

longer permit our commercial relations with Mexico to remain in their past neglected condition; but at the earliest practicable moment to take such steps as shall be best calculated to secure a revival of our trade with that country, by the establishment of facilities of regular and frequent communication, and the promotion by every legitimate means, of a withdrawal of that trade from its present European channels, and its transfer to the secure possession and control of our own citizens where it naturally and legitimately belongs.

The considerations which then operated to influence Congress in favor of a new policy, have now still greater weight and importance, and in the progress of events, have become still more clearly apparent and urgent: and it cannot be doubted that a measure so immediately tending to promote the desired improvement in our relations with Mexico, as the establishment of regular communication by steam between the two countries, will secure early attention and be favorably acted upon.

REPORT OF POST-OFFICE COMMITTEE AT LAST SESSION.

62. The necessity for the proposed Steam Ship Line connecting the Mexican Ports of the Gulf of Mexico with those of the United States, cannot be more clearly and ably set forth than it is in the following report made by the Post-Office Committee to the Senate at the last session; the letter of the Postmaster-General to that committee in reply to their inquiries with reference to the proposed Line; and in the letters from the Consuls

at Vera Cruz and Tampico, and memorials from the merchants of those places, which accompanied the Letter of the Postmaster-General, and form a part of the Committee's Report.

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| 63. 35TH CONGRESS, } 2d Session. } | SENATE. | { REP. COM. { No. 375. |
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IN THE SENATE OF THE UNITED STATES.

FEBRUARY 15, 1859.—Ordered to be printed.

MR. WARD made the following

REPORT.

[To accompany Bill S. 512.]

The Committee on Post-Offices and Post Roads, to whom was referred a bill to establish a line of mail steamers from New Orleans or Mobile to sundry ports therein mentioned on the Gulf of Mexico, have had the same under consideration, and a majority of said committee have authorized me to report a substitute therefor, and recommend its passage.

Your committee would further state that, at present, there is no direct postal communication between the United States and any of the Mexican ports, except an irregular one with Vera Cruz, twice a month, which is suspended during the summer months.

The government of Mexico, for the purpose of increasing the facilities of postal and commercial intercourse between the two countries, has entered into an exclusive contract with Mr. Carlos Butterfield, for the space of ten years, to transport the mails in steamers, weekly, between New Orleans or Mobile, and all of the abovenamed ports, giving to the contractor an exemption from port charges for his vessels, and otherwise securing him in the enjoyment of the rights contracted for.

The compensation for this service by Mexico is fixed at the rate of one hundred and twenty thousand dollars (\$120,000) annually, based upon the supposition that the United States would contribute liberally towards establishing this desirable communication.

The general principle which this committee has adopted in recommending the formation of contracts for the transportation of the mails by ocean steamers, has been either to pay a sum not greater than the amount of postages, or to call for competing bids; but in this case that principle cannot be applied, as the trade at present between this country and Mexico would not be a sufficient collateral inducement for any company to make regular trips for the postage alone. Although it is not properly a matter to be considered by your committee that the commerce between the two countries will be promoted by the establishment of a line of steamers through the agency of the mail pay, yet such pay as ought to be allowed must depend in some degree upon the advantages which the ships carrying the mails can derive from commerce; and if it is important in any respect to establish a mail service to ports where commerce does not

exist at present sufficient to sustain the line, then a greater sum must be paid than under other circumstances.

If the effect of the proposed line should result in the increase of commerce, the duties which will be paid on imports will very soon compensate the government for the increased mail pay; and should we, by a regular and ready communication with Mexico, succeed in restoring our commerce from its present dilapidated condition even to the point where it once stood, the duties received will much more than remunerate the government for the expenditure now advanced for mail service.

It will be seen from our apathy towards Mexico, and our indisposition to cultivate and extend our commercial intercourse with her, that very much of her trade, valuable to us, has been diverted to England and other countries, which we might easily have secured, and which may yet be reclaimed.

The total interchange of trade, including both imports and exports, between the United States and Mexico, in 1851, was reduced to about three millions of dollars, although, when the United States forces held the port of Vera Cruz in 1848-'49, the imports then from the United States amounted in one year to over \$9,000,000, and as early as 1835 even a larger amount than the above was imported by Mexico from this country.

Your committee will further suggest, that as Mexico has made the advance, and thereby has manifested a disposition to revive and increase our postal service and commercial intercourse, with the expectation that the United States will reciprocate, that she should be met in

the same spirit in which the advance is made, which, if properly entered into and conducted, will open up a new channel of postal, commercial, and social intercourse between the two governments that will increase a revenue from postages alone to an amount exceeding the entire expense on the part of the United States government for mail service.

