THE REBELLION.

Startling Disclosures in the History of the War.

Proposals of Northern Men to Feed the Rebel Armies.

COTTON CRIMES AGAINST THE PEOPLE

Treasury Permits to Trade Bacon for Cotton Through the Lines.

How Davis' Faith in Cotton Reduced the Rebel Soldiers to One Quarter of a Pound of Meat a Day Per Man.

An Official Report of the Rebel Commissary Department,

&c., &c., &c.

HOW THESE FACTS WERE BROUGHT OUT.

The following is the substance of my testimony before the joint committee of the two Houses of Congress, now engaged under a joint resolution, adopted, as I learn, in secret session, and requiring them, among other things, to investigate and report upon the past administration of the Bureau of Subsistence and the present condition of the commissariat. It is possible that this statement may contain some things not given in evidence, and may omit some things that were. In a matter of such minuteness and voluminousness of detail, either is hard to avoid. But whatever has been, or may now be stated, if not already proven, is abundantly susceptible of proof.

HOW MUCH BACON THERE WAS IN THE CONFEDERACY WHEN THE WAR BEGAN.

In January, 1862, I made, by Colonel Northrop's order, a report to a committee of the House of Representatives, on the general administration of the Bureau of Subsistence, particularly with reference to certain contracts for obtaining supplies, which had been unfavorably reported to the public and to Congress. In that report the following occurs.—"In the packing season of 1860-61 upwards of three million head of hogs were packed at the various porkeries of the United States, besides those packed by farmers at home, of which less than twenty thousand were packed at regular establishments south of the lines of our armies. Of this whole number experts estimate that the product of about one million two hundred thousand hogs was imported in the early part of the last year from beyond our present lines into what is now the Southern confederacy. This was accomplished, and to the extent of a bountiful supply by the action of State authorities in some cases, by the enterprise of private parties, and by this department, through agencies of its own. Of this number it is estimated that about three hundred thousand hogs, in their bacon equivalent, have been consumed by our State and Confederate armies since the commencement of hostilities. Tennessee then became the main reliance for the future use of the army, which, together with the accessible portions of Kentucky, had been so ravaged by hog cholera and injured by short corn crops for three years preceding the year just closed, that the number slaughtered at the porkeries within her limits had deviated from two hundred thousand head to less than twenty thousand. It was into this field, just recovering from these disasters, and almost the sole resource of the army and the planters and inhabitants of cities, that this department had to enter as a purchaser, dubious of a sufficiency, but assured of a heavy and active competition."

THE MAIN RELIANCE LOST BY THE CAPTURE OF FORT DONELSON AND OCCUPATION OF TENNESSEE.

Shortly thereafter the successive captures of Forts Donelson and Henry caused a considerable portion of these supplies to be lost. The subsequent campaign lost us Kentucky and much of Tennessee, and left us comparatively bare of meat.

PROPOSAL TO DELIVER THIRTY THOUSAND HOGSHEADS OF BACON THROUGH THE LINES.

On the 30th of October, 1862, an active, energetic man of ability appeared to ask a hearing on a proposition submitted several days before, to supply the department "with ten thousand hogsheads of bacon certainly, and probably twenty thousand more hogsheads." His letter states the importance of "time," alleges that there was enough cotton (which he offered to take in payment) to feed and clothe our army, in a section tributary to Memphis, which city was then, and had been for some time previous, in the secure possession of the enemy, that such cotton must otherwise probably be destroyed to prevent its falling into the hands of the enemy, but that the owners as a general rule, though willing to let the government have their crops, were averse, if not stubbornly opposed to having them destroyed. On the same day the Commissary General enclosed to the Hon G. W. Randolph, the Secretary of War, an urgent application, including a brief argumentative statement of some leading facts, for authority to accept the offer.

THE PROPOSAL IS SUBMITTED TO JEFF. DAVIS.

On the same day General Randolph addressed a letter to his Excellency, President Davis, enclosing the proffer of this contract and Colonel Northrop's endorsement of it, in which he says, "the alternative is thus presented of violating our policy of withholding cotton from the enemy or risking the starvation of our armies," and advising that the Commissary General be authorized to contract for bacon and salt, limiting the amount of purchase to what is absolutely necessary to feed the army and supply it with blankets and shoes, showing that no law forbade this traffic; that the precedents of other wars justified it, and advising that the Commissary General should, under such circumstances, upon his own statement of the necessity, be allowed to make the contract, which, he added, nothing less than the danger of sacrificing our armies would induce "him to acquiesce in." Upon that letter the President endorsed as follows.—

SECRETARY OF WAR—Is there necessity for immediate action? Is there satisfactory evidence that the present opportunity is the last which will be offered? Have you noted the scheme of the enemy for the payment of their next accruing interest on their public debt? You will not fail to perceive the effect of postponing the proposed action until January 1, 1863, if it be necessary at any time to depart from the well defined policy of our government in relation to cotton. JEFF. DAVIS.

OCTOBER 31, 1862.

This endorsement was sent to the Commissary General by the Secretary of War, November 1, with this endorsement.—

COMMISSARY GENERAL—Observe the President's endorsement, and report upon the practicability of delaying the proposed purchases until after the 1st of January next. It will be necessary to state, for the President's information, your estimate of the probable receipts under your present arrangements.

G. W. RANDOLPH, Secretary of War.

NOVEMBER 1, 1862.

HE IS ASSURED THAT THE CONSEQUENCES OF THE REFUSAL WILL BE SERIOUS.

And it was returned to him November 3, by Colonel Northrop, with this endorsement.—

Present efforts, even if successful, will not produce cured bacon by the 1st of January. The Departments of the East have been exhausted, while the increasing number of refugees add to the consumers. The results hoped for from Tennessee are not probably equal to the demands of the troops on the west of the mountains and in Tennessee. The accompanying letters of Major Cummings and Captain Waddell are some evidence on this subject.

Respectfully, L. B. NORTHROP, C. G. S.

NOVEMBER 3, 1862.

Nothing favorable having been heard on the question for several days, I had an interview with General Randolph, who instructed me to send him a comparative statement of stocks of meat on hand, which I did in letter of November 8. That report General Randolph submitted to the President, endorsed as follows.—

Respectfully submitted to the President. It appears from Major Ruffin's statement that the supply of hogs this year will be about one hundred thousand short of last year's supply, and that the supply of beef is well nigh exhausted. Unless the deficiency be made up by purchases beyond the limits of the confederacy, I apprehend serious consequences.

G. W. RANDOLPH, Secretary of War.

NOVEMBER 12, 1862.

DAVIS DON'T BELIEVE ALL HE HEARS, AND WANTS TO KNOW HOW MANY SOLDIERS THERE ARE.

To which the President returned the following.—

Respectfully returned to the Secretary of War. The question submitted is one which a constitutional adviser would advantageously bring to a conference. The papers enclosed, particularly the statement of bacon on hand, does not sustain the conclusion presented. To solve the question a statement from the C. G. S. and a comparative view based upon a return of the troops will be necessary. The resources of every portion of the confederacy must be considered to reach a just estimate.

Nov. 13, 1862. JEFF. DAVIS.

COMMISSARY GENERAL—See the President's endorsement. He has forgot a conference on the subject at which General Lee was present. G. W. R.

