

PRINTED AND PUBLISHED BY
WILLIAM PECHIN,
(PRINTER OF THE LAWS OF THE UNION.)
31, SOUTH GAY-STREET,
NEAR THE CUSTOM HOUSE, BALTIMORE.

Daily paper 5¢ and Country paper 5¢ per ann.
All advertisements except in both papers.

SATURDAY, MARCH 29, 1866

Congress.

SENATE OF THE UNITED STATES.

Speech of Gen. S. Smith on British affairs.

Mr. President.—The subject now before the Senate is, the third resolution reported by your committee on that part of the message which relates to British spoliations. The first resolution is a declaration of our neutral rights, and has passed the Senate unanimously. The second requests the President to send a special mission to Great Britain to demand restoration of property unlawfully taken from our merchants, and by a peaceful arrangement to adjust all differences subsisting between that nation and the United States. The third is now before us. I will take leave to read it.

III. "Resolved, That it is expedient to prohibit by law, the importation into the U. States, of any of the following goods, wares, or merchandise, being the growth, produce or manufactures of the United Kingdoms of G. Britain and Ireland, or the dependencies thereof, that is to say; woollens, linens, hats, nails, looking glasses, rum, hardwares, slate, salt, coal, boots, shoes, ribbons, silks, and plated and glass wares. The said prohibition to commence from the day of

unless previously thereto, equitable arrangements shall be made between the two governments, on the differences subsisting between them; and to continue until such arrangements shall be agreed upon and settled."

This resolution is intended, Mr. President, to afford aid to the negotiation recommended in the second. Without this aid, or something similar, I doubt whether Great Britain would not calculate, as heretofore, on an indecisive character in our government, on its indisposition to lead any aid or protection to commerce—and reasoning thus whether her minister might not be induced to believe, that he could proceed in safety to the destruction of every part of our commerce with her enemies and their dependencies. This measure, Mr. President, is called a war measure. Is it so? If it is, then does Great Britain maintain a constant war measure against the United States, for she at all times prohibits the importation into her ports of every article manufactured within our country. She even prohibits our provisions from being consumed in her kingdoms, except when her wants compel her to admit them. If then she has set us the example, and has by her laws prohibited every article of our manufacture from being admitted into her kingdoms, how can our prohibiting a part of her manufactures from being imported into the United States, be considered as a war measure? This measure is not intended to take effect immediately—the first of November next is contemplated, which will give full time for negotiation, and for Great Britain to reflect on her cruel and unprovoked conduct towards us—a conduct that has been highly reprobated in England—a conduct that when examined has but too much the appearance of determination to benefit by the plunder of our property, without the authority of law, and directly contrary to the public sanction, given to our neutral trade in a correspondence held between Lord Hawkesbury and Mr. King in 1801.

Some gentlemen anxious to defeat this measure are attempting to create a difference between the agricultural and commercial interest. Such conduct is unworthy of the statesman. The one is absolutely necessary to the other. I will not, Mr. President, discuss a subject so self-evident. I will only remark, that should this proposition prevail, it will be more severely felt by the merchant than the farmer. The latter can live within his own means; the merchant depends upon his commerce for his support, and on this ground I had expected that the opposition would and might with some reason be given. I believe however that the merchants of our country will never be found less ready to make sacrifices for the general good, than their fellow-citizens. Gentlemen call the trade pursued by our merchants a carrying trade. This is not correct. There is a wide difference between the carrying trade and our neutral commerce. The carrying trade is when ships are employed in carrying for a freight, the property of others. In this trade the Dutch were engaged in carrying the produce of the French colonies to the mother country in 1756, on account of the French planter and merchant, in which they were certainly sanctioned by their existing treaty with Great Britain, which fully stipulated their right to be carriers in such case. The British merchant seized their ships. The

neutral trade is that which we pursue, to wit—our ships are laden for our own account in the French, Spanish and Dutch colonies, in which no foreigner has any concern. This is the trade which we claim as a right in time of war as well as peace when permitted by the nations to which such colonies belong. If any of our ships are found carrying the property of the enemies of Great Britain, let them be punished, we mean not to defend them.