Your committee would further state that the sum allowed by this bill would only amount to \$2,500 for a round trip, or entire circuit of the Gulf, making an average distance of twenty-three hundred miles, touching at all the ports named.

In conclusion, your committee would most respectfully state that this whole subject-matter has been submitted to the Postmaster-General for his consideration, and beg leave to annex hereto his able communication thereon.

LETTER OF POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT, *January 21, 1859.*

64. Sir: In reply to the inquiry made by the Committee on Post-Offices and Post Roads, relative to the expediency of establishing a line of steamers between New Orleans or Mobile and all the principal ports in the Gulf of Mexico, as set forth in the memorial of Carlos Butterfield, bearing date the 31st of December last, (1858,) I beg to submit the following statement:

Notwithstanding the proximity of Mexico, and the special interest of this government in every thing that

appertains to and that might facilitate the most friendly and enlarged intercourse between our own and the people of that republic, it is well known that for the last twenty years the commerce between the two countries has been greatly decreasing, and, in fact, has dwindled down to a comparatively insignificant amount; whereas with Great Britain and other European nations it has been steadily increasing. This fact, it may be presumed, is attributable almost entirely to the policy of the British government in protecting and supporting *regular* lines of mail steamers. Frequency, certainty, and regularity of intercourse between countries are the great life-springs of commerce. This it is which has given to Great Britain not only a commercial preponderance in the Mexican trade, but may, if it has not already done so, give her an equally significant political influence in the affairs of that country.

For many years past the United States have been endeavoring to enter into treaty stipulations, by which the bulk of the trade that now finds its way to Europe might be diverted to this country; a trade which with Great Britain alone, including imports and exports, amounts to from twenty-eight to thirty millions of dollars per annum; whereas with the United States it has not averaged eight millions per annum for the last twenty years.

Now, in order to divert this trade, as above stated, it appears to me that it can be effected in no other way so well as by the increase of commercial and postal facilities between the two countries. Establish such a line as the one in question, and the intercourse and interests of the people of Mexico and the United States will be so

blended as greatly to promote future treaty arrangements, by which the general commercial interests of this country may be secured, and enable us to enjoy a commerce with that country within a short period, of thirty or more millions of dollars per annum, instead of the paltry trade we now have.

The advantages of our geographical position, and the enterprise of our people, who produce and manufacture every article of consumption suitable to the Mexican market, enable us, after the trade is once developed, to sell or exchange on terms more advantageous to Mexican consumers than can be possibly offered by European producers. Once accomplish this object, and it is obvious that the considerable amounts of specie which now find their way to Europe would be diverted to the United States.

By reference to the statistics of the two countries, it will be seen that of the eight Mexican ports at which the steamers of the proposed line would touch, there are several which are almost entirely destitute of commercial and postal intercourse with the United States; ports from whence to our own, with the establishment of frequent and regular communication, would be shipped the productions of large countries, and many towns and cities containing from five to thirty thousand inhabitants, and through which would be received in exchange the productions and manufactures of the United States; thus creating, as is believed, in a very short period, a large and flourishing commerce between the two countries, which would necessarily augment our revenues far beyond the outlay necessary to put into successful opera-

tion the postal and commercial intercourse sought to be established by the proposed line of steamers.

Apart from the great commercial advantages to be derived from the establishment of this line, and placing it strictly in a postal point of view, it is obvious to any one acquainted with the political relations of the two countries that the want of postal facilities in what we should term the Mediterranean of the American continent, has been long and seriously felt. In that connection, I may refer you to the memorial, marked A, which, in the opinion of this department, presents a clear statement of all the facts embraced in the application.

And, in further elucidation of the subject, I would call the attention of the committee to the accompanying memorial of the merchants of Vera Cruz, marked B, addressed to the consul of the United States at that port, and transmitted to this department by him, with a communication of his views on the subject, marked C.

Notwithstanding the depletion of the Mexican treasury, that government, recognizing the importance of postal facilities between the two countries, and anxious to develop its commercial relations with the United States, came forward and contracted with a citizen of the United States for the establishment of a weekly line of steamers, touching at all the principal ports of the Gulf, free of port charges, and placing one-half of the line under the flag of the United States, undoubtedly contemplating a generous response on the part of this government for the accomplishment of a great international enterprise; involving, in my opinion, not only important postal and commercial, but also political interests.

If it is desirable to facilitate by treaty stipulations, and protect by armed squadrons, our trade with distant nations, whose people have no particular sympathies or affinities with our own, and for whom *we* are only concerned as to the dollars and cents involved, how much *more* important is it that with Mexico such a careful, liberal, enlightened, and wise policy should be adopted as will draw into the closest bonds of amity the people of the two countries, destined, perhaps, to claim as their own the history of each.