Nov. 14, 1862.

NO ONE IN THE CONFEDERACY KNOWS THE SIZE OF ITS ARMIES.

On the 18th November the "comparative view" called for by the President was given. It was not, it is true, based upon "a return of the troops," because the Adjutant General's office had never been able, up to that time, to furnish any information sufficient to guide the Bureau of Subsistence in its estimates of purchases or arrangements of any kind.

DAVIS WANTS TO SEE THE NECESSITY.

That "comparative view" was returned to the Commissary General on November 21, with the endorsement by General G. W. Smith, Acting Secretary of War, vice General Randolph, resigned.

Respectfully returned to the Commissary General. The President requests that an estimate be made of the amount of supplies that can be procured from sources within the Confederate States from which last year we could procure none, and state more fully the reasons for immediate action, and consider the relative advantages of procuring supplies from Memphis and from the vicinity of New Orleans.

Nov. 21, 1862. G. W. SMITH, Secretary of War.

The reply to that will be given in full; for it presents the whole case, and cannot well be condensed. But a portion of it will be found to need an explanation, which, indeed, is necessary to preserve the connection of events.

MEN WITHIN OUR LINES COMPETE FOR THE CHANCE TO FEED THE REBEL SOLDIERS.

While the particular propositions here spoken of were in hand, still other, and, as it was thought by some, competing propositions were made from other quarters, especially from New Orleans. Under the judicious management of Lieutenant Colonel Broadwell arrangements had been made, and were being carried out, for obtaining certain classes of supplies from that city. These arrangements were broken up by Lieut. General Pemberton. The authority and wisdom of General Pemberton's acts were both disputed by the Bureau of Subsistence, and efforts were made here to reinstate, in another form, the trade thus interrupted by him.

It will be observed that the President, through General Smith, calls for information on the three points, and to that exclusively is the answer addressed.

THE REBEL STATES DRAINED OF MEAT IN THE SECOND YEAR OF THE WAR.

First—Every source within the Confederate lines from which supplies could have been obtained last year or this had been fully explored. All such have either been exhausted or found inadequate. If in any small portion of the confederacy supplies have not been aimed at it was because it was known that such portion would not afford enough for the current domestic supply of that particular area. It has been erroneously supposed that Southern Georgia and Alabama, and certain portions of Florida, would afford large amounts of stock, but they have not done it. They have not even fully fed those posts which from geographical position would naturally draw from them, and they cannot do as much in the future as they have done in the past.

This appears abundantly from facts within my knowledge and from testimony in this office.

Second—To state more fully the reasons for immediate action it is necessary to recapitulate.—

The report states a clear deficit of bacon of 8,116,194 pounds, or twenty five per cent; a clear deficit in salt beef of 36,000 beeves, at an average of five hundred pounds—making 18,000,000, or ninety per cent per bullock. Whole value of the above, in rations, 22,516,194. Total deficit per cent, 43.

This calculation is upon the basis of the forces this year in camp and field. Further: it does not include immense supplies purchased from private hands, which cannot be had at all for this winter, because the stock to create them is not in the Confederate lines, and the salt cannot be had if the stock could. Besides, large local supplies have been completely exhausted, as in London and Fauquier and other districts. And even the above estimated subsistence is not at all secure. The hogs, though bargained for, have not all been driven to places of safety. The salt to cure them has not all been secured, and what has been engaged has not all been delivered, and must take its chances for transportation over long distances, upon uncertain roads discordantly connected. It is not safe, then, to rely on these estimates. Added to that, the winter is at hand; the rises of the rivers all impending; invasion on a vast scale is imminent; the supplies which had been hoped for from the enemy's lines are not to be expected.

NORTHERN MEN OFFER PLENTY AT A LOW PRICE.

The supplies now offered are ample, and are tendered at lower rates in cotton, even at the extreme bid, than they can be bought at for Confederate currency in our own lines. If not availed of now they most probably never will be, for lack of power and opportunity.

MOBILE, CHARLESTON AND BRAGG'S ARMY IN WANT.

And, finally, both Mobile and Charleston are pressing for large supplies out of resources which must be held for the armies of Virginia, or the border States will be lost; while the same reserves, and the accumulations I have been endeavoring to make in Tennessee, are demanded by the armies of General Bragg.

HOW MUCH MEAT WENT THROUGH THE LINES IN 1861.

Third—As to the relative advantages of procuring supplies from Memphis and from the vicinity of New Orleans, the proposition to make such purchases is not a new idea. They were made at the commencement of the war to an extent which is little known. In an elaborate report on the operations of this Bureau, made by Major Ruffin, under my order and superintendence, and submitted to Congress in January last, it is stated: "Experts estimate that the product of about 1,200,000 hogs was imported in the early part of last year (1861) from beyond our present lines into what is now the Southern confederacy. This was accomplished by the action of State authorities, in some cases by the enterprise of private parties, and by this department, through agencies of its own. Of this number it is estimated that about 300,000 hogs, in their bacon equivalent, have been consumed by our State and Confederate armies since the commencement of hostilities. This was for a period of eight months, and shows a requirement of 450,000 hogs per annum. For a considerable part of that period the army was a mere fraction of the magnitude which it has since reached. Those who think that the stimulus of high prices, under the apprehension of great scarcity, has so increased our supply of meat as to enable us to dispense with this large balance, forget that the counties most capable of such development are precisely those which have suffered most from the war. Elsewhere it must have been a new enterprise, such as could not be expected to succeed when the best men are in the army.

DAVIS IS URGED TO BUY THROUGH THE LINES, BOTH AT NEW ORLEANS AND AT MEMPHIS.

Therefore I urge that supplies be engaged both from Memphis and from the vicinity of New Orleans, and for these additional reasons.—It may be safely estimated that the army will consume and waste the product of not less than five hundred thousand hogs, of which we calculate to receive only about one-third from our Confederate lines. It will not be prudent to rely upon obtaining the amount needed from one single source of supply; it will be well to divide the risk. Moreover, other articles are needed nearly as much as meat. The salt works in Louisiana are not to be depended on; the supply to be obtained from Saltville, in Virginia, is limited. The wants of citizens, daily becoming more urgent and alarming, will absorb all of that, if permitted, and the drafts of the government upon the same fund will cause ruinous prices and great destitution.

THE VENALITY OF THE ENEMY—WHAT A "RELIABLE PARTY IN NEW ORLEANS" WAS READY TO DO.

One reliable party in New Orleans offers to supply one hundred thousand sacks of salt, or more than is called for by the rapidly expiring contract at Saltville. Other articles—such as coffee and flour—are also offered from New Orleans. The supply of flour from that quarter will enable the soldiers from the Southwest to use that in part as a bread ration instead of corn meal, which must otherwise be their sole reliance for bread. The reserve of coffee for the sick is being rapidly consumed. No other prospect of getting more presents itself, but the necessity of a sufficiency is important. The success of the enterprise is doubtful, but the opportunity afforded by the venality of the enemy ought not to be lost. If we thereby obtain the use of the Mississippi from Memphis to New Orleans, until such time as the whole or a large part of the needed supplies shall have been obtained, it will be a great benefit.

THE ABSOLUTE NECESSITY OF THESE PURCHASES FOR THE REBEL ARMY.