A firm friendship on the part of the United States, is desirable with all nations. With none more than with Great Britain. We can be mutually useful to each other. Our usefulness to her is self-evident. Her friendship to us would tend greatly to our happiness and peace as a nation, and could in no manner operate to her injury. A mutual good understanding appears to me so necessary to Great Britain, that no trifling consideration ought to induce her to disturb it. Permit me to enquire what are the benefits which result to that nation from our commerce. I have before me the report of the secretary of the treasury calculated on an average of three years, by which I observe, that the United States import annually from all the world, to the amount of 75 millions of dollars, of which 36 millions are imported from Great Britain and her dependencies; 27,400,000 dollars thereof being actually of the articles manufactured in Great Britain. Of the 75 millions (our total imports) 28 millions are articles re-exported, so that the true amount of importation, for our own consumption can only be estimated at 47 millions. Of this forty seven millions I am convinced from the secretary's report, that at least thirty two millions are imported from Great Britain and her dependencies, and consumed by our citizens. The total amount of exports of the native products of the United States is near 40 millions of dollars, of which 20 millions of dollars are exported to Great Britain and her dominions. Out of this sum not more than 15 millions of dollars can be considered as a regular export for the use of Great Britain and her colonies. For instance, the report of the secretary states the value of tobacco exported to G. Britain on the average of 3 years, at 3,220,000 dollars, when I believe it will be admitted that not more than 14,000 hhds. are estimated as her annual consumption. Ships laden with tobacco although they clear out for England, in many instances only call there for orders, and proceed to the ports on the continent for the sale of their cargoes. Provisions which can only be admitted into Great Britain in times of real scarcity, cannot be considered as an export to her, which may at all times be calculated upon.

Their amount in the secretary's report is stated at 2,160,000. On this subject I will make one other observation—It is this—that our exports are estimated at their present prices. On a return of peace those prices cannot be expected, whereas the price of the goods imported, will continue at least as high as they now are. From this view of the subject, and I believe it correct, it will appear that the United States import from Great Britain and her possessions, nearly one half the amount of her total imports, near two-thirds of all that we import for our own use and consumption, and that Great Britain and her dependencies do not consume of our products more than one half of the amount of what we import from her. By the same report it will be seen that Great Britain exports to the United States of her manufactures twenty-seven millions four hundred thousand dollars, and consumes only 9 millions independent of her colonies, and deducting as before stated for tobacco not used, and provisions only admitted in times of scarcity. To make up the balance which we are thus indebted to Great Britain, our merchants are compelled to exercise their talents and their enterprise in seeking other markets, in doing which in a fair and legal manner, and as sanctioned by Great Britain in 1801, their ships have been met by the British cruisers, carried into port and condemned, under the pretext of new principles heretofore unknown to them. And yet, Mr. President, with all their industry the balance of trade appears by the secretary's report, to be against the United States. The secretary has assigned sound reasons to shew how this deficiency stated by him of 7 millions against the United States may be accounted for—He might have added, that the plunder committed on us by the belligerents had essentially contributed to create that balance. He might with truth have said, that the seizure and unlawful condemnation of the ships and cargoes of citizens of the United States by the powers at war, had added at least 6 million of dollars in the three years, towards creating that heavy apparent balance of trade against our country. But for those depredations the balance would certainly have been much less. But, Mr. President, are those the only advantages arising from our trade to Great Britain? No, sir—almost all our money negotiations go through her merchants. The proceeds of a great part of the cargoes shipped from the United States to other countries are ordered to Great Britain, and either go to pay our debts there, or are drawn from thence by bills of exchange, thus giving to Great Britain a great source of wealth and employment. Mr. President, we are

in truth more useful to her than if we were again her colonies, for she enjoys almost all the benefits resulting from our commerce, and incurs no expense in our protection. From Cocke's statement it appears that America imports from Great Britain one quarter of the manufactures which she exports. For all these advantages, Mr. President, and surely they are important, what return do we receive? We ought to expect that which would be favorable. We receive the reverse. How Great Britain conducts herself towards us shall be part of my present enquiry.

