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RESPONSE

OF THE

SECRETARY OF THE TREASURY

To the Resolution of the Senate of the 5th December 1864, respecting Operations under the Act to impose Regulations upon the Foreign Commerce of the Confederate States.

TREASURY DEPARTMENT, C. S. A.
RICHMOND, Dec. 12, 1864.

To the President :

SIR :

I have the honor to submit the following reply to the enquiries contained in the resolutions of the Senate of the 5th instant, in relation to the foreign trade :

1. "Whether any and what restrictions have been imposed upon the exercise of the right of the Confederate States, or any of them, to export, on their own account, any of the articles enumerated in the act entitled 'an act to impose regulations upon the foreign commerce of the Confederate States, to provide for the public defence,' approved 6th February 1864?"

No restrictions whatever have been imposed upon the exercise of this right by the States. The 10th article of the Regulations, adopted in pursuance of the act of 6th February, provides, "that nothing in the Regulations shall be construed to conflict with the *proviso* in the 5th section; 'that nothing in this act shall be construed to prohibit the Confederate States, or any of them, from exporting any of the articles herein enumerated, on their own account.'"

By the 1st and 2d articles of the Regulations, it is provided, that vessels belonging to private parties shall carry one-half the cargo both outward and inward, on account of the Confederate States.

It has sometimes been supposed that this provision operates as a restriction upon the freedom of action of the States. That if a State acquire, by purchase or charter, the use of one-fourth of a steamer, the Confederate States should relinquish an equal proportion of the moiety claimed under the Regulations, and reduce the share reserved

for its use, to one-fourth. This Department does not concur in that opinion. It is held, that a vessel engaging in this trade, charters one moiety to the government, and has no power, while she continues therein, by a sale or another charter, to deprive the government of the use of that moiety. The exercise of such a power would be incompatible with the design of the act of February 6th, and in direct violation of the Regulations, made in pursuance thereof. It would be impossible for the government to secure the use of any portion of a vessel, if the owner was permitted thus to alienate it at will.

Nor would it be consistent with the equality to be observed among the States, in matters of common interest, that this should be conceded. The moiety reserved by the Confederate States, is for the use and benefit of all the States, without distinction; the cotton exported is common property; when sold, the product is nearly all clear gain; the supplies brought back in return add little or nothing to the expenditures of the government, and are equally distributed among the troops of all the States indiscriminately. But when any part of this moiety is transferred to one State, it operates as a relinquishment of the share of each of the others, for the benefit of that one. The part thus acquired, is then used to supply the troops of that State only; and as these supplies are nevertheless paid for by the Confederate States, it follows that, besides making this valuable concession, those from whom it is obtained, are drawn thereby into an unnecessary expenditure. In other words, in the one case, the troops of all the States participate in the benefit, and without cost to any; in the other, the benefits are confined to the troops of one State, and all the others contribute to the cost, and without any reduction being made for the profits on the outward cargo.

2. "Whether the Regulations made under the first section of said act have caused any diminution in the number of vessels engaged in foreign commerce?"

The Regulations were adopted on the 7th of March, and the largest number of arrivals occurred in the months of May and June ensuing; during which period forty-three steamers entered the ports of Wilmington and Charleston. The prevalence of the yellow fever, both in the Islands and in our own ports, caused a serious interruption to the trade during the summer months; but the abatement of the epidemic has been followed by the immediate return of activity; and from the 1st of November to the 6th of December, there have been forty-three arrivals at the ports above named. It would appear, therefore, that no discouragement has been given to the trade by the Regulations.

This conclusion is supported by other evidence; the freight of 5d. per pound in gold, paid by the government, is nearly equal to \$3 per pound; so that the freight paid for carrying out 500 bales of cotton for the government, will purchase for the vessel 1,000 bales, at the market price; and the great profit realized on these terms is exhibited in the enormous price commanded in the market, by shares in all the blockade stocks.

3. "Whether the said Act of Congress, and the Regulations made under its authority, have been beneficial or otherwise, in their effect on the success of our arms, and the supply of means necessary for the public defence; also whether experience has suggested the necessity of the repeal of said act of 6th February, or any modification or amendment of its provisions?"

My impressions are that they have been in the highest degree beneficial.

Before the passage of the act, vessels were required to devote one-third of their tonnage to the use of the government, by authority of the War Department. The principle was the same as that of the Regulations, and the statistics of the two periods have not been kept separate. The following summary, embracing a period of about twelve months, from the 1st of November 1863 to the 25th of October 1864, exhibits the results attained under both. These details are derived from the report of Col. T. L. Bayne, Chief of the Bureau of Foreign Supplies of the War Department.

The leading articles imported are as follows:

Lead,	-	-	1,490,000 pounds.
Saltpetre,	-	-	1,850,000 "
Meat,	-	-	6,200,000 "
Coffee,	-	-	408,000 "
Boots and shoes,	-	-	420,000 pairs.
Blankets,	-	-	292,000 pairs.
Arms,	-	-	136,832 muskets, rifles and carbines.

Since the date above mentioned, viz: the 25th of October, up to the 6th of December, further supplies of importance have been brought in, of which a detailed account is appended, marked A.

When the Regulations were first adopted, each Department was charged with the duty of managing its own exports and imports; but experience indicated the propriety of consolidating these operations, and placing the whole under the control of the Treasury Department. This was accordingly done on the 1st of July, and from that date to the 1st of December, the quantity of cotton exported was 11,796 bales. Of this quantity 1,272 bales were lost, and 10,524 bales have arrived safe at foreign ports. At a moderate computation the value in gold is £320,000 sterling, or \$1,500,000—a sum capable of purchasing supplies, of the value in currency of \$45,000,000.