Its effect upon the *morale* of the enemy, and the political results of such a policy, however important in themselves, are questions which, as they have not entered into my calculations, I do not discuss. My action proceeds entirely from a sense of the absolute necessity of these supplies to feed the army, and to subdue the want which has already manifested itself both in General Lee's army and the Army of the West, under the privations to which they have been subjected. Respectfully,

L. B. NORTHROP, C. G. S.

THE REBEL GOVERNMENT KEEPS COOL.

To this no official reply was ever received. Hon. J. A. Seddon had become Secretary of War, and he told me that the President, upon going to Mississippi, which he did in the following December, had given him power to make a contract, should it become absolutely indispensable, but that in his (the President's) opinion it was not then indispensable. On the 15th of December the Commissary General again made a pressing application, in an endorsement upon a letter of Major J. F. Cummings, to have a contract made, and renewing his endorsement of October 30, referred particularly to that part which says.—

If the Secretary of War does not think proper to authorize and sustain this plan, I request, in accordance with regulations, p. 930, that he will designate where other purchases shall be made than those now in execution, and where other supplies shall be procured for distribution. The practice of this bureau has been to carry out this principle, not by asking special instructions, but suggesting, yet in all cases obtaining the approval of the Secretary of War to all contracts or systems of procuring supplies. All the means within our confederacy have been made available by this bureau, and it is not believed that supplies sufficient for the demand will be obtained. Hence the case, with my judgment of the situation, is presented for your determination.

To that application no official reply was given, and whether it was before or after the President's departure I do not remember.

JEFF. DAVIS WOULD RATHER STARVE THE REBEL SOLDIERS THAN BUY FOOD FOR THEM WITH COTTON—WHY?

No contract, however, was made or permitted. Besides the argument against it on the part of the President, which appears on the face of his endorsements, I have good reason to believe that others were also relied on, and I will give them as I heard them authenticated at the time. It was stated.—

First—That the federal finances were in such a condition that if they could not obtain cotton, upon which to draw bills wherewith to pay their then accruing January interest, their credit would explode, and the war would speedily cease from the bankrupting of our assailants. Hence they wanted cotton.

Second—That they did not want cotton, but only sought, under cover of a contract for supply, to find out the channels of navigable streams, to ascertain the location and condition of certain localities, and otherwise to spy out the land.

Third—That the trade on the part of the government would demoralize the people among whom it might be conducted.

Fourth—That to trade through New Orleans and let cotton clear from that port "would make Europe think we had caved, who thereupon would decline to recognize us or to intervene."

Whether any or all of these views were correct—whether the Commissary General was right or wrong in his opinions and efforts, are matters of inference and opinion which I do not go into. I only testify.

"SIMILAR OFFERS" FROM OTHER QUARTERS REFUSED.

Contemporaneously with these transactions other similar contracts were offered; but, as upon the case made in the two above stated, the "policy was negatived," as the Commissary General states, "on political principles which it was not the duty of this bureau to contemplate or discuss," it would have been mere waste of time to have made any further effort in that direction.

MEAT BECOMES STILL SCARCER—BRAGG SEIZES THAT INTENDED FOR LEE.

But the necessity of obtaining meat from abroad was becoming daily more obvious. General Bragg's campaign in Kentucky had resulted in the loss of the whole production of that State, and the surrender of much of Tennessee, with danger of losing still more. The Commissary General was notified on the 15th of December, through General Bragg's chief commissary, that that General claimed not only to draw upon resources at Atlanta, accumulated for General Lee's army, but that under the allegation of "military necessity" he had stopped and turned back supplies *in transitu* to that point.

ATTEMPTS TO GET MEAT FROM EUROPE THROUGH THE BLOCKADE.

It so happened that just about that time—that is, in November 1862—Captain W. G. Crenshaw, of the city of Richmond—a merchant of great ability—was solicited by the Hon. S. R. Mallory, Secretary of the Navy, to go to Europe on some business for the Navy Department. His well known fitness for that position induced the Commissary General to request of the Secretary of War that he might be permitted to use his services in obtaining supplies, especially meat and coffee, through the blockade. Mr. Seddon agreed to it, and a scheme was arranged by which it was hoped that our deficiencies in subsistence might be supplied with certainty, economy and despatch. The scheme of the contract was an association of individual enterprise, with government capital; which, it was thought, if properly arranged, would combine the power and money of the one with the energy and skill of the other. Especially in a business as hazardous as blockade running would such an association be an advantage as securing to the individuals the insurance of many ventures, and to the government the vigilance and intelligence of private parties.

It was contemplated that the private parties should sell the cotton and purchase the return cargo, charging two and a half per cent commission on each transaction; and that the government should purchase the cotton on this side at a commission of two and a half per cent, with a reserved right to the government to all the private freight room, when claimed at an agreed rate per ton; which was two-thirds less than had been previously demanded by other blockade runners, and paid by the government.

CAPTAIN CRENSHAW BUYS THE SHIPS—HE MEETS WITH BAD LUCK.

Captain Crenshaw arrived in England in January, 1863, and at once made a contract with Mr. Mason on behalf of the government, under Mr Seddon's instructions, for six vessels, on each of which Captain Crenshaw and other parties were to have one-fourth interest—the government the balance. But the government failed to make the payments it had agreed to make, and one of the vessels was sold to another party, who had become responsible for the government in the purchase. This left five of the line only. It was expected that after these got to work the cotton they would take out would purchase the inward freight, if it could not make a fund for the purchase of vessels to replace those that might be lost or captured. Two of these vessels were lost on the coast of Cape Fear, in coming in, in consequence of the unexpected and unnoticed removal of two Whitworth guns from the beach where they had been placed to protect blockade runners by keeping blockade cruisers at a distance. Two others were lost on their first attempt to come in, the fifth after three round trips, in attempting to come in the fourth time.

THE SLIP-SHOD REBEL GOVERNMENT—PLENTY OF MEAT SPOILS AT BERMUDA.

But during the spring and summer of 1863 large quantities of meat, purchased by Mr. Crenshaw, were shipped to Nassau and Bermuda for the commissary department. The government was fully advised of all the above ships, and Crenshaw & Co.'s agents at Bermuda frequently applied to the government agents there to ship the meat by other vessels. But for some reason it was not done, though orders were also sent from here by Colonel Bayne or the Secretary of War to have it done. Indeed most of this meat remained until another line of steamers was started and commenced running, and by that it was transported from the islands in the spring and summer of 1864. Of course the loss of this meat by spoiling was enormous. Kept so long in a warm climate, with no competent man to attend to it, though one had been applied for and refused, it is remarkable that any of it was saved, and that so much was, shows with what care and judgment it had been purchased by Mr. Crenshaw.

OTHER FAILURES.

Meanwhile other contracts for supplies, payable in cotton, in our Atlantic ports, were made with several parties; but in no instance with success. Either the amount involved was too small to tempt the venality of those who could control or purchase an evasion of the blockade, or the engagement to deliver meat alone was found to be too small an inducement to those engaged in blockade running.

THE REBEL SOLDIERS GET A QUARTER OF A POUND APIECE PER DAY.