Pending the last war between Great Britain and France, the latter ordered her cruisers to seize all goods, the manufactures of Great Britain, found on board the ships of neutrals. Great Britain made this a pretext for levying a convoy duty of one half per cent. on goods exported from Great Britain to the nations of Europe, and one per cent. on similar goods when exported to the United States. We asked not their convoy, and seldom accepted it. If convoys however were given and accepted, there was some reason why we should pay double as much as was paid by the Europeans, because the voyage was twice as long. We had every reason to expect that we should be relieved from this imposition on a peace. We were disappointed. In 1802, the year of peace, it was changed by act of parliament from a convoy duty, to a duty of exports, and thus was imposed upon us without any assignable reason double the duty payable by any other nation. Great Britain finding that we tamely submitted to this injury, did in 1803, by act of parliament, levy a new duty on exports, in which she imposed on her goods exported to Europe a duty of one per cent. and on goods exported to the United States three per cent. By the first act we are charged double the duty paid by other nations, and by the second we are compelled to pay three times the amount of duty paid by other powers. It appears by the report of the secretary of state (now before me) this tax raised a revenue from the United States of 552,727 dollars. I had stated on a former occasion that it amounted to a much greater sum; but I had calculated that the duty had been charged on every article exported. The secretary's report says, it is not, and yet I do believe that our merchants pay on the amount of their invoices. On this subject I may be mistaken, and therefore take the secretary's report for my guide.

[It may here be proper to remark that Ireland reprobated against this export duty, and it was immediately taken off her linen. Ireland will complain loudly if you pass this resolution, and she will be heard.]

On whom, Mr. President, does this half million fall? Not on the merchant. No, sir; he puts it on the goods and adds a reasonable profit thereto. The people of the United States thus taxed to an amount that would have caused a revolt, had Great Britain imposed it when we were colonies.

Independent—we fold our arms and tamely submit. Had no new grievances occurred, I intended to have proposed at this season, the very measure now before the Senate, and therefore did call at the last session for the reports of the secretaries of state and treasury, which I have referred to. This unwarrantable conduct I had considered of itself sufficient to induce a reprimand, similar to the resolution now under consideration. But to this, Great Britain has added other and more serious injuries, such as we have declared in our first resolution to be a violation of our neutral rights and an encroachment on our national independence. "She has assumed the principle that neutrals have no right to a trade with her enemies in times of war, not permitted to them in times of peace. The Senate have unanimously declared that this principle is unjust and contrary to the law of nations. I have therefore no occasion to go into the consideration of this novel doctrine; it may however be proper to state some facts. In 1801, a decision was had in an inferior court, bottomed on this doctrine; an appeal to the superior court brought the case to the knowledge of our minister, Mr. King; he immediately remonstrated against it, and after discussion, it was admitted that it was not lawful to carry the doctrine to the extent claimed. Such was the written opinion of the attorney general of Great Britain. In that opinion it was emphatically stated—that neutrals were authorized to trade freely from their own country to a belligerent's colony (although such trade was not permitted in time of peace) and from such colony back to such neutral country, where the goods must be landed and the duties paid or secured to be paid agreeably to law—that this act neutralized the property, and the goods might be re-shipped in the same vessel in which they were imported or in any other ship to any country. This opinion of the attorney general was considered by the merchants of the United States as if it had been the act of a convention between the two nations. It was their polar star, by which they conducted their commerce and regulated their conduct. A year of peace, 1802, ensued—On the commencement of hostilities in 1803, orders were issued to the commanders of the British ships of war, varying from those under which they had acted in 1801, unknown to our merchants, perhaps not understood by the officers to whom they were directed, and not put in execution

