

MESSAGE
OF THE
PRESIDENT OF THE UNITED STATES,

COMMUNICATING,

In compliance with a resolution of the Senate of the 11th instant, calling for correspondence relating to the manner in which the consul at Cadiz has transacted the business of his office.

FEBRUARY 23, 1867.—Read; ordered to lie on the table and be printed.

To the Senate of the United States :

I transmit to the Senate, in answer to their resolution of the 11th instant, a report from the Secretary of State, with accompanying documents

ANDREW JOHNSON.

WASHINGTON, *February 21, 1867.*

DEPARTMENT OF STATE,

Washington, February 21, 1867.

The Secretary of State, in answer to a resolution of the Senate of the 11th instant, requesting him "to report and transmit copies of any correspondence on file in the Department of State relating to the manner in which our consul at Cadiz has transacted the business of his office, particularly relating to any statement or documents of the Spanish government upon the question of the invoices of wines shipped to the United States," has the honor to lay before the President a copy of the correspondence called for, of which a list is subjoined.

Respectfully submitted:

WILLIAM H. SEWARD.

The PRESIDENT.

Last of papers.

Mr. Farrell to Mr. Seward, May 14, 1866.

Mr. F. W. Seward to Mr. Farrell, June 7, 1866.

Mr. Farrell to Mr. F. W. Seward, June 29, 1866.

Mr. F. W. Seward to Mr. Farrell, July 27, 1866.

Mr. Seward to Mr. McCulloch, July 27, 1866.

Mr. McCulloch to Mr. Seward, October 17, 1866.

Mr. F. W. Seward to Mr. Farrell, October 25, 1866.

Mr. Farrell to Mr. F. W. Seward, November 15, 1866.

Mr. Farrell to Mr. F. W. Seward, November 27, 1866.

Mr. Seward to Mr. McCulloch, December 13, 1866.
 Mr. McCulloch to Mr. Seward, December 18, 1866.
 Mr. F. W. Seward to Mr. Farrell, December 20, 1866.
 Mr. Tassara to Mr. Seward, January 8, 1867.
 Mr. Seward to Mr. Tassara, January 16, 1867.
 Mr. Seward to Mr. McCulloch, January 16, 1867.
 Mr. McCulloch to Mr. Seward, January 21, 1867.
 Mr. Hunter to Mr. Farrell, January 31, 1867.
 Mr. Seward to Mr. McCulloch, February 1, 1867.
 Mr. Hunter to Mr. Farrell, February 2, 1867.
 Mr. Tassara to Mr. Seward, February 5, 1867.
 Mr. Seward to Mr. McCulloch, February 13, 1867.
 Mr. Jordan to Mr. Seward, February 18, 1867.

Mr. Farrell to Mr. Seward.

No. 30.]

UNITED STATES CONSULATE,
Cadiz, May 14, 1866.

SIR: There is a firm here named Rudolph that insists upon having their invoices made out and certified to in the name of the deceased founder of the establishment. The firm is composed of three brothers. The founder of the business, Frederick Rudolph, was their father, and they continue to carry on their trade in his name, and send me invoices signed, the value declared, and all the facts called for by our customs regulations, set forth by him, the aforesaid Frederick Rudolph, whereas he has been "gathered to his fathers" for more than five years.

I have declined to certify invoices signed by the defunct Rudolph; but the members of the firm assert that it is right to present them signed with the name of the deceased Rudolph, and that it is a well-known commercial custom, but, if it is, I think it is a very bad one, as there can, possibly, be no moral obligation on their part, and they can be honest or dishonest just as they please. However, as I understand the United States revenue laws, I cannot sanction such a novel system until I am advised of the views of the department, or the Secretary of the Treasury. By allowing them, or any others, to attach a fictitious, or deceased, name to an invoice, may they not declare to a fictitious value? and, indeed, at present, and for some time past, I am inclined to believe that too many of the merchants of this city do so, and have done so. To approve of the present *modus*, any one of the firm can send an invoice signed by Frederick Rudolph, or Pontius Pilate, false and fraudulent, and no moral obligation is violated, because the illustrious deceased know not of the laws governing our collections of revenue.

I respectfully ask for instructions to govern this case, and any others should they come to my knowledge.

I am, sir, your obedient servant,

R. F. FARRELL,
United States Consul.

Hon. WILLIAM H SEWARD,
Secretary of State, Washington.

Mr. F. W. Seward to Mr. Farrell.

No. 23.]

DEPARTMENT OF STATE,
Washington, June 7, 1866.

SIR: Your despatch No. 30, with reference to certifying the invoices of the firm of "Frederick Rudolph," has been received and considered.

In answer thereto I would say that merchants have a right, and it is not an uncommon practice, to continue their business under a name in which it was established and had acquired reputation, although the individual who bore the name, or all the individuals whose names entered into the firm name, have ceased to exist. There is no objection to an invoice being made out or subscribed in such a name. It must, however, be verified by the affidavit of some person subscribing his proper individual signature, and he may properly describe himself as a member of the firm of "Frederick Rudolph," whatever may be the individual name.