In consequence of these failures, and of the refusal to be allowed to purchase on the Mississippi, the army, especially in Virginia, was put upon short rations. First, they were reduced to one half pound of meat per day—which, if it could have been kept up at that, would have been sufficient—then, to one third of a pound—though this allowance was not agreed to or adhered to by several of the generals commanding—and then to one quarter of a pound. But upon this last allowance the army of Northern Virginia wintered; and, but for the providence of this bureau, without the privity of the government, in accepting a suggestion of Mr. Crenshaw to import a large amount of coffee for sale, for the express purpose of supplying the army, it is doubtful if it could have been subsisted through the winter. The meat on which they were subsisted was obtained partly by the tax in kind, partly from the scanty accumulations in the South, but almost entirely by purchase made at nominal prices under an odious impressment law, which has taxed the patriotism, liberality and subsistence of the people to the extreme of endurance. Disappointed in the results of the "Crenshaw," or, as it is more commonly called, the "Collie" contract, recourse was again had to the Mississippi river frontier, which the government appears not to have regarded as expedient or practicable until Vicksburg had fallen and Butler had given place to Banks at New Orleans.

MORE PROPOSALS FROM OUR SIDE THE LINES—A CONTRACT MADE.

Vigilant, active and intelligent officers, fully aware of and alive to the importance of the subject, had been seeking to avail themselves of every opportunity that might offer for obtaining supplies from that source, but without success. But, on the 15th December, 1863, a contract was proposed by a party who represented himself to the Secretary of War, confidentially, and, I think, truly, as having connections on the other side. His proposition was referred to me by the Secretary of War; and, in view of the terms, the special difficulties of the case, the fact that I had not been apprised of his federal connections and previous failures, I reported against it. But I was wisely overruled by the Secretary of War, and made the contract by his order.

ALL THE ARRANGEMENTS ARE MADE, BUT BLUNDERERS BREAK IT ALL UP.

The payment for the supplies was to be in cotton; the officer to receive and pay for them was ordered to that duty. Lieutenant General Polk was instructed by the Secretary of War to assist all parties in the execution of the contract, and the enterprise commenced. Two successive loads were brought to the rendezvous; but the agent of the Treasury Department, who could alone furnish the cotton, appears to have disapproved of the proceeding; and he failing to furnish it, the boats were returned with bulk unbroken to their point of departure. Still a third attempt was made; but that time, as has been reported to me, the whole cargo was confiscated by a military commander, and the contractor has been for some months endeavoring to obtain payment of all dues under the contract; so far without success.

PLENTY OF CONTRACTORS ALWAYS READY.

A little after this contract was made, one or two others were accepted for Tennessee; but the military movements in that quarter have prevented anything being realized from them.

Before this contract had been made, but after it had become evident that the Crenshaw contract was not adequately supported by the government, another effort was made by the Bureau of Subsistence to obtain meat and coffee through the blockade. * * * *

MORE BLOCKADE MEAT—MISERABLE MANAGEMENT AND BAD FAITH OF THE REBEL GOVERNMENT.

To return to the Crenshaw contract. Their new line started in the spring of 1864, under unfavorable auspices. One steamer was lost on the coast of Ireland, in coming out; another upon her second trip; but two others, both very superior steamers, were put upon the line, one or both of which had been paid for by large advances made by Crenshaw & Co., and which were running successfully. Under their contract the government was obligated to furnish the whole cargo of cotton for each vessel, but, having failed to do so, and the private parties having been required, against the terms of the contract, to supply their own cotton to the vessel at market rates—a demand which was acceded to rather than raise the issue—it was determined to take other parties into the contract. This was rendered necessary by the inability of the government to transport the cotton, and by the inability of the private parties to supplement the government deficiencies in that particular. The government was accordingly induced by the private parties to sell one-fourth of its three-fourths interest in the steamers to the Supply Importing Company, composed of various railroad companies and others interested in railroads in the South. This—though the terms of the contract were changed, and the parties became, as was contended by the government, mere carriers, whereby the Subsistence Department lost the benefit of the arrangement it had proposed—at once obviated the difficulties about transporting cotton; and, as this new contract provided for twelve steamers, it was hoped that some good result might be at last reached. But just as this business had got well upon its legs the government decided upon taking the Atalanta, the best of the steamers spoken of above, for a cruiser. It was urged, in opposition to this, that the tested speed and capacity of this vessel had induced the private parties interested to enter into large contracts for vessels in England, and to assume heavy obligations to pay for the government interest in them; that there were large quantities of subsistence stores at the islands, purchased by Crenshaw & Co. for the commissariat, which were much needed by the army, and might spoil if permitted to remain. But the government insisted upon taking the ship. It was then urged to send 2,000 bales of cotton by other vessels to Mr. Crenshaw, to enable him (I think) payment attached for the government. Only 1,000 bales were shipped, after considerable delay, of which only three hundred and ninety-six reached the islands. The Atalanta was appraised by disinterested experts (merchants at Wilmington), approved by General Whiting, at £46,500. The government, represented by Hon. S. R. Mallory, Secretary of the Navy, would only pay £25,000; that is, £12,500 to the private parties, and compelled them to take that in the shape of a draft for the money, which they accepted, fearing that otherwise they would get nothing. When she was given up as a cruiser last fall and run by the government as a blockade runner, her former owners again applied for her, offering to refund the money; but were refused, though the government had no more right to condemn her for that purpose than to repudiate her valuation. But notwithstanding her seizure and the fact that, except the three hundred and ninety-six bales of cotton, the government never assisted the enterprise by the slightest advance, other vessels were built and paid for by the credit of the private parties and by receipts of cotton from those successively put on the line, and have brought to Wilmington three times as much subsistence as all the vessels that sail under the regulations, and as much meat as those and all other vessels put together.

AN AGENT SENT TO CANADA.

In the month of January, 1864, a confidential agent was sent out at the instance of the President, as I was authoritatively informed, who was expected to go to Canada and there make arrangements to have a supply of meat sent out to the Confederate States. Under the present instructions of the Secretary of War I drew the contract under which he was expected to act. But though the range of the contract was large, the contractor was entirely without capital, and the amount of meat and of its cotton equivalent was limited. Before he sailed other parties, specially recommended to me for character and capacity by General J. C. Breckinridge, to whom I had applied for information on those points, proposed a similar enterprise.

On consultation with the confidential agent I found that he was in communication with those parties and desired them to be associated with him. I at once made efforts to do so, and presented a paper to the Hon. Secretary of War, in which I argued the case, and requested that they might be so associated, and the amount of the contract extended to such a figure as would justify expectations which, as I thought then, and still think, had previously failed because of their comparative insignificance. But the Secretary of War objected, and the project failed.

NO GOOD FROM CANADA.

Nothing has been realized from the labors of this confidential agent up to this time; nor do I see any reason to think anything will be, though he still entertains hopes of success. How far they may be well founded his absence and the infrequency of communications with him leave me without the means of judging. The continued exorbitant charges of blockade runners, at and for some time after the commencement of the war, and the consequent waste of the invaluable cotton resources of the government, at last induced an effort to avoid them, and, through its influence and control over the subject, to make its necessary importations upon better terms.