for two years, which authorized the capture of our vessels although trading in exact conformity with the opinion of the British attorney general, delivered in 1801, and under the sanction whereof our ships were (as was conceived) navigating the seas in perfect security. What shall we call such conduct? May we not say that it was conduct wholly unworthy of a great and powerful nation? Is it such conduct as can be approved by a people so just as the people of Great Britain? No, sir—it has been reprobated in England in terms so strong and language so just and proper, that it probably alarmed the government. The book I hold in my hand, called "War in Disguise," was published immediately—a book, Mr. President, eminently calculated to seduce and deceive the good people of England, a book written in a style so seductive, that you are hurried along, and have scarcely time to examine or detect the mistatements it contains—it addresses itself to the prejudices and feelings of the English nation, and may have had its effect there—Nay, even here I find some gentlemen have taken for truths assumed facts, and have attended perhaps too much without examining the facts, to the reasonings adduced therefrom. And yet, Mr. President, the American reader has full warning, for in the 37th page we are gravely told, that the frugal citizens of America make molasses for the most part their substitute for sugar, and have learnt from habits to prefer it to that more costly article. A story so palpably false, and foolish ought to induce the reader to be cautious of placing much confidence in other assertions of the writer, especially where those assertions are calculated to injure the interest and honor of our country. The writer appears to have believed that our revenue laws and those of G. Britain were similar, and he has drawn his arguments of course from false premises. In page 59 he says—"on the arrival of a cargo destined for exportation they were allowed to land the goods and even put them in private ware houses without paying any part of the duties, and without any farther trouble than that of giving a bond with condition that if the goods should not be re-exported the duties should be paid. Now, sir, every body knows this to be mistated. In England the merchant can enter his goods for exportation and land the goods for exportation and load the same; in the United States he cannot. If landed at all they must pay, or secure the payment of the duties in the same manner as all importations are conducted. There are not two modes of entering goods that are to be landed in the United States.

In page 61, the writer in the case of the Essex, Orme, says, "in this case was found an affidavit of the owner, stating that the goods had been laden on board from stores in Salem, and that the duties were secured or paid according to law. Yet it afterwards appeared on his own admission, that he had only given the usual bond on the entry of the cargo from Barcelona; which we have seen, is a security to re-export rather than to pay duties on the cargo, and which had accordingly been cancelled on the re-exportation." No, sir, we have seen no such thing, no such bond would be taken under our laws, no such bond I will venture to assert has ever been taken, and this the writer might have known, for a certified extract of our law on that particular case of our practice under the law was sent from the department of state to G. Britain to meet this very case. In page 62, he proceeds with the same error, thus—"When it was found that the duties had been secured, not in a way applicable to goods meant to be sold in America, but in a mode devised for the special convenience of importers intending re-exportation, the suspicion that the claimant originally meant to continue the voyage, as he eventually did, was obviously strengthened, if not absolutely confirmed." It is not true, Mr. President, that any new mode has been devised for the special convenience of importers intending a re-exportation. The mode practiced now is the same that has been invariably practiced in the custom houses. I never have known any other. I will state the practice under the laws for the information of gentlemen who may not have turned their attention to the subject. On the arrival of a vessel in any of the ports of the U. S. the master presents himself at the custom house, and delivers to the collector a manifest of his cargo; in that manifest, if the cargo is intended for re-exportation, it is so declared. In which case an inspector remains on board such vessel until she departs; no part the cargo, so declared for exportation can be landed, no bond for duties is taken, nor any other bond except one conditioned, that no part of such cargo shall be landed within the U. S. Few vessels make use (in time of war) of this privilege, except those which come from a neutral country or from the possessions of G. Britain. Those merchants who are acquainted with the British system, & whose vessels arrive in our ports from the country of an enemy of G. Britain always discharge their cargoes, secure or pay the duty, and sell or re-ship the same agreeably to our laws; their own interest compels them to it; for if they do not discharge such cargoes, they cannot procure insurance, under 3, 4 or 5 times the usual premium, of course no man would be so devoid of common sense as to pay thousands of dollars for insurance, when the same number of hundreds would pay all expenses of landing, and the transit duty of 2