The use of a name of established reputation in the invoice may be of essential consequence to the merchant, and, so that the verification is made satisfactory, consular officers should interpose no obstacle to the use of the old firm name.

I am, sir, your obedient servant,

F. W. SEWARD,
Assistant Secretary.

R. F. FARRELL, Esq.,
U. S. Consul, Cadiz.

Mr. Farrell to Mr. Seward.

No. 38.]

UNITED STATES CONSULATE, CADIZ,
June 29, 1866.

SIR: I have given notice to the owners and shippers of wine from this city and vicinity that they must comply with the orders of circular No. 59, April 20, 1866. With few exceptions they are displeased, and have given me considerable trouble. A chronic system has been in practice here which allowed every truthless shipper to put his wines at any price he pleased. Many of them have grown rich and proud at the expense of our revenue, and they deem it a hardship to appear before me and declare, swear, to their invoices. I have been informed that a petition is about to be forwarded to you on account of my action. I am pleased at their resolution and hope they will send it forward.

I am here now six months and have watched the actions of all shippers. After watching, inquiring, &c., I have arrived at the disagreeable conclusion that two-thirds of the wine exported from here to the United States has been forwarded under the protection of false and fraudulent invoices. I believe, too, that the parties who have sent those invoices would as soon swear to their fictitious value as declare to it.

I have examined each invoice of 1865; I have found that, without exaggeration, there was about three hundred thousand (300,000) dollars kept from our revenue by these invoices.

One of the secret agents of the Treasury Department was here a few weeks past. I communicated to him my suspicions, showed him my book of invoices and the letter that the late vice-consul wrote to one of the appraisers in Boston. He went to one of the largest shippers here to buy wine. The shipper, after some time, candidly informed him that he could not send wine to the United unless under the protection of false invoices. He requested me to make no change, to allow this party to send his wines forward. I have done so up to the present, but now deem it necessary to have all the clauses of the aforesaid circular complied with. He took with him all my invoices from January 1 to 14th of June.

There is a large quantity of wine from here on the way to the United States invoiced at the very low figure. I do not believe any of them have the true value set forth, and I have informed the proper officers that I believe they are fraudulent.

If I have to send samples of wine to the different collectors of customs, I will

be obliged to employ a packer and buy boxes. Before I do so I wish to know your pleasure. When I have my quarterly returns made out I will send a detailed account of the *modus operandi* of legalizing invoices heretofore, the way the revenue is defrauded, and all matters in my possession relating to the wine trade.

I am, sir, your obedient servant,

R. F. FARRELL,
United States Consul.

Hon. W. H. SEWARD,
Secretary of State, Washington.

Mr. F. W. Seward to Mr. Farrell.

DEPARTMENT OF STATE,
Washington July 27, 1866.

SIR: Your despatch No. 38 has been received. A copy has been given to the Treasury Department for its information and for any suggestions it may have to make.

I am, sir, your obedient servant,

F. W. SEWARD,
Assistant Secretary.

R. F. FARRELL, Esq.,
U. S. Consul, Cadiz.

Mr. Seward to Mr. McCulloch.

DEPARTMENT OF STATE,
Washington, July 27, 1866.

SIR: I have the honor to send you enclosed herewith copy of despatch No. 53 from our consul at Lyons, and to ask if you have any suggestions to make with regard to the subject-matter of said despatch.

I also send copy of despatch No. 38 from our consul at Cadiz, for your information and consideration.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

Hon. H. McCULLOCH,
Secretary of the Treasury.

Mr. McCulloch to Mr. Seward.

TREASURY DEPARTMENT, *October 17, 1866.*

SIR: I have the honor to acknowledge the receipt of your letter of the 27th of July last, transmitting copies of despatches No. 53 from our consul at Lyons and No. 38 from our consul at Cadiz, the latter for my information and consideration, and asking if I have any suggestion to make in regard to the subject-matter of the former.

There can be no question that the transmission of samples to our revenue officers is one of the surest and simplest modes which can be adopted to prevent fraud, and to detect it when it is attempted.

It appears by the despatch from the acting United States consul at Lyons

that permission has been granted to him to purchase silk goods and ribbons, and that the appraisers to whom such samples have been forwarded have acknowledged their usefulness in determining values. It is presumed that, as there is no fund under your control out of which such expenses can be paid, this department should, as it has heretofore done, direct them to be paid as expenses incurred in collecting the revenue. You will therefore please instruct the acting consul at Lyons to make purchases of such goods as he may deem absolutely necessary for samples to be forwarded to the revenue officers in this country, to the extent of two hundred dollars.

I am, very respectfully,

H. McCULLOCH,
Secretary of the Treasury.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Mr. F. W. Seward to Mr. Farrell.

No. 36.]

