

PETITION

OF

FREDERICK DAWSON, JAMES SCHOTT, AND ELISHA DANA
WHITNEY,

PRAYING

*Payment for certain vessels, &c., furnished Texas, and given up by
Texas to the United States on the annexation of Texas.*

JANUARY 13, 1848.

Referred to the Committee of Claims, and ordered to be printed.

To the honorable the Senate and House of Representatives of the United
States of America in Congress assembled:

Your petitioners, Frederick Dawson, of Baltimore, and James Schott
and Elisha Dana Whitney, of Philadelphia,

RESPECTFULLY REPRESENT:

That in the year 1838 they jointly contracted, in the name of Frederick Dawson, with the authorized agents of the republic of Texas, to furnish her with a navy, to consist of one ship, two brigs, and three schooners, together with their arms and ammunition, and with clothing and four months' provisions for four hundred men; that these vessels were built, furnished, and equipped by your petitioners, and delivered to the said republic at the port of Galveston, agreeably to contract, and were accepted; that, in consideration of this performance, the government of Texas issued to your petitioners their bonds for five hundred and sixty thousand dollars, bearing interest at the rate of ten per cent. per annum, payable half-yearly; that no part of these bonds, principal or interest, has yet been paid.

The undersigned would remind your honorable body that, at the time the aforesaid contract was made, which was shortly after the recognition (in 1837) of the independence of Texas by the United States, and before its recognition by any other power, her condition was depressed, and her prospects overclouded, and that this navy, insuring, as it did, the safety of her coasts, raising the confidence of her friends, and giving her consideration abroad, mainly contributed to her subsequent recognition by France and Great Britain; and was, in fact, chiefly instrumental in placing Texas in a position to be numbered, as she has since been, in the band of sister States composing this great confederacy.

For the "*faithful redemption*" of the bonds aforesaid, (a copy of one of which accompanies the appendix to this petition,) "interest and principal," the "*revenues and public faith of Texas*" were "*solemnly pledged*,"

and her inability alone, and not any disinclination on her part, prevented their liquidation.

Texas has always evinced a deep and just sense of what was due for the aid so liberally supplied at such an emergency by the undersigned, and has made repeated efforts for the payment of the interest on these bonds. Finding these efforts fruitless, (having reaped the benefits expected from her navy, by whose means, as before stated, she had gained a position which removed all further apprehensions from Mexico,) her legislature at length enacted a law ordering a sale of the vessels themselves, and the proceeds to be applied in part payment of her indebtedness to your petitioners; but before it could be enforced, in expectation of annexation to the Union, the law was repealed.

In the treaty of annexation, she again endeavored (as is well known to your honorable body) to make some provision to discharge a portion of this sacred obligation; and of the three hundred and fifty thousand dollars stipulated in the treaty to be paid by the United States to Texas immediately after its ratification, the large proportion of \$250,000 was to have been devoted to this object; the remainder being left to be liquidated, with the rest of the Texan debt, out of the ten millions which were to have been appropriated for its payment by the United States.

In the annexation resolutions subsequently passed by Congress, it was (as your honorable body are aware) left to the discretion of the President of the United States to select which of the two alternatives he would propose to Texas. *One* enacted that the terms of her admission into the Union should be settled by negotiations between the United States and herself; and had this been offered to Texas, there is no doubt but that in her stipulations with this country, she would have made ample provision for the payment of your petitioners. The other alternative, and the one which was tendered to Texas, contained no such provision; but your petitioners believe there were, at the same time, given to her by this government, as an inducement for her acceptance, the strongest assurances that, after her admission into the Union, her wishes and her honor would be as faithfully consulted, as if provided for by previous agreement.

It was *required of Texas to cede to the general government, among other public property, all her "navy, navy yards, arms, and armaments;" and in compliance, she has given up to the United States all that was left to her of this very navy furnished by your petitioners.* Three of the vessels were ordered to be sold, and the proceeds paid into the United States treasury; and one of them to be refitted for the service of the United States.

Your petitioners further respectfully represent, that, by her annexation to this country, *Texas has been deprived of her duties on imports, (almost her only source of revenue,) which were solemnly pledged to them for the faithful liquidation of the interest and principal of these bonds.* Thus Texas was deprived of the means of paying them.

In view, then, of these facts; that your petitioners were instrumental in promoting to such an extent the prosperity of Texas; that the *United States have possession of the identical vessels* furnished by the undersigned, *and of the public revenue so solemnly pledged for their payment,* they appeal, with confidence, to your honorable body for relief. They cannot but believe that Congress will concur with them in the opinion that the general government is bound, by every principle of justice and honor, to provide for the liquidation of this *sacred debt.*

The memorial of your petitioners having been presented at the last session of your honorable body, (29th Congress, 2d session,) and referred to the Committee of Claims in the Senate, who reported a bill recommending the "speedy settlement" of your petitioners' claim, any further action in the premises was suspended, in consideration of the subjects of paramount importance to the country at large, which then engrossed the attention of Congress.