per cent. on the amount of duty to the United States. It is therefore idle to suppose (as charged by this writer and as believed by the ignorant) that any evasions in this way would be attempted.—The merchant understands his interest too well, to commit such an act of folly. I think it however not improbable that a few vessels, that had sailed in the year of peace, 1802, and returned in 1803, might have proceeded to Europe without landing their cargoes. But, Mr. President, when a cargo arrives which is intended for sale, or to be landed for any other purpose, there is but one mode of acting. The owner enters his goods at the custom house, and gives bond with sufficient security, or pays the duties agreeably to law, and puts the goods into his own stores; if he sells them to a person who means to export, or intends to export them himself, a declaration thereof is made at the custom house, and the goods are shipped under the inspection of the proper officers. When on board the owner and master give bond that such goods shall not be re-landed within the United States, which bond is cancelled on certificates being produced from our consuls at the port of delivery, that such cargo has been landed in such port. Debentures for drawback of duties on goods so exported, are granted by the collector, made payable on the same days on which the bonds given for the duty inward shall become due, which debentures are transferable, but are not payable until the bonds on which they are issued shall be paid. This has been our uniform law and practice, and not made for a convenience to answer present purposes. The writer of "War in Disguise," as already observed, has taken his premises from English law, and not from our laws; he has therefore reasoned on false premises, has probably deceived himself and certainly has deceived others. The book, Mr. President, is filled with mistatements of our laws and practices under them; but I cannot presume on the patience of the Senate to take up their time in detecting every error. The writer has assumed, for fact, that there must be a great deal of Dutch, French and Spanish property collusively covered by the American merchants; for he says—"Where can America have found a capital, or credit, adequate to the vast magnitude of her present investments, by what means could these new merchants of the United States be able to purchase all the costly exports of the Spanish colonies, &c. &c. &c." Nay, Mr. President, I have heard a gentleman in another body triumphantly ask, where have these merchants found capital to carry on the trade of the world? Mr. President, a stranger travelling in South Carolina and Georgia, might with equal propriety ask, whence has arisen the immense wealth I now see? But a few years past, and your planters were not more rich than their neighbors. Now they abound in wealth. The answer would be easy. We have adopted a new article of agriculture; our climate and soil is found proper for cotton, we cultivate that valuable article, and it has yielded great profit. The merchant has his answer as ready, to wit: there has been a war of more than 12 years in Europe, our country has been neutral, which has given us new seas to navigate and new sources of commerce to pursue; we have pursued them with effect, and our capital has kept pace with our views, thus extended by our peculiarly fortunate situation. But, sir, how is our commerce carried on? Whence our means? It is conducted, Mr. President, (with few exceptions) not more than a drop in the ocean, by American citizens, for their account only, and not on account of foreigners. In addition to the capital of the merchants, there is a bank capital in the United States, of at least fifty millions of dollars, very little of which is owned by the active and enterprising merchants, from which they derive great advantages. But, sir, this trade to the Spanish and French colonies in the West Indies and on the main, is carried on with very little American capital. The German merchants export to the United States annually, to the amount of seven millions, in goods peculiarly adapted to the trade and taste of the colonies of Spain and France. Those goods are generally sold at six months and at eight months credit, cargoes proper for those markets, are made up principally of such goods, assorted with large quantities of British manufactures, purchased at a similar credit, some claret, flour and salted provisions; the returns for such cargoes are made in sugar and coffee, which may fairly be expected to arrive in three, four or five months, of course in full time to meet the payment of the goods purchased on a credit. It will be seen, Mr. President, by this view, and it is correct, that the West India trade may be, and in most cases actually is carried on, with very little of the active capital of our merchants. The trade to the Isle of France is carried on also, in part, by a credit obtained on English goods, which is found to have answered that market. I have known one cargo go to that island of British manufactures, which cost in London 10,000 pounds sterling, and which was sold immediately. Cargoes of such goods, assorted with flour, salted provisions, French wines and some specie, enable our merchants to bring back cargoes of coffee in time to meet the payment of the goods bought on credit, and therefore does not require all that capital that might be supposed by those who are unacquainted with commerce. The trade to Batavia is carried