DEPARTMENT OF STATE,
Washington, October 25, 1866.

SIR: Referring to your despatch No. 38, which was referred to the Secretary of the Treasury, I now hand you herewith a copy of a communication from that official addressed to this department, in relation to the subject presented in your despatch above referred to, viz., regarding the transmission of samples to our revenue officers.

I am, sir, your obedient servant,

F. W. SEWARD,
Assistant Secretary.

R. F. FARRELL, Esq.,
United States Consul, Cadiz.

Mr. Farrell to Mr. F. W. Seward.

No 53.]

UNITED STATES CONSULATE,
Cadiz, November 15, 1866.

SIR: I have the honor to acknowledge the receipt of your despatch No. 36, dated October 25, 1866, enclosing a copy of a communication from the honorable Secretary of the Treasury, relating to the contents of my despatch No. 38.

I beg to inform you that I do not comprehend the subject-matter of the honorable Secretary's letter, except that it states the importance of transmitting samples to our revenue officers, and authorizes the "acting consul at Lyons to make purchases of such goods as he may deem absolutely necessary for samples," &c., but there is not a word about the undersigned being authorized to do the same, or to pay for the expenses of packing samples, and boxes or barrels to contain them in their journey from here to the United States. Perhaps, as you understand the letter of the honorable Secretary of the Treasury, I am authorized to send samples forward, &c., but not exceed the sum of two hundred dollars; but I do not so understand it, as there is no reference to this consulate, nor does the honorable Secretary aforesaid state that I am, or any other consular officer, except the acting consul at Lyons, at liberty to incur any expense on account of any subject in my No. 38, or in the transmission of samples.

I therefore request to know am I at liberty to send samples from this consu-

late to the United States, and to draw on the honorable Secretary of the Treasury for the expenses incurred in their transmission, the said expenses not to exceed two hundred (200) dollars for any one cargo.

I am, sir, your obedient servant,

R. F. FARRELL,
United States Consul.

HON. F. W. SEWARD,
Assistant Secretary of State, Washington.

Mr. Farrell to Mr. F. W. Seward.

No. 54.]

UNITED STATES CONSULATE,
Cadiz, November 27, 1866.

SIR: I beg to call your attention to the enclosed correspondence, and in doing so respectfully submit the following explanatory statement: Letter No. 1 is from our minister at Madrid, communicating to me the substance of the complaint made to him by one Count de Torres, a member of the firm of F. de Arbe & Co., and one of the partners and brothers of the house of "Ritortillo Hermanos." The principal part of the complaint is my declining to certify certain invoices that I have had good reason to believe, and do believe, did not contain the true value of the wine intended for exportation to the United States. The Count added another to strengthen the former. The latter is a statement that my manner, when declining to certify the invoices, was "rude and insulting." This is a false statement, and has no foundation, except that I candidly, courteously, and firmly informed him—if he has ever visited this consulate, which I doubt, as I have no recollection of ever seeing him here until the day after his arrival from Madrid—that I could not sign the invoices of F. de Arbe & Co. I need not assure you that there never would have been any charge of "rude and insulting" conduct if I had signed the said invoices. Every wine-shipper here supposes, or pretends to, that he has nothing to do but present his invoice at the consulate and have it signed, no matter whether the price is satisfactory to the consul or not. Their word is very important in their estimation; but I have, I regret to state, met too many truthless persons here, and know that too many of the wine-shippers have little or no scruples in defrauding not only our revenue, but that of this country. No. 2 is my reply to the letter of Mr. Hale.

The manner of legalizing invoices before my arrival was, certainly, very convenient for the shipper, but very prejudicial to the interests of the United States. The exporter put in the invoice what price suited him, signed in his counting-house, and sent it to the consulate by a boy for the consul's seal and signature. I have abolished this practice; the shipper must appear before me and, when I have any doubt of the value, swear to it, but at all times must sign it in my presence. For so doing I am considered disobliging, and my conduct stigmatized as "rude and insulting," but I have solely done my duty, and that in a polite and attentive manner. I cannot grant favors incompatible with my duty, and I certainly shall grant none that I know are prejudicial to the interest of our revenue.

I have kept the honorable Secretary of the Treasury, and the collectors of customs at New York and Boston, advised of all my actions in relation to invoices.

My letters to the honorable Secretary of the Treasury bear date as follows: June 16, August 14, August 29, October 4, October 18, November 2, November 9, November 17, 1866. I addressed one, also, to the Solicitor of the Treasury Department on the 29th of June, 1866. The following are the dates to the collectors of customs at New York and Boston: To New York, June 29, July 20, November 3, November 9, November 17; to Boston, September 10, 1866.