Upon all the facts involved in this application, I cannot withhold the expression of the opinion that great practical advantages will be gained to this country by acceding to some such arrangement as is suggested by the petitioner, and I therefore commend the subject to your favorable consideration, as being well worthy the attention of Congress. It will be observed that the establishment of such a line would supersede the line from New Orleans to Vera Cruz, which has been kept up for many years, at a cost of about \$30,000 per annum.

Very respectfully, your obedient servant,

AARON V. BROWN.

Hon. D. L. YULEE,

Chairman Committee on Post-Offices and Post Roads, Senate.

MEMORIAL OF THE MERCHANTS OF VERA CRUZ.

CONSULATE OF THE UNITED STATES OF AMERICA,

Vera Cruz, December 7, 1858.

65. SIR: I have the honor herewith to inclose a memorial signed by most of the leading merchants of Vera Cruz,

and addressed to me, requesting that I shall bring before my government the important subject of establishing a coast line of steamers, from Mobile or New Orleans, along the Texan and Mexican coast.

I take pleasure in laying the memorial before you, more because of the great importance of such a line of steamers to the commercial and political advantages it would give the United States in Mexico, over every other country.

I could dwell at great length upon this very important enterprise—the advantage it would be to the United States in every point of view; but as Col. Carlos Butterfield, who proposes to establish the line, is now in Washington, and can give the most satisfactory information on the subject, I only desire to lay this memorial before you, and respectfully ask that it receive that attention which the great importance of the subject demands.

I have the honor to be, sir, very respectfully, your obedient servant,

R. B. J. TWYMAN,

United States Consul.

Hon. A. V. BROWN,

Postmaster-General, Washington.

*VERA CRUZ, October 16, 1858.

To R. B. J. TWYMAN,

United States Consul for Vera Cruz:

SIR: The undersigned, merchants of the city of Vera Cruz, take the liberty of calling your attention to the following facts, and, at the same time, beg you, as

consul of the United States of America, to submit the subject to your government, for its consideration :

1. Vera Cruz is comparatively cut off from all regular communication with the United States ; consequently all commercial operations between the two countries are almost paralyzed, having to rely on transient sailing vessels, which now and then make their appearance in our harbor.

2. Our mail communication with the United States is subject to the same contingencies, in consequence of which we are frequently more than a month without correspondence from the United States, which we ought to expect at least every eight days.

3. Whilst importations of merchandise from the United States barely reach \$4,000,000 a year, those of Great Britain alone reach \$12,500,000. This difference, you will readily perceive, arises from the fact of the current of commerce established with Europe by means of a regular steam communication. Therefore you will readily perceive that the only thing required to divert and increase the commerce of this country to the United States, is the establishment of a regular and frequent communication by steam between the two countries, which can be easily accomplished at the present time if the Government and people of the United States will come forward and render that aid necessary to an enterprise which will build up and establish the commercial relations between the two countries.

4. The Mexican Government, some ten months since, seeing the importance of the establishment of a more frequent commercial intercourse between the two

Republics, granted to a citizen of the United States a concession for the establishment of a line of weekly steamers between New Orleans or Mobile, touching at all the principal Mexican ports of the Gulf, with a liberal subsidy for mail service, and other concessions in favor of the enterprise. The Mexican Government, being convinced at the time of granting this concession that the United States would come forward and render the same liberal support to so great an international enterprise, calculated to cement more firmly the friendly relations and commercial intercourse between the two Republics, granted the privilege of placing one-half the number of steamers comprising the line under the American flag, and the other half under that of Mexico. In conclusion, the undersigned, feeling a deep interest in the establishment of this enterprise, which is destined to bring great benefits to the mercantile interests of both countries, solicit your aid in their behalf, by laying the matter before your Government in its proper light.

Respectfully yours,

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| Uslar Heymel & Co. | Fischer, Busing & Co. |
| E. Behem. | Leffman & Gutheil. |
| Garuste, Labadie & Co. | H. Strebhel. |
| J. Lelong. | Brehem & Rubke. |
| J. H. Labiche & Co. | F. Watermeyer & Co. |
| Feraer & Jens. | Biesterfeld & Co. |
| F. Formento & Co. | Cambuston & Co. |
| Doorman & Co. | F. Neron, Wittenee & Co. |
| H. J. Kopeke. | Fuentes, Carran & Co. |
| Mahum & Munoz. | Cabrera & Bello. |
| Sturken Pollitz' successors. | Guillermo Fitz Maurice. |
| Jul. Sievers. | |