The report of the Committee of Claims of the Senate of the United States, with the accompanying documents, are hereunto annexed.

All which is respectfully submitted.

FRED. DAWSON.
JAMES SCHOTT.
E. D. WHITNEY.

JANUARY 13, 1848.

IN SENATE OF THE UNITED STATES—FEBRUARY 5, 1847.

Mr. JOHNSON, of Maryland, made the following report:

The Committee of Claims, to whom was referred the memorial of Frederick Dawson, of the city of Baltimore, and James Schott and Elisha D. Whitney, of the city of Philadelphia, report :

That they have duly examined the statements presented in the aforesaid memorial to the consideration of Congress, and find that in the year 1838 the memorialists jointly contracted, in the name of Frederick Dawson, with the authorized agents of the republic of Texas, to furnish said republic with a navy, to consist of one ship, two brigs, and three schooners, with their armament and ammunition, together with clothing and four months' provision for four hundred men. These vessels were built, furnished, and equipped by the memorialists, in accordance with the terms of the contract; and were then delivered by the memorialists at the port of Galveston, where they were accepted by the agents of Texas, duly authorized.

In consideration of this satisfactory performance of the contract on the part of the memorialists, the government of Texas issued to them its bonds for the sum of five hundred and sixty thousand dollars, bearing interest at the rate of ten per cent. per annum, payable half-yearly.

The committee find that no portion of the money represented by these bonds, principal or interest, has yet been paid. For the faithful redemption of these bonds, (a copy of one of which is annexed to this report,)—the interest and principal of which now amount to one million and seventeen thousand three hundred and thirty-three dollars and thirty-three cents—the revenues and public faith of the republic of Texas were solemnly pledged.

The contract which the committee have thus described was made and fulfilled at a very critical juncture in the history of Texas, shortly after the recognition (in 1837) of that infant republic by the United States, and before any other sovereign power had recognised its independence. Texas was then in a state of great depression, and in circumstances call-

ing for the just sympathy of nations, and requiring on her part extraordinary exertions to maintain an independence then encompassed with danger. The committee are fully persuaded that to the acquisition of the vessels-of-war furnished to the government of Texas by the memorialists the struggling republic was mainly indebted for her security during that critical period, and her subsequent recognition by Great Britain and France. Her little navy secured the safety of her coast, inspired with fresh confidence her government and people, and gave her additional consequence abroad; and it appears that Texas has always entertained a just sense of the weighty obligation incurred by her in consequence of the liberal, prompt, and efficient aid rendered to her by the memorialists. Want of means alone has prevented the liquidation of the debt. No disinclination to discharge her obligation to the memorialists has at any time been apparent on the part of Texas. On the contrary, repeated efforts have been made to effect payment of the interest on these bonds; and, finally, all the benefits looked for from the possession of these vessels-of-war having been enjoyed, and a position of security having by their means been attained, the legislature of Texas passed a law authorizing and directing the sale of the aforesaid vessels, the proceeds to be applied in part payment of the indebtedness of the republic to the memorialists. This act, however, in anticipation of annexation to the United States, was repealed.

In the treaty of annexation itself, Texas endeavored to make some provision for the discharge of a portion of this obligation. Of the three hundred and fifty thousand dollars stipulated in that treaty to be paid to Texas by the United States immediately after its ratification, the large proportion of two hundred and fifty thousand dollars was to have been devoted to this object; the remainder of the amount to be liquidated, with the rest of the Texan debt, out of the ten millions of dollars which were to have been appropriated by the United States for that purpose.

In the annexation resolutions subsequently passed by Congress, it was, as the Senate is aware, left to the discretion of the President of the United States to choose one of two alternatives to be proposed to Texas. One of these alternatives left, to be settled by negotiation between the two parties, the terms on which Texas should be admitted into this confederacy. Had that alternative been offered to Texas, the committee are induced to believe, from the previous action of that republic, from her avowed and earnest desire to discharge her obligations to the memorialists, from the action of her legislature, and from the effort to make the matter a distinct subject of treaty stipulation, that she would have made ample provision for the payment of the memorialists. The other alternative contained no such provision, and it was the one tendered to Texas; thus leaving the memorialists no resort but their present appeal to the Congress of the United States.

The committee regard the claim of the memorialists as fully sustained, on the ground—

First. That, as an inducement to the act of annexation, Texas received assurances from the government of the United States that, after her admission into this confederacy, her wishes and her honor as an independent community would be as faithfully consulted and guarded as if express provision had been made to that end, by previous agreement.