If I were desirous of purchasing the ephemeral regard of the shippers I would sign all and ask no questions; but would not such carelessness merit your gravest censure, or perhaps my immediate dismissal? If I am to obey your instructions—and I am and will—I cannot do less than have the shippers comply with every line, syllable, and letter of every order, written or printed, from the Department of State

As I have declined to certify certain invoices, and the parties interested may address you upon the subject, I beg to inform you why I have done so. Last June Mr. W. B. Farwell, secret revenue agent, visited this city. After an hour's conversation we agreed on a plan of finding out as much as possible in relation to low-invoiced sherry wine. Mr. F. visited the wine cellar of the largest and principal exporter from here to the United States, incognito, for the purpose of "buying wine for Canada." After a short conference with one of the members of this firm, he frankly informed him that it was impossible to send wine to the United States at the usual invoiced price, but that it was sent and invoiced low in order to escape the high duties. The duty on wine is: value not over fifty (50) cents per gallon, twenty (20) cents per gallon, and twenty-five (25) per cent. ad valorem; over fifty (50) cents and not over one hundred (100,) fifty (50) cents per gallon, and twenty-five (25) per cent. ad valorem; over, one (\$1) dollar per gallon, and twenty-five per cent. ad valorem. It is the interest of the shipper to pay only the lowest duty, to wit, "twenty (20) cents per gallon, and twenty-five (25) per cent. ad valorem." I assure you that ninety-nine out of every hundred casks of wine that leave this port are invoiced so as to come under the twenty (20) cents duty, and the shipper will swear that this is the true value, because too many here consider such an oath as a mere form, and pay no more attention to it than if it were the chorus of a negro song.

The wine thus invoiced is less than fifty (50) cents per gallon. No one can buy the lowest class of sherry here for fifty (50) cents per gallon. But the shippers say, when I refer to the low price, that it is not sherry that they are sending—that it is common "Moquier wine," the refuse and trash of the wine district; but they put it down in their invoices as sherry, and brand their casks as vessels containing pure sherry wine, and I must, and do, consider it as sherry wine because the invoice says that it is, and the shipper cannot put one thing in his invoice, and come into the consulate and say that it is something else with impunity, because, if I believed him, and acted on that belief, I could not sign the invoice unless I permitted him to put down one thing in his invoice, and afterwards to believe him when he stated that it was something else. The invoice is supposed to contain the quality, quantity, and value of the goods about to be exported. The shipper declares, or swears, it to be true in all respects, and signs it in my presence. It states that it represents so many gallons of sherry wine. I must believe the shipper; it is none of my business what the casks contain; the appraisers will attend to their contents. I must go according to the invoice, and I cannot, and have not, allowed him to go behind his invoice, his declaration and signature, or accept his assertion that it is something else. Hence I have declined to certify certain invoices that I have had good reason to believe and do believe to be undervalued.

No. 3 is a list of the shippers and the quantity of wine sent from here without invoices; that is, the invoices were presented, but I declined to sign and seal them, as I have had good reasons to believe, and do believe, they were undervalued.

Some time past these shippers adopted a skilful plan of defrauding the ship-owner of his freight, and the customs of duties. The plan was, and is, an American butt is one hundred and twenty-six (126) gallons "legal measure," or one hundred and twenty-eight "full measure." Very little wine is exported in butts to the United States. Quarters are in general use. By the above measure a quarter cask would only contain thirty-one and a half (31½) gallons "legal measure," or thirty-two (32) "full measure." Freight per tun on this ranges

from \$8 to \$10 per tun. Eight (8) quarters, or two (2) butts, make a tun. The shippers have had their casks made so as they would hold forty gallons; that would be one hundred and sixty (160) gallons per butt, or three hundred and twenty (320) gallons per tun. The full-measure tun, or eight (8) quarters, would only contain two hundred and fifty-six gallons. Hence $320 - 256, 64$; and $64 \times 4, 256$; that is, the shipowner receives freight for four tuns of wine, but he carries five. Each tun of the "full measure" standard, namely, eight (8) quarters, each containing thirty-two (32) gallons, or for every twenty tuns of wine he carries he receives pay for only sixteen, plainly defrauded of one-fifth ($\frac{1}{5}$) of his freight. I have informed all American shipmasters of this system.

Their invoices were similar. They invoiced their casks as containing only thirty-two (32) gallons. At sixteen (16) dollars per quarter this would be fifty (50) cents per gallon; but if they contain forty (40) gallons, only forty (40) cents; and I know no man can include all expenses and export wine from here at such a price, nor can any one here buy wine at such a price.

The moral character of these shippers of so-called low-class wine is very bad. Falsehood and fraud are the rule; truth and honesty the exceptions. I doubt if, in their endeavors to make money at the expense of any one or any thing, they would hesitate to swear to anything, true or false, and I assure you their sense of moral honesty is as invisible as their disregard for truth is consistent. They were, and are, educated to lie; the defrauding of a custom-house is more than a cardinal virtue in their estimation; they love and practice knavery of all kinds, worship money, hate probity, and are to a man unanimously truthless, and should be, and while I am here will be, well watched. Many of them are the survivors of the infamous slave traffic. All were opposed to us during our late war. They were made fat, impudent, and overbearing on the sweat of the African. Such are the low-class wine shippers of Cadiz, at least ninety-nine out of every hundred.