Certain contracts for supplies were given out to establish blockade runners or to others who gave satisfactory evidence of ability to start and continue fresh lines. The compensation in these cases varied, and perhaps properly enough. But from only one of them did the Bureau of Subsistence derive any special benefit. That was from the first contract of the series—Messrs. Davis & Fitzhugh's—who obtained, on the 2d of October, 1863, a contract for one year, which stipulated that they should be allowed fifty per cent. on the cost of their importations, with £25 per ton freight, to be paid upon inspection and delivery of cargo, in cotton, at sixpence per pound. In this contract, better known in the Bureau of Subsistence as the Power, Son & Co. contract, the original parties interested, among other persons, certain English merchants, of large means; and they all went to work with promptness and fidelity. In the following February Congress passed the law imposing regulations upon the foreign commerce of the Confederate States. The first regulations under that act were promulgated in March, the second in August.

A TRAIN OF WAGONS WITH COTTON AND A YANKEE PERMIT.

In the month of January, 1864, a contract was made with Mr Wm. J. Stoddard, who was strongly vouched for by the Hon. C. C. Clay and another gentleman as eminently fit for the position in all respects, to trade for the government in the country on the Tennessee river, by bartering meat for cotton. Upon making the contract Colonel Northrop requested Mr. Memminger to turn over to him a supply of some three thousand bales of cotton which the Treasury held at Memphis, and which was then rotting and being depredated upon in various ways. This cotton I wanted, to enable Mr. Stoddard to exchange it for cotton nearer the Tennessee with people who would have gladly made the exchange rather than burn their cotton, sell it to the enemy or haul it to a distant asylum. But Mr Memminger refused, and as he could spare no money for the purpose, the enterprise lagged until last fall, when Mr Stoddard, having made his arrangements, started from Marion, Alabama, for the Tennessee river, with a train of wagons loaded with cotton and a Yankee permit to trade it for meat. But he informed me by letter, of November 9, 1864, that his train and cotton were both seized by the scouts of General Daniel Adams, taken back to Marion, and there held. This fact Colonel Northrop and myself represented to the Secretary of War, who afforded no redress in the case, but referred the parties for a settlement to the circular of Lieutenant General Taylor, dated Selma, Alabama, September 22. That circular assumed to annul all contracts made in his military department payable in cotton, to indicate the class of parties who might make future contracts, to fix the prices of goods and of the cotton that might be paid for them, and to supersede the regular officers of this (the commissary) department by officers of his own, who should, under his order, execute the trade regulations thus established by himself.

Against this the Commissary General protested, as against law, sound policy and the regulations of the service. But his protest was unheeded, and he was unable to make any further contracts in that section in consequence.

On the 22d of December, 1864, a special order was issued, giving power to make contracts in that department to Lieutenant Colonel Bayne, through his agents there, and thus all power over the subject has been taken from the Commissary General.

The general subject of trade on the Mississippi had been referred to me by the Secretary of War, on the 29th of April, 1864, upon a paper sent to the War Department by A. M. Panton, of Mississippi, inspector of field transportation for that State, and I then stated and traced the difficulties surrounding the matter, and suggested generally a mode of obviating them for the Subsistence Department. But I never heard from the endorsement.

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THE ARMY WITHOUT MEAT.

On the 5th of December I brought the condition of things to the attention of the Secretary of War, coupling it with a statement of subsistence on hand, which showed nine days' rations on hand for General Lee's army; and, quoting his letter to the Commissary General, that day received, stating that his men were deserting on account of short rations, I urged prompt action; but none was taken. On the 14th of December, nine days afterwards, General Lee telegraphed Mr. Davis that his army was without meat. This disaster was averted for the time by the timely arrival of several vessel loads of supplies at Wilmington, mainly consisting of the Crenshaw and Power, Low & Co.'s steamers; by the demand upon the navy, which resulted in their turning over their accumulation of three hundred thousand pounds of meat, which the bureau knew they had at Charlotte, N. C., and by the aid afforded by Governor Vance, who promptly gave up to us nearly all he had accumulated in his State for the families of soldiers and the employes of his government.

Since that time, but after some delay, an agent has been sent abroad with a draft upon the government depository at London for £50,000, and similar drafts for £70,000 have been sent to Mr. Crenshaw, and Mr. J. B. Lafitte, at Nassau, had been previously requested by Mr. Trenholm to advance £10,000 to the government, which, it is presumed, he has done. This includes all of £158,000.

BLOCKADE RUNNING—FOUR SYSTEMS.

There are now four systems for running the blockade.—

First—That which this bureau has attempted to carry out, as in the Crenshaw contract.

Second—The plan pursued before the regulations were adopted.

Third—That which the regulations attempt to enforce; and

Fourth—That of vessels owned and run entirely by the government.

Any one of the three is preferable to the regulations. That imposes a tax of fifty per cent on the carrying capacity of the vessel, upon the assumption that the profits of the trade will justify it.

I am prepared to show the fallacy of this conclusion as a business proposition, but do not propose to do it in this connection. I only observe here that both Mr. Trenholm and Colonel Bayne have objected to continuing and enlarging the present contract with Messrs. Crenshaw and the Supply Importing Company, on the ground that it will absorb, as they say it has absorbed, all the cotton they can carry out to put the line up to its contemplated number of twelve ships. If this be so, it is not seen how they can impose a tax of fifty per cent on the carrying capacity of all other ships and expect them to continue running under it; as little how to do its own business in its own ships can be justified by the government, for, according to its own logic, it only builds ships to enable it to build other ships.

* * * * * * *

RECEIPTS BY BLOCKADE.

What has been done by all classes of vessels since June 1, 1864, is here given.—

Received by regulation vessels..	410,110 pounds meat.
Received by regulation vessels...	90,720 pounds coffee.
Received by contract vessels......	547,400 pounds meat.
Received by contract vessels....	91,040 pounds coffee.
Received by Albion I. Co.'s ves'ls.	161,450 pounds meat.
Received by Albion I. Co.'s ves'ls.	207,300 pounds fish.
Received by Albion I. Co.'s ves'ls.	15,520 pounds coffee.
Received by government vessels.	59,300 pounds meat.
Received by government vessels.	45,240 pounds coffee.
Total received..............	1,627,080
Received by Crenshaw vessels...	1,384,050 pounds meat.
Grand total received since June 1, 1864.....................	3,011,130 pounds.

This whole subject has been dwelt upon at the greater length because it is presumed that the Committee of Congress has not had an opportunity of making itself acquainted with the subject, and because the adverse views of the government are thought to have done much harm, and because this bureau has always looked to foreign supply of rations.

THE CONTINUAL DRAINING OF THE REBEL STATES.

During the whole period of the efforts to put the question of meat supply from abroad upon what the bureau deemed a proper footing, the meat in the limits of the confederacy was being constantly reduced in amount, though under constantly increasing efforts to get it for the army.

The well known effects of a depreciating currency in causing supplies to be hoarded rendered it necessary to impress them. This mode was legalized by acts of Congress, which failed, however, to enforce it by any penalty, and rendered it nugatory in many instances by requiring that in all, the impressment should be accompanied by a proffer of the money. In some States the feeling against it has rendered it almost inoperative, and

the judiciary, gubernatorial or legislative action of several has practically nullified the law. As a substitute, to last until the currency could have been amended, it might have answered; but experience has shown that, as a permanent system, it will be resisted and evaded to such an extent as to render it of little avail in drawing out a sufficiency, when to furnish it even for the army is to produce privation at home. Under the rapid depreciation of our currency, which is now thought by many to have reached a point of hopeless bankruptcy, and when the prices under the schedule fixed by the Commissioners of Appraisement in the various States are merely nominal it is regarded by the people as an unjust and tyrannical tax, which will probably be resisted to the point of compelling its abandonment as a mode of supply. If this be the fact, and a resort is had to what are called market rates, the effect upon the currency, reduced in value, it is true, but nearly effete from want of confidence, may well create anxiety.

