make, there have been destroyed, out of cotton bought by me in Mississippi :

	Bales.
By our military authorities	35.000
By accidents of various sorts	5.000
Taken by the Yankees, &c	
Total	50,000

This is somewhat more than a third of the entire purchases in the State. My record book shows, in detail, against each individual lot bought by me, in a column left for the purpose, what has occurred to that lot; and before the meeting of Congress, or very soon after, I will send on a transcript of this book. It will be found to support the above aggregate statistics.

In reference to complaints made to the Department, I have this to say:

1st. They are often from parties who are interested in subserving some purpose of their own, or whose schemes have been interfered with by the action of this office. The Secretary can understand that this is likely to happen.

2d. They are from persons who act from hearsay, or who, having no practical knowledge of the subject, do not know what is being . done, or what can or cannot be done. They can point out evils, but are impotent to effect a remady.

3d. They are from persons who deal in exaggeration, and often in

downright falsehood. I have had to deal with too many of these, not to understand it. This is not among the least evidences of demoralization. Every day reports are brought to me, which investigation proves to be utterly false.

4th. They are from those who honestly err, *i. e.*, they see large quantities of cotton exposed to ruin, and hear that it is Government cotton. This occurs all the time. It is believed the Government owns all the cotton, whereas two-thirds of the cotton in the State is *private*, and being owned often by capitalists outside, whose agents are unfaithful, it is in perfect ruin. The Secretary will remember the case of the cotton seen by the President at Meridian. In the very town of Columbus, five hundred bales of private cotton, in utter decay, is believed to be Government property.

5th. Without doubt, many of the parties who report are honest and true men, and represent the facts; but it would be well for them to furnish me a copy of their letters, for my action, and I trust the Secretary will cause this to be done.

My headquarters have returned, some time since, to Columbus. During the period of my agency, nearly two years and a half, they have been at some points in the State, with the inconsiderable exception of the period when the Yankees have driven me to Alabama, and even in these cases, their organization was kept up complete by my deputies and agents in the different counties, regularly reporting to me

Nine-tenths of the time, I have been personally present, and actively employed at my post, and sincerely believe, that, under the peculier circumstances which have existed in Mississippi, I have done nearly, if not quite, everything that was practicable to protect the Government interests.

J. D. B. DEBOW.

It should be added that the cottons not in the exposed district are being looked after very carefully by special agents, and that they have not yet suffered materially, and can be saved. The latest instructions covering all agencies are annexed.

## Instructions to District and County Agents.

PRODUCE LOAN OFFICE, Columbus, Miss., April 4, 1864.

Sin: You are requested to examine carefully into the condition of Government cotton in your county, a list of which is enclosed, and report to this office the facts.

Should the cotton be found insecurely sheltered, or otherwise neglected, or in bad condition, it is expected that you will notify the parties having charge of it to give the same immediate attention, under their contract to "take due and proper care of the cotton."

Should the said parties, after reasonable notice, not take the necessary steps for the preservation of the cotton, you are empowered to have the matter attended to, at the expense of the Government, and your duplicate vonchers will be paid by me. In such cases, the parties will be held liable for the cost, except under circumstances of a very peculiar character.

What the Government expects is, that its cotton will be sheltered from the weather and from cattle, and where the bagging or rope have been removed by unauthorized parties or depredators, that the party in charge of it shall replace the same with boards and hoops, and where buildings are injured, cause them to be repaired.

Agents are requested to ascertain and report all the facts connected with alleged loss of cotton from fire, or any other cause, and in rebailing will use boards and hoops.

In cases where cotton is left upon abandoned estates, the agent will, if no arrangement can be made to place it in charge of some neighbor, cause the cotton to be removed to a secure location, taking the receipt of a responsible party, who will undertake its custody.

Agents will report to me at least twice a month, in detail.

J. D. B. DE BOW, General Agent Produce Loan.

This circular is but a reprint, with some emendations of previous circulars sent from this office. It is published, also, in the leading papers circulating in Mississippi.



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