Since I took charge of this consulate, last January, I have not troubled you with surmises or weak suspicions. I have endeavored to find out facts, the true value of all exports from here. It is, and was, a difficult task, as the shippers are very adroit in keeping all information in their possession. However, I have bided my time and have found out enough to warrant me in stating that the lowest class of sherry wine at present cannot be bought for sixteen (16) dollars per quarter cask, or sixty-four (64) dollars per butt of one hundred and twenty-eight gallons.

I hope you will not consider this communication too long or too prolix. It covers the whole ground, as far as I can learn, and I have patiently surveyed it. If it meets with your approbation and indicates to the department how to facilitate the labors of the Treasury Department in the collection of customs revenue and the exposure of frauds I shall be pleased, but if it should not I will endeavor to be more concise and brief in the future.

I am, sir, your obedient servant,

R. F. FARRELL,
United States Consul.

Hon. F. W. SEWARD,
Acting Secretary of State, Washington.

LEGATION OF THE UNITED STATES OF AMERICA,
Madrid, November 16, 1863.

SIR: The Count de Torres, for himself and a number of other merchants at Cadiz, exporters of wine to the United States, has been to this city for the purpose of complaining in the first instance to the government of Spain, and through that government to the government of the United States, of what they allege

to be improper and offensive conduct on your part in unjustly and without any sufficient cause refusing to certify invoices of wine which they were shipping to New York. The occurrences to which they refer happened about two or three months since. The count further complains not only that your official conduct in refusing to certify the invoices was without cause or reason, but also that your manner was exceedingly rude and insulting. I state the case to you just as the count states it to me, for the purpose of enabling you to make such answer as you think the truth of the case justifies, as the transaction will probably be submitted to the governments both of Spain and the United States.

I should be glad to hear from you on that subject.

With much respect, your obedient servant,

JOHN P. HALE.

R. F. FARRELL,

United States Consul, Cadiz.

P. S.—The count says that he shall call upon you at your office on Monday or Tuesday next.

J. P. H.

UNITED STATES CONSULATE,
Cadiz, November 20, 1866.

SIR: Your letter of the 16th instant, containing the substance of a complaint made to you by one Count de Torres and a number of other merchants at Cadiz, in relation to certain invoices that I have declined to certify, has been received and attentively perused, and in reply I beg to submit the following as my answer to said complaint:

I have no recollection, nor do I believe, although the count asserts the contrary, of ever seeing the Count de Torres in this consulate, or out of it, until this day, when he visited it in company with a Mr. Rudolph, who introduced him; but if he were here before, why need an introduction? He may have been here before, but I doubt it, as my eyesight is too good and my memory too faithful to forget such a remarkable person as the Count de Torres.

It appears that the count is a member of the firm of F. de Arbe & Co., and that as Mr. Arbe does not speak English he accompanied him as an interpreter; but he never intimated to me who he was, nor did I know that he was a member of the firm until to-day. The count is also a member of the firm of Retortillo Hermanos—one of the brothers. Mr. Arbe presented the invoice and was prepared to sign it, as he has done others; I declined to certify it, but I did not suppose that I was also refusing the Count de Torres. The cause of my declination was because I have had good reason to believe, and do believe, that the true value of the wine was not set forth in the invoice; I have also declined to certify certain invoices presented by the following firms: I. Bensusan, F. Rudolph, F. de Arbe & Co., A. de Aramburu, Lacave & Echeopar, and T. Febris, for the same cause.

Circular No. 59, Department of State, Washington, April 20, 1866, says that the powers conferred upon me for the purpose of securing truthfulness and correctness in invoices are ample; that I shall be held responsible for any want of truth or correctness in any invoice certified by me. The law of March 3, 1863, says I must be satisfied of the truth of the shipper's statement, and the value set forth in the invoice. The honorable Secretary of State says so too.

In declining to seal and sign the aforesaid invoices, I have simply performed what I understand to be my duty, and if doing my duty is considered "improper and oppressive" those who are so aggrieved can present their complaints to the proper person. I can show, I think, sufficient reasons for my conduct. I can

show by the minutes taken by W. B. Farwell, United States revenue agent, who visited this city last June, *in cog.*, that a system of fraud has been in existence here for years; I can prove every invoice that I have declined to certify to be incorrect.