The results attained appear to establish the beneficial character and effect of the act of February 6th, and the Regulations adopted in pursuance thereof; and I am strongly of the opinion that neither "the repeal of the act, nor any modification or amendment of its provisions," have been suggested by experience to be necessary.

G. A. TRENHOLM,
Secretary of Treasury.

Cargoes received from abroad, on Government Account—Continued.

1864. Nov. 8	Banshee,	Nassau.	32 barrels coffee, 7 casks, 15 cases shoes,	Vessel's acc't. " "
5	A. E. Fry.	Bermuda.	173 boxes bacon, 126 tierces beef, 158 barrels crushed sugar, 40 coils rope, 18 cases stationery, 6 barrels sugar, 1 cask hams,	Commissary. " Private acc't. " " "
	Blenheim,	Nassau (1st trip),	No government freight.	
24	Little Harle.	Nassau.	15 barrels hardware, 10 cases " 7 bundles vices, 18 bellows, 13 anvils, 42 barrels alcohol, 50 boxes tin plate, 8 cases stationery, 3 casks copper, 4 barrels tallow, 1 box tools, 1 denijohn varnish,	Q. M. " " " Medical. " B. Conscript. Navy. " "
21	Old Dominion,	Halifax,	210 barrels pork,	Commissary.
29	Emma Henry,	Bermuda,	130 sacks saltpetre, 50 cases shoes, 58 packages, 18 "	N. and M. Navy. Gen. Whiting
	Armstrong.	Bermuda,	1370 cases preserved meat, 10 bales gunny cloth, 200 bundles iron ties, 5 cases crockery,	Commissary. Selma. S. Imp'g Co.
30	Vulture,	Bermuda,	15 cases rifles, 15 " carbines,	Ordnance. "
Dec. 1	Ella, (beached.)	Nassau.	1 case bismuth, 147 barrels pork, 40 tierces beef, 30 pcks. horse shoe nails, 1 life boat, 225 sacks coffee, 1 case spool cotton, 23 cases Enfield rifles,	Medical. Navy. N. and M. Navy. Ordnance. "
	Owl,	Bermuda, via Nassau,	220 cases shoes, 34 bal-s cloth, 60 " shirts, 161 " blankets, 21 " flannel, 2 " hosiery,	Q. M. " " " "
	Virginia,	Bermuda, via Nassau,	275 boxes meat, 76 casks bacon, 500 bundles iron ties, 30 bales bagging.	Commissary. "
2	Wild Rover,	Bermuda, via Nassau,	5 cases thread, 1 cask buckles, 9 cases buttons, 150 packages lead, 2 puncheons, 1 hogshoed shoes, 117 cases bacon, 150 barrels pork, 7 casks bridles, 5 cases electro stalls.	Ordnance. " " N. and M. Commissary. " Ordnance. "
4	Stag,	England, via Bermuda	9 cases, 5 drums, 21 cases, 17 " 75 " boots, 7 " woollens, 30 " rifles, 130 sneks saltpetre, 5 tons pig iron, 10 bales blankets, 27 cases.	Navy. " Q. M. " " Ordnance. N. and M. Navy.

Cargoes received from abroad, on Government Account—Continued.

1864 Dec 4	Hansa.	England, via Bermuda,	52 bales blankets, - 3 " cloth, - 26 " flannel, - 68 cases boots, - 7 " stationery, - 9 bales paper, - 2 cases boots, - 7 " silk - 26 " ammunition paper, - 9 bales "	Q. M. " " " " " Medical. " Ordnance. "
2	Caroline.	Bermuda.	2 cases merchandise, - 5 bundles sheet iron, - 12 casks L. copper, - 4 bundles copper bolts, - 2 casks L. tin, - 7 " pig lead, - 2 " saltpetre, - 7 cases zinc, - 6 casks metal, - 10 rolls lead, - 10 bales blankets, - 100 bundles iron ties, -	Navy. " " " " " " " " " " Jno. Seixas.

Very respectfully

THOS. L. BAYNE, Lt. Col.

Cargoes received from abroad, on Government Account, from 25th October 1861 to date 7th December.— Part of Charleston.

1861.					
Nov. 1	Fox,	Nassau,	1 cask rasps, -	-	N. and M.
			35 kegs horse shoes, -	-	"
			10 " horse shoe nails, -	-	"
			2 casks spades, -	-	Engineer.
			75 cases shoes, -	-	Q. M.
			100 tierces beef, -	-	Navy.
			6 bales bagging, -	-	Seixas.
5	Julia.	"	2 bales shirts, -	-	Q. M.
			25 " blankets, -	-	"
			11 " cloths, -	-	"
			2 " caps, -	-	"
			1 case thread, -	-	"
			40 cases shoes, -	-	"
			1 box books, -	-	"
			2 packages samples, -	-	"
			1 case adhesive plaster, -	-	"
			1 package sample paper, -	-	"
29	Beatrice (Destroyed by the enemy.)	"	71 barrels beef,	-	
			50 barrels pork,	-	
			24 cases steel shot, -	-	Navy.
			200 bundles iron ties, -	-	John Seixas
			5 barrels alcohol, -	-	Medical.
			3 casks axes, -	-	Engineer.
			4 cases do, -	-	"
22	Syren.	"	30 kegs horse shoe nails, -	-	N. and M.
			1 case bismuth, -	-	Medical.
			67 barrels alcohol, -	-	"
			50 boxes tin plate, -	-	"
			5 carboys acie, -	-	Navy.
			1 box do, -	-	"
			3 casks copper, -	-	"
			7 cases stationery, -	-	B. Conscrip
Dec. 1	Laurel,	"	In ballast.	-	
	Druid,	"	50 barrels bet f.	-	
	Kate Gregg,	"	120 barrels beef,	-	Navy.
			60 barrels pork,	-	"



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