Second. That, in accordance with the terms of annexation, Texas ceded

to the general government of the United States, among other public property, all her "navy, navy yards, arms, and armaments;" and that she has actually given up to the United States all that remained to her of the very navy furnished by the memorialists. Three of the vessels have been ordered to be sold, the proceeds to be paid into the treasury of the United States, and one of them to be fitted for the immediate service of the United States.

Third. That by her annexation to the United States, Texas has been deprived of her duties on imports, almost her sole source of revenue, which were solemnly pledged to the memorialists for the faithful liquidation of the interest and principal of the aforesaid bonds.

Fourth. That the United States, having thus become possessed of the identical vessels furnished by the memorialists, and also of the public revenues of Texas pledged for their payment, are properly responsible for the discharge of that obligation to the memorialists, which the republic of Texas justly incurred, and uniformly regarded as binding and sacred.

In view of all these facts, and after a careful and deliberate examination of the case, the committee have agreed to recommend the speedy settlement of the claim of the memorialists, and for that purpose report the accompanying bill.

WASHINGTON, December 21, 1846.

DEAR SIR: In 1838 we contracted, in the name of Frederick Dawson, of Baltimore, to furnish the republic of Texas with a navy, to consist of one ship, two brigs, and three schooners. These vessels were built, furnished, and equipped by us, and delivered to the republic of Texas, at the port of Galveston, agreeably to contract.

In payment for furnishing this navy, the government of Texas issued to us their bonds for \$560,000, bearing interest at the rate of ten per cent. per annum.

As Texas has been unable to pay us any portion of either the principal or interest, and as the United States have taken from Texas her *revenues*, which were *solemnly pledged for the payment of both principal and interest* of these bonds, and have also taken four of the identical vessels, and applied them to the use of the United States, (the other two having been lost,) we are of the opinion that the United States are bound to pay us the amount of the bonds issued by the republic of Texas in payment for the same, with the interest due thereon until paid, as stipulated in the bonds; and we have determined to petition Congress to pay us accordingly.

As this navy was contracted for during your administration as President of Texas, you are of course familiar with the facts as stated above; and our object in addressing you this note is to ask the favor of you to state to us, in writing, the fact that we furnished this navy to the government of Texas, and that ten per cent. bonds to the amount of \$560,000 were issued to us in payment of the same; and that neither the interest nor principal has been paid.

We have the honor to be, with great respect, your obedient servants,

FRED. DAWSON.

JAMES SCHOTT.

E. D. WHITNEY.

Hon. SAM. HOUSTON,
United States Senate.

WASHINGTON CITY, December 23, 1846.

GENTLEMEN: In reply to your note of the 21st instant, I have to state that the facts presented by you therein, in reference to the purchase of the vessels belonging to the navy of the late republic of Texas, are correct; and that you did furnish to her one ship, two brigs, and three schooners, with their armaments, &c., for which she issued in payment ten per cent. bonds for the sum of five hundred and sixty thousand dollars.

Under the resolutions of annexation, the navy of the late republic was delivered over to and received by the United States; and the bonds issued in the purchase of the same by Texas are still outstanding and unpaid.

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

SAM. HOUSTON.

THOS. J. RUSK.

Messrs. F. DAWSON,

JAMES SCHOTT, and

E. D. WHITNEY.

REPUBLIC OF TEXAS.

B No. 1.—*Ten per cent. loan—\$280,000.*

The republic of Texas promises to pay to Frederick Dawson, or order, two hundred and eighty thousand dollars, to be redeemed on the first day of December, eighteen hundred and forty-three, with interest thereon, at the rate of ten per cent. per annum from the date thereof, the said interest to be paid semi-annually on the first days of June and December, at the agency of the United States Bank of Pennsylvania in London, where the bond shall also be redeemed. The first payment of interest to be made on the first day of December, eighteen hundred and thirty-nine. For the faithful redemption of this bond, interest and principal, at the agency aforesaid, the revenues and the public faith of Texas are solemnly pledged, by virtue of an act of the Congress of Texas, bearing date the sixteenth day of May, eighteen hundred and thirty eight. It is further stipulated, in conformity with a provision of said act, that the holder of this bond may, at any time, surrender the same, and in lieu of principal and interest due thereon receive any of the public lands at the minimum prices fixed by the government for the sale of their vacant lands.

In testimony whereof, we, the undersigned commissioners, duly authorized to that effect, have hereunto set our hands and seals, this thirteenth day of November, in the city of Baltimore, the year eighteen hundred and thirty-eight.

A. P. BURNLEY, [L. S.]
 SAM. M. WILLIAMS, [L. S.]
Commissioners.

Countersigned on the back of the bond by

ANSON JONES,
Minister plenipotentiary of Texas
near the government of the United States.

And endorsed in blank by

FREDK. DAWSON.