I asked the count at what time he found me rude and insulting. He stated last July. I assure you I have never been rude or insulting to any man, or in any place, but on the contrary I have patiently explained, to all, the commands of my superior, the honorable Secretary of State. My rudeness it seems was in candidly, but briefly, declining to certify an invoice for Arbe & Co., of which he is a member. Perhaps, if the count has visited the consulate, my declination was not garnished with the proper compliments to suit the taste of his countship, but it was respectful, and in no manner rude or insulting. However, as he thought it was, I cheerfully, in presence of two gentlemen, begged him to accept my sincere apology for an act that I have no recollection of committing, or if committed, unintentional. But I have not changed on signing improper invoices. The count is more anxious about the invoices than my alleged rudeness. I assure you there never would have been any complaint about my alleged rudeness if I had signed the invoices. It is very strange that the count has not thought it worth his while to complain of an act committed in July until he finds that I have declined to certify certain invoices in November. I presume that if I continue to refuse my seal and signature, there will be many charges, like the alleged rudeness of the count, presented to you, or to the Department of State. I think my character for truth and probity will stand a better test than that of the Count de Torres, or any other shipper of low-classed wine, so-called, in Cadiz. After ten months' close attention to the business of this consulate, I regret to state that, with these men, truth is the exception, falsehood the rule. If I am to believe one-half of the statements I have heard they are a pack of unprincipled knaves, unconvicted smugglers, and would as soon swear to a lie as tell one.

The whole matter can be summed up in a few sentences: It is my interest, far better for me, to sign and seal all invoices, and thereby become a favorite with the shippers who are making fortunes out of a country that they have no feeling for but one of enmity; it is a great deal of trouble for me to refuse to sign them. If I accommodate the merchants I disobey the laws of my country and the positive instructions of the Department of State; if I do not sign those that I have the best of reasons for believing to be incorrect, I obey the laws and execute the instructions of my superior, the honorable Secretary of State. It was to obey the laws of the United States, and to carry out the instructions of the Departments of State and Treasury that I was sent here, not to have an alliance with any merchant or merchants. If they comply with the laws, and present invoices that set forth what I believe and know to be the true value, I assure you they will have no difficulty in having them certified, and you will not be troubled with any complaints about my rudeness; if they do not comply with the laws, and if the prices set forth are, in my opinion, incorrect, I shall not sign them. When a soldier I obeyed my general, now that I am a consul I shall certainly obey the instructions of the Department of State in preference to all the merchants of Cadiz. If, by doing so, I incur their ill will I cannot help it, but I hope you will bear in mind that a wine shipper is a very interested party in the certification of invoices and that a consul is not, and that the statements of all, including the counts and those who expect to be dukes, shippers, should be taken with a considerable quantity of salt, *cum grano salis*, when they state that the consul has declined to certify their invoices.

I am ready (the Department of the Treasury is advised of my action) to prove to the Department of State that I have had good cause for my action, and I can also prove and present the statements of men who have been in the wine business for thirty and forty years that the invoices I have declined to certify are incorrect.

I think the interest of the public service would be benefited if I were to visit Madrid and have an interview with you on this subject, but I cannot go there at my expense. My salary will not permit me to indulge in such expenses.

I hope you will consider this letter a satisfactory answer to the complaint of the Count de Torres, and I beg to assure you I am only endeavoring to do my duty as an American consul ought to do it, and have the honor to remain,

With sincere respect, your obedient servant,

R. F. FARRELL,
United States Consul.

Hon. JOHN P. HALE,
United States Minister, Madrid.

Schedule of wines shipped on board the Russian bark Levorni, Nordberg, master, without invoices.

Shippers.	Consignees.	Hhds.	Quarters.	Octaves.
J. Bensusan.....	To order .....	.....	35	163
F. Rudolph.....	do.....	.....	600	.....
F. de Arbe & Co.....	George Miln.....	.....	40	40
Do.....	Galwey, Casado & Co.....	.....	60	80
Do.....	Gomez, Wallis & Co.....	.....	.....	92
Do.....	Peznant, Bro. & Co.....	.....	50	52
A. de Aramburu.....	H. Balzer.....	4	50	12
		4	835	439

Schedule of wines shipped on board of the American schooner Loyal Scranton, Lowden, master, without invoices.

Shippers.	Consignees.	Hhds.	Quarters.
Lacave & Echeopar.....	Unknown.....	.....	672
J. Bensusan .....	.....	.....	203
J. Febrés.....	.....	.....	25
J. de Arbe & Co.....	.....	.....	156
A. de Aramburu .....	.....	6	60
		6	1,116

Mr. Seward to Mr. McCulloch.

DEPARTMENT OF STATE,
Washington, December 13, 1866.

SIR: Enclosed herewith I have the honor to send you copy of despatch No. 53, from our consul at Cadiz, on the subject of furnishing samples of goods to the collectors of customs, and asking further instructions on the subject. I commend the same to your attention.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

Hon. H. McCULLOCH,
Secretary of the Treasury.

Mr. McCulloch to Mr. Seward.

TREASURY DEPARTMENT,
December 18, 1866.

SIR: I have the honor to acknowledge the receipt of your communication of the 13th instant, enclosing copy of despatch No. 53, from the United States consul at Cadiz, dated the 15th ultimo.