"PATRIOTISM" THE ONLY HOPE.

Under such circumstances many may, it is hoped many will, sell their supplies on the impulse of patriotism, but few will dispose of them from motives of gain. But in either event it will be expected that the government shall pay. How far it may be able to do so may well be inquired, when, since April, the Treasury has been steadily failing to meet the requirements of this bureau, until now its deficit is about forty millions, with a reported equal relative deficiency in other branches of the service.

In the month of September last the Commissary General called the attention of the Secretaries of War and Treasury (having previously spoken to the latter) to this subject by referring to them a circular which he had prepared and addressed to all the chief commissaries of the States, a copy of which is herewith furnished. He then urged that its vital importance to the currency and the collection of supplies should cause it to be made a Cabinet question.

THE TAX IN KIND.

The resources of the tax in kind, at least as a source of army supply, have been overestimated. There are no means of knowing with accuracy how much of the meat thereby collected has gone into army consumption; for the clerical force allowed for the bureau of Subsistence is inadequate to the labor of collecting from the various accounts of its numerous officers and then tabulating the items which go to make up the aggregate; and I have been unable to obtain it from Colonel Smith, who labors under the same difficulty as to clerical force. But that officer says in his report that all tithes have not gone to the army:—"Besides issues to armies in the field, they have been distributed to the different bureaus of the War Department, and contributed largely to the support of their operatives and animals. To a considerable extent the families of soldiers have been supplied with bread from them; some remain on hand in localities difficult of access, and a small portion has been lost by fire, the enemy and by decay."

THE EFFECTS OF SHERIDAN'S DEVASTATIONS AND SHERMAN'S MARCH.

The total supply of bacon credited to the tithe in Colonel Smith's report is about 19,000,000 pounds. Assuming seventy five per cent as a full allowance of what the army gets, this, at half pound rations, will support 300,000 men for three months. But it will not be proper to rely upon an equal amount for the present year. The exhaustion of Virginia, the prevalence of drought and the desolation of the lower valley and the contiguous Piedmont counties by the enemy, must reduce her yield very considerably. The march of a federal army through the heart of Georgia, and the possession of Savannah as a secure base for raids and other military operations, will reduce her yield. How far other reductions may take place in the casualties of war and from the desolation of overrun districts I, of course, cannot say.

The amount of tithe is a very imperfect guide to the quantity of meat that may be obtained under its indications. Thus, in South Carolina only two and one half per cent of the sum of the tithe is reported as purchased That State, up to the time of the war, always imported meat, and may not have had any now to spare, or it may have been impossible to impress it under the law and the public opinion in that State. It is impossible to be exact as to the total amount that may be had anywhere, but some idea may be formed of the difficulties that surround its procurement from the statement that if the quantity be doubled, so as to represent a total of 350,000,000 pounds, and the population rated at 4,000,000, it would give to each soul only one-fifth of one pound of meat per day. This indicates a degree of privation which will cause a competition against the government, on the part of people who have heretofore lived abundantly, that will be hard to sustain.

FRESH MEAT.

The fresh meat demand of the armies has so far been met, though never, for the last two years, with abundance. About six thousand head of cattle have at various times been driven across the Mississippi from Texas, though the risk of capture was always great; and they have contributed, together with the local supply, to furnish the troops in that country. But that was always an uncertain reliance. How far it may succeed in the future must depend in some measure on our ability to hold our own in that region—which is a purely military question—and also the popularity of the impressment law in Texas, and the alternative ability of the government to pay market rates in a country part of which is represented to me as now having a redundant gold circulation.

The State of Florida has also furnished a good many inferior cattle; but that supply, which had previously been much reduced, is now probably lost by the enemy's occupation of Savannah. In all other sections the number of cattle is either reduced below the point of affording a supply under the necessity of using up young stock, or, as in Virginia, the country is beyond a capacity to support non-combatants alone.

PROTECTION OF SPECULATORS.

On the 6th day of November, 1863, an order was issued by the Secretary of War, that no supplies held by a party for his own consumption, or that of his employes or slaves, should be impressed, and that "no officer should at any time, unless specially ordered so to do by a general commanding in a case of exigency impress supplies which are on their way to market for sale on arrival.

This may have been a proper order; but on the 14th of November Major B. P. Nolan, Chief Commissary for the State of Virginia, addressed a letter in regard to it to the Commissary General, of which this is an extract:—

* * * * * * * * * * * *

The construction given to that order has filled the land with purchasers—private individuals, railroad companies, manufacturers of all kinds, corporations of every class, relief associations of cities, towns and counties, are personally or by their agents in the market buying a year's supply, unlimited as to price and protected from impressment.

Speculators are also at work, whose purchases are of course always in transitu, and they also protected. This sudden influx of purchasers into the market has stimulated the cupidity of producers and holders of the necessaries of life, and has induced them to withhold their supplies (under the expectation of higher prices) and has already raised the prices of all the prime articles fully one hundred per cent within the past month. These are facts, and in view of them I ask is it surprising that our returns from purchasing officers for the past month show that they have done almost nothing? Our officers cannot buy; nor is it reasonable to expect parties to sell to the government at schedule price when double that price is offered at their door by others. They cannot impress, for holders have, with great promptness, contracted for all their supplies to parties who pay them higher prices, and thus it has as naturally as surely happened that our regular supplies have been cut off This is especially the case with meat. We have received scarcely any by purchase or impressment, and have fed the troops, hospitals, &c., solely from our depots. The supplies there are now much reduced, and can last but a few weeks longer. When that supply is exhausted our soldiers will be without meat.

The hog crop is very small, and while we of course shall get a few we cannot rely upon them alone to feed the army. I cannot undertake to propose a remedy for this condition of things, for the evil is, in a great degree, irreparable; but much good would in my opinion be done by a total recision of that order, or by such modification of it as will only protect from impressment such supplies as are bought at schedule rates, or by abolishing all the restrictions which the schedule imposes on the government officer.

If discrimination cannot be made in favor of the soldier who, without shelter, is fighting our battles, at least put him upon an equal footing in this matter of supplies with the private citizen, who, with a roof above him, can better stand a short allowance of food.

THE ARMY OF NORTHERN VIRGINIA FED BY THE NORTH.

On the 5th of December he writes again to the same effect, and states that the army of North Virginia had then but four days supply of fresh beef—reduced rations at that.

To remedy that resort was had at once to the green pork due under the tax in kind law, and to contract to get beef from outside our lines, the first of which was made on December 2. By the 8th of January the Secretary of War was compelled to order the purchase of meat without regard to impressment rates, which were renewed when a small surplus had been obtained. Since that time the supply of cattle for the army of Northern Virginia, with the exception of about fifteen hundred obtained from Southwestern Virginia, have all come from beyond our lines, as far as Northwestern Virginia, and have in most cases been paid for in greenbacks or gold, both of which were obtained with difficulty and in inadequate sums.

