

of evidence in regard to the ownership and control of cotton, and it is apparent that in most instances these contracts were made with parties who neither owned nor controlled products in insurrectionary States, but who obtained the contracts, certificates and executive orders for the purpose of speculation. Nor were your committee satisfied in relation to the contract with Wilson, Gibson & Co., for one hundred thousand bales of cotton. It is in evidence before them, that for the purpose of part payment of this amount of cotton the parties have some time since shipped from the city of New York two vessel-loads of supplies, and among such supplies a large amount of articles necessary to the support of armies. Meats, to the value of thirty-four thousand dollars, formed a part of these cargoes.

Your committee cannot, in this preliminary and partial report, extend their comments upon the nature, character and effect of this trade. They believe the natural result of it will be to prolong the struggle in which we are engaged, by furnishing to the rebels articles which are indispensable to them in keeping up their armies. The closing of their ports through which they have been enabled, heretofore, to receive supplies from abroad, must make the pressure for this particular trade vastly greater than ever before.

If it be not the policy of the government to carry on trade with the people with whom it is at war, to feed an army and fight it at the same time, or to keep up a trade for the benefit of individuals, in too many instances corrupt, unprincipled and disloyal, it will change the existing provisions of law. The judgment to which your committee have arrived is sustained by the opinion of all the military men which have come within their knowledge. Your committee know the opinions of Lieutenant General Grant and Major General Sherman upon this subject. Major General Canby, who has been in command at New Orleans, and who has had the largest opportunities for observation, states in a communication to the Secretary of War, that if this trade be carried on in the manner and to the extent claimed by the speculators who now control it, its inevitable result, in his judgment, would be to add strength and efficiency to the rebel army east and west of the Mississippi, equivalent to an addition of fifty thousand men, and would stimulate into active opposition to the successful prosecution of our operations at least ten thousand men within our own lines; that cotton speculators in the Mississippi valley have a prospective, and hope to have an actual interest in every bale of cotton within the rebel lines. They know that expeditions in the enemy's country are followed with the capture of cotton, or its destruction by the rebels to prevent its falling into our hands; hence, it is to their interest to give information to the rebels of every contemplated movement. He states, further, that he has never sent an expedition into the enemy's lines without finding agents of this character in communication with the rebels, giving them information regarding our movements, and that nearly every expedition has been foiled to some extent in some of its objects by information so communicated.

He also states that he has in his possession papers in relation to contracts made with English houses in Mobile for the exportation of two hundred thousand bales by the way of New Orleans, and that the conditions of the sale require the payments to be made in supplies, in gold, or in foreign exchange, and that the net profits of these transactions were estimated at ten millions of dollars.

He further states that the rebel armies east and west of the Mississippi river have been mainly supplied for the last twelve months by the unlawful trade carried on on that river, and that the city of New Orleans, since its occupation by our forces, has contributed more to the support of the rebel armies, and to the purchase and equipment of privateers that are preying upon our commerce, as well as to maintain the credit of the rebel government in Europe, than any port in the country, with the single exception of Wilmington.

General Canby says that he makes these statements in order to convey to