In referring to the letter of this department addressed to you on the 17th of October last, (copy of which accompanied your despatch to him of October 25,) the consul expresses his inability to comprehend the purport of said letter, because it contains no authority for him to purchase samples, &c., although said letter authorized the acting consul at Lyons to make such purchases to the extent of two hundred dollars.

In regard thereto I have the honor to state that the department did not intend to authorize the consul at Cadiz to make any disbursements at present for samples, &c., it not being deemed essential to the protection of the revenue that the purchase of samples should be extended to any considerable degree.

I am, very respectfully,

H. McCULLOCH,
Secretary of the Treasury.

Hon. W. H. SEWARD,
Secretary of State, Washington, D. C.

Mr. F. W. Seward to Mr. Farrell.

No. 39.]

DEPARTMENT OF STATE,
Washington, December 20, 1866.

SIR: Your despatch No. 52, dated November 6, 1866, has been received.

The department has no authority to authorize the publication, by you, of the laws referred to, at the expense of the government.

I transmit herewith, in reply to your No. 53, heretofore acknowledged, a copy of a letter from the Secretary of the Treasury, dated the 18th instant, to whom your despatch had been given.

I am, sir, your obedient servant,

F. W. SEWARD,
Assistant Secretary.

R. F. FARRELL, Esq.,
United States Consul, Cadiz.

Mr. Tassara to Mr. Seward.

[Translation.]

No. 32.]

LEGATION OF SPAIN AT WASHINGTON,
Washington, January 8, 1867.

Various merchants of Cadiz have addressed to his excellency the minister of state of her Majesty an exposition, which the undersigned has the honor to send in copy to the honorable Secretary of State of the United States, complaining of the conduct followed by the consul of the United States at Cadiz, who has refused to certify the invoices of wines prepared at Keresana, presented in triplicate by the signers of said exposition, the prices of said wines being less than twenty dollars the quarter pipe, objecting that the wines were worth more, and refusing to listen to reasons or receive proof to the contrary.

The honorable Secretary of State will see in the annexed copy the reasons and explanations on which the parties interested rely to prove that the price expressed in the invoices is that which the wines are really worth.

The parties interested seeing that it was impossible to obtain the certification they desired from the consul of the United States, and the wines being shipped on vessels ready to sail, there remained to them no other alternative than to go to the consul of Great Britain, that he might certify the invoices referred to.

The undersigned has received from his government instructions to address himself to the honorable Secretary of State, to the end that, taking into consideration the reasons alleged by the parties interested in fixing the price of their wines, and the necessity they were in to appeal to another consul to obtain their certificates, he may deign to direct what is proper for the purpose of saving them from any prejudice on the arrival of the shipment spoken of at New York.

It appears also, that, by reports from the same consul, difficulties have been made at the custom-house in New York about the entry of other wines sent anteriorly.

The undersigned need not dwell on setting out the damages which may ensue to commerce between Spain and the United States, through the exaggerated requirements on the part of consuls in estimating the value of wines and other merchandise, when the collection of duties ad valorem is in question. Perhaps it would be possible to establish a rule by which, avoiding, as far as possible, fraud on the part of merchants, arbitrariness on the part of consular functionaries might also be avoided.

The undersigned avails of this occasion to reiterate to the honorable Secretary of State the assurances of his highest consideration.

GABRIEL G. TASSARA.

HON. SECRETARY OF STATE

of the United States

[Translation.]

CADIZ, November 12, 1866.

HIS EXCELLENCY THE MINISTER OF STATE: The subscribing merchants, exporters of wines, established in this city and that of port St. Mary, manifest to you, with all respect, that on making lately their shipments of low-priced wines prepared at Jerez, for the ports of the United States, the consul of that republic refused to certify the invoices presented in triplicate, and which prices were less than twenty dollars on the quarter pipe, objecting that the wines were worth more, and choosing not to ask explanations nor listen to remarks, nor to admit evidence to the contrary. Besides, the exponents know that at the custom-house in New York there are difficulties in passing wines that have now been there for some time, as well as those recently arrived, in consequence, it is believed, of reports, assuredly unfounded, sent by this consul to the government at Washington. To the exponents, in view of the refusal of this consul to certify the invoices of values of wines already shipped on vessels about to sail, there remained no alternative but to recur to the consul of Great Britain in this place, in order that he might certify the invoices referred to. What fortune may betide these shipments on the voyage to New York it is difficult to foresee. The actual regulation of the custom-houses of the United States for shipments of wine requires that every one who makes a shipment to the ports of that country should present to the American consul an invoice in triplicate, with the values of the wines, which include the market cost, all the expenses of purchase, preparation, shipment, commission and other charges, until placed on board, under a declaration sworn to that such values are just and true. This American

consul published, moreover, a short time since, a notice to the effect that, on presenting invoices of shipment for his certificate they must bring to him specimens (musters) of the wines they were shipping. Those who apply to your excellency complied with all these requisites, and despite thereof the consul has refused, as has been said, under pretext that the wines were worth more, and this only on tasting, and sometimes only on looking externally at the musters. His skill in wines should be great; but the short time of his residence in this place, and want of contact with wine dealers, not having visited our cellars, makes it doubtful whether his acquaintance with the business is of any value.