Much of this source of supply has been permanently cut off by the ravage of the Valley, and of Loudon and of Fauquier. Whether it shall be possible to supply the deficiency thus created by transactions in Northwestern Virginia is not certainly known. But, supposing the money available, it can hardly be expected that the movement of not less than a thousand or fifteen hundred bullocks per month from that region will fail to attract the attention of the enemy. Should it be determined to give up Richmond, the difficulty of this branch of supply will be probably increased.

The amount due from bonded farmers and exempts in Virginia is one million pounds of beef and bacon each, of which all the beef has been paid in and some of the bacon at twenty five per cent deduction, according to law. As efforts are making to commute a good deal of the balance, and a portion of it has already been paid in beef, and many parties, from ravages of the enemy, from diseases among their hogs and cattle, and from drought, will be unable to pay, it cannot be safely estimated what can be obtained from this source; but a half a million pounds can only furnish rations for General Lee's army for fifteen days.

But little need be said of bread. Under the same difficulties that have beset the obtaining the supply of domestic meat, it has been obtained and fed to the army in quantities which, if enough for health, certainly does not satisfy the appetites of the men.

In Virginia its supply is practically exhausted, and but little more can be expected, even after the next wheat crop comes in. Much of the last crop was necessarily used by the farmers, who had made very short corn crops under the joint effects of freshets and droughts, or had given up all they could possibly spare to the armies. The present corn crop is no better, probably worse, than the last, and the exigencies of the army will have drawn still more largely upon. Add to this the destruction of whole districts by federal armies, the effect of calling out the whole reserve force, and subsequently of revoking and putting into the field or in camp all detailed farmers at the period of seeding wheat, the absconding of numerous negroes under the fear of being placed in our armies, and it is apparent that no bread can be expected from Virginia.

In North and South Carolina there is not bread enough for the army for one year.

But there is enough in Georgia, Alabama and Mississippi. Its procurement depends upon the ability to command money and transportation.

BAD ORGANIZATION OF THE REBEL ARMY.

Prior to the spring of 1863 much of the proper work of the department had been executed more or less imperfectly, by Commissaries in the field, acting under the doubts and sometimes conflicting orders of their commanders and this bureau. This was necessary, either as a concession, always reluctantly yielded to the claims of authority, made by the commanders, or as to the only thing that could be done under the appointment of officers made and directed by the War Department, to report to them, when neither the number of troops nor the plans of their commanders were made known to the Commissary General. For it is a fact, and has been a constant cause of embarrassment to the bureau, that in only two cases has it ever been officially notified of contemplated movements of importance, and in none has it had an opportunity of working the bureau to meet the necessities or contingencies of campaign. But when it became obvious that the army must be subsisted from within our Confederate limits, it formed a plan to secure everything that was possible, knowing that all, and more than all, would be needed. The plan was to appoint one chief commissary for each State, to district the States, and to sub divide these districts; to appoint proper officers and agents in these districts and sub-divisions, and to supply them with money and all proper facilities for purchase and accumulation. Each officer was to appoint his own immediate subordinates, or to take such as the bureau had already in position, and the whole organization was put to work under the general supervision of the bureau. It was arranged that there should be monthly reports of purchases and impressments, and estimates of future accumulations for the succeeding months, and semi-monthly returns of stocks on hand at the various posts and depots. * * * * * *

DEFICIENT TRANSPORTATION—USED UP RAILROADS.

But an obstacle nearly as great as scarcity of money has been the want of, or defect in, transportation, both by wagon and rail, but especially the latter. Although under the organization of the War Department the departments of Quartermaster General and Commissary General had been separated, yet the furnishing of subsistence was necessarily so closely connected with transportation that the subject engaged the attention of the bureau so soon as the government was established in Richmond. This I know from having been consulted by the Commissary General on the subject a few days after his arrival. I at once took him to a distinguished railroad president, who I knew had been bending his attention to the same subject, and had projected a thorough freight schedule from New Orleans to Richmond. With that gentleman he went at once to the Quartermaster General, by whom the plan was not adopted. From that time his interest in the subject has been kept alive by the constant failures in that branch of the public service, and the many narrow risks of starvation to the army in consequence; and his efforts have been unflagging to prevent disaster from that cause. In September, 1862, when it was determined to erect the railroad administration into a bureau, he took to Mr. Davis, at his request, a gentleman whom he thought suitable to the task of mastering the question; and if he can be said to have intruded into anything it is into that business. During the administration of each Secretary of War he has been active in his efforts in this regard. Let it suffice here to say, as an instance of this, that his letter book for the year last past has been examined somewhat hastily to furnish evidence on this head to the committee; and that the examination disclosed upwards of thirty cases in which he treated the subject at greater or less length in letters and endorsements. Of these seventeen were addressed to the Secretary of War, one to General Lee, and one to General Bragg. I have myself witnessed several conversations on this subject between the Commissary General and the Secretary of War, in which he pressed his point with a persistence which, on any other subject, I should have thought pertinacity; and I take it for granted he had others of a similar character, when I was not present. I have also heard conversations between himself and various members of Congress on the same subject. He had reason for the interest thus manifested.

THE DANGER TO LEE'S ARMY.

Five times before the 14th December had General Lee's army been reduced to one or two day's rations for want of transportation. On the 2d of May, two days before the battles of last spring commenced, there were but two days' rations for his army in this city. On the 23d June, when the federal Generals Wilson and Kautz cut the Danville Railroad, which was not repaired for twenty three days, we had only thirteen days' rations on hand for General Lee's army, and to feed it we had to offer market rates for wheat, then uncut or shocked in the field—thereby incurring an excess of expenditure, which, if invested in corn and transportation, would have moved ten millions of bread rations from Augusta to Richmond.

WHAT THE PRISONERS ATE.

The federal prisoners whose removal he had repeatedly requested to an abundant country where they might get their supplies on the spot, were not removed until the spring of 1864, when they had consumed our entire reserve of thirty thousand barrels of flour. General Lee had urged the importance of having at least thirty days' reserve here, or here and at Lynchburg, and it was a duty to meet his wishes.* The Commissary General thought that no means of doing it should be neglected or omitted. Not only did he protest against the failure of transportation, but on several occasions he ventured to suggest remedies. One of these, several times urged by him, was very simple. It was to stop all passenger trains and, if necessary, all private freight trains until the government freight should be brought on. In January the Secretary of War had promised that it should be done. The order, however, was not give until March or April. At once government freight poured in, and in two weeks we had more subsistence on hand than we had accumulated before in any one month. But in a very short time the order was revoked, and we soon relapsed into our former condition as to transportation, in which we have continued ever since, except that it has been constantly growing worse. What it is at present the committee, I presume, know as well or better than I do.

DAVIS KNEW OF ALL THE ABUSES.

It is proper to say that his Excellency the President has been made aware of the condition of the commissariat directly from this bureau, and with the knowledge of the honorable Secretary of War. On the first day of November he applied to the Commissary General, through one of his aids, to know if his magazines were increasing or diminishing. He sent back word that they were diminishing, and to give him a more accurate information he sent through the same officer a copy of Major French's letter of the 18th of October, upon which I based my report of same date in favor of renewing the Power, Low & Co. contract. Upon that letter he placed an endorsement, to which the President replied by another. The entire document is here given in full —

THIRTY MILLION REQUISITIONS UNFILLED.

BUREAU OF SUBSISTENCE, RICHMOND, Oct. 18, 1864.

Colonel L. B. NORTHROP, Commissary General of Subsistence:—

COLONEL—I have the honor to submit for your consideration the inclosed memorandum of meats on hand at the the various depots and posts in the Confederate States, from which you will see at a glance the alarming condition of the commissariat. Georgia, Alabama and Mississippi are the only States where we have an accumulation, and from these all the armies of the confederacy are now subsisting, to say nothing of the prisoners. The Chief Commissary of Georgia telegraphs that he cannot send forward another pound. Alabama, under the most urgent call, has recently shipped 125,000 pounds, but cannot ship more. Mississippi is rendering all the aid possible to the command of General Beauregard, in supplying beef. She is without bacon. Florida is exhausted, and can only respond to the local demand. South Carolina is scarcely able to subsist the troops at Charleston and the prisoners in the interior of the State. During my late trip to North Carolina I visited every section of the State, for the purpose of ascertaining the true condition of affairs, and, under your orders, to send forward every pound of meat possible to the Army of Northern Virginia, and to supply the forts at Wilmington. After a thorough and careful examination I was unable (taking into consideration the local daily issues) to ship one pound to either Virginia or Wilmington; and but for the timely arrival of the steamer Banshee at Wilmington, General Lee's order for thirty days' reserve at the forts could not have been furnished. From the enclosed memorandum you will notice that we have only on hand in the Confederate States 4,100,048 rations of fresh meat, and 3,426,519 rations of bacon and pork, which will subsist three hundred thousand men twenty-five days. We are now compelled to subsist, independent of the armies of the confederacy, the prisoners of war, the Navy Department and the different bureaus of the War Department. Very respectfully, your obedient servant,

S. B. FRENCH, Major and C. S.

ENDORSEMENT AS ABOVE.

This is a copy of a paper sent to the Secretary of War, with a communication on the subject of importations, setting forth with the enclosed the condition of affairs. Of the requisitions of this bureau over $30,000,000 remain unfilled. Certificates of indebtedness no longer answer for purchases and impressments, and people hide their stores unless promised currency in hand, and run off their stock.

This bureau has used more certificates than all the others put together, including the other departments of the government. The movement of General Hood's army, and the supply of beeves from Texas, and those collected in Mississippi and Tennessee, having diminished the drain on the country lying on the waters of the Atlantic, and the arrival of 300,000 pounds of meat from St. George's, has protracted the exhaustion. Respectfully submitted. L. B. NORTHROP, C. G. S.

OFFICE C. G. S., November 1, 1864.

JEFF. DAVIS' LITTLE OBSERVATION.

Returned to C. G. S. I have noticed the remarks on requirements, and learn that they have probably been delayed by absence of clerks. J. D.

NOVEMBER 2, 1864.

Very shortly thereafter I took the liberty of sending the President, by the hands of the same officer, my report of 18th of October. Subsequently—I think about the 10th of December—I sent him, by the same hand, copies of my report of November 4, on the same subject, and a copy of my letter to the Secretary of War, of the 5th of December, and I think also a copy of Colonel Northrops' letter of December last, in response to Senate resolution on the subject of rations, transmitted through the Secretary of War. I know, therefore, that he has been fully informed of the views of the bureau as to the present and prospective condition of the commissariat.

The above is, as near as I can recollect, the substance of my testimony before the joint committee. This report of it has been written amid various interruptions and without time or opportunity to refer to various papers in the office, corroborating my statements, or bearing upon them collaterally. It contains some statements made by my colleagues, Majors Nolan and French, and which are included herein, with their knowledge, to keep up as far as was practicable, the continuity of the narration. For the same purpose some new matter has been introduced by myself. But it is matter of oral or documentary proof. One thing only do I deem it important to add now in full. This bureau, through one of its officers here and another at Petersburg, has recently made two of the most important contracts for supplies, to be delivered at a point not very far distant from the lines of General Lee's army. The payment under each was agreed to be made in cotton. On the 7th of January, the commissary charged to execute this contract wrote. "That having been apprised that the money to purchase the cotton had been placed to his credit ten days before, he had checked upon the fund, and been informed that there was no money to meet his checks. On the 9th of January the Commissary General wrote a letter to the Secretary of War, reciting the above facts, stating the important and delicate character of the contract, and the need of the supplies it was to bring, rendered more pressing by the heavy loss of accumulations by the fire at Charlotte, N. C., and requesting that the money which stood to Major Tannahill's credit be paid at once. But, so far, it has not been paid.

The points I have endeavored to present are —

RESUME OF TROUBLES.

First—That there is not meat enough in the Southern Confederacy at present for the armies it has in the field.

Second—That there is not in Virginia either meat or bread enough for the armies within her limits.

Third—That the bread supply from other places depends absolutely upon the keeping open the railroad connections of the South.

Fourth—That the meat must be obtained from abroad through a seaport, and by a different system from that which now prevails.

Fifth—That the bread cannot be had by impressment but must be paid for in market rates.

Sixth—That the payment must be made in cash, which so far, has not been furnished, and from present indications cannot be, and, if possible, in a better medium that now circulates.

Seventh—That the transportation is not now adequate from whatever cause, to meet the necessary demands of the service.

Eighth—That the supply of fresh meat to General Lee's army is now precarious, and if the army falls back from Richmond and Petersburg there is every probability that it will cease altogether

Ninth—That the government has been, for a long time, fully advised by this bureau of the leading facts in the above.

BUREAU OF SUBSISTENCE,
RICHMOND, Jan. 23, 1865.

Hon. A. T. CAPERTON and Hon. J. B. BALDWIN, Chairmen of Committee —

GENTLEMEN —It has been suggested to me that the substance of my testimony, reduced to writing by me, at the request of the committee, is defective in this, that it suggests no remedy for the state of things therein developed. I have not considered it my duty to go into that under the summons which brought me before your committee, but to avoid any misconception in any quarter on that head I now say that there is a series of measures which, if carried out, will subsist the armies of the confederacy.

MEASURES PROPOSED.

First—The increase of the tax in kind.

Second—The privilege of using cotton in exchange for subsistence, without restriction.

Third—The use of coin in the enemy's lines where cotton cannot be used.

Fourth—The assignment of proper persons to the duties of the department, whether they be or be not subject to military service.

Fifth—Reform in transportation.

Sixth—The requisite amount of currency.

Of course it is implied that the military situation shall not be rendered materially worse in respect of railroads and territory than it is at present.

You will oblige me by laying this before the committee. Very respectfully, your obedient servant,

F. G. RUFFIN, Lieut. Col. and C. S.

A true copy of the original.

S. B. BREWER, Major and C. S.

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* The following figures are given to sustain this assertion:—

60,000 bushels of wheat at market price cost, at $40 per bushel	$2,400,000
60,000 bushels of wheat at $5, June schedule.	300,000
Difference	$2,100,000

This amount expended in Georgia for corn at $4 50 for cash, and charges of transportation from Southwest Georgia to Richmond at $6 per bushel, would have brought—say, $10 50 per bushel—corn, 200,000 bushels, or 10,000,000 rations of bread at one pound each.