The wines which are exported for the New York market are of the lowest qualities known by the name of sherry. They are made up of wines from the sands of port St. Mary, wines of Rotu, of Chickana, called de renoz, and essentially of wines of Moguer Palos, San Juan, Triqueros, and others in the province of Hueloa, the lower part of the province of Seville, and much from the eastern provinces, where they have been worth and are worth the low-priced wines only. The exponents, to prove to you the truth of their assertions, and the justice which induces them to have recourse to your authority in their call for aid and protection, demonstrate, in continuation, what is the cost of a quarter cask of low wine, which, under the name of sherry, is shipped for the markets of the United States. Taken at the high price, all that the most scrupulous could ask, they place white wine, which serves as the basis for the preparation, at forty dollars of fifteen reals vellon, and make the following calculation:

28 arrobas of such wine, at 40 dollars for 32 arrobas, is, reals vellon.....	525
2 arrobas c., at 50 reals vellon the arroba.....	100
2 arrobas of brandy, at 40 reals vellon the arroba.....	80
<hr/>	
32 arrobas the pipe of 4 quarter casks, reals vellon.....	705
Eggs and clay for clarifying.....	10
Laborers for all the work.....	20
Hire of cellar, per head.....	20
Cartage to wharf and on board.....	8
4 new quarter casks at 60.....	240
<hr/>	
Total cost, reals vellon.....	1, 003
<hr/>	

For a pipe, or say 4 quarters of 3 arrobas each, there turns out, as is seen, a 4 (quarter) at \$12 55 on board in the bay of Cadiz; add to that $2\frac{1}{2}$ per cent., net charge of commission, gives result \$12 86 the quarter, including all American legislative requiring, and from that price up to \$16 or \$17 the quarter, at which the exponents make their wines, and it may be seen if there be any hiding of values, or rather if there be not an excess in fixing values. The exponents, notwithstanding, although what they have said is so notorious as to the prices and market for low wines, might, at any time and moment, prove what they have stated, as well by the entries of purchases in their books as by means of the runners and agents for vineyards in the different districts cultivating grapes in this province. Hueloa, Seville, and others, in confidence the result of such investigation must be favorable to them, by giving lower prices even than those fixed above, can offer proof, should other proof be needed, clear, determinate, and assuring confidence, that the low wines called sherry cannot be, and ought not to be, made for the United States at above \$16 to \$17, at which the exponents make them. There is nothing more to do than to take the great number of butts of low sherry wines which are sent to the London market to be sold there at the price of sixteen pounds sterling and under, deduct from these prices the heavy charges of the port of London, and you will see what a pipe produces, net. But, besides, the wines the exponents send to New York are sold there currently from ninety

cents to a dollar and fifteen cents a gallon at mean terms ; at one dollar and five cents the gallon with long credit, according to marks, circumstances, by lots ; let the heavy duties on importation be deducted, freights, charges, interest, guarantees, commissions, and others, and it will be known that the wines in question are not worth here more than the invoice price. From your clear intelligence it cannot be hidden what serious injuries must fall on the wine-growing provinces in general and on the exponents in particular, from the obstructions and difficulties, quite unjustifiable, interposed by this consul and by his government, the United States. It is necessary, therefore, to take means, with all the urgency the case requires, to remove these difficulties, or rather, unfounded prejudices, of that government, and of this consul, and in aid thereof these exponents approach you, requesting you to take such steps as may conduce to protect and restore the interests of the exponents, so unjustly injured and interfered with, by having recourse to the minister of the United States at this court, to our worthy representative near the government at Washington, and whatever else there may be needful, a favor they expect to receive from the so well known enlightenment and good judgment of his excellency.

A. DE ARAMBUROI.
FEDERICO RUDOLPH.
J. BERESUSAN.
BARTME VERGAVA.
M. LUIS VESTA & CO.
FAUSTERO DE ARBE & CO.

True version :

TASSARA.

Mr. Seward to Mr. Tassara.

DEPARTMENT OF STATE,
Washington, January 16, 1867.

The undersigned, Secretary of State of the United States, has the honor to acknowledge the receipt of Mr. Tassara's note of the 8th instant, and, in reply, to inform him that the subject of the complaint to which it relates, which has been made against the United States consul at Cadiz by various merchants of that place, has been referred for consideration to the Secretary of the Treasury, whose views upon the subject will be duly communicated to Mr. Tassara.

The undersigned offers to Mr. Tassara on this occasion renewed assurances of his highest consideration.

WILLIAM H. SEWARD.

SEÑOR DON GABRIEL GARCIA Y TASSARA, &c., &c., &c.

Mr. Seward to Mr. McCulloch.

DEPARTMENT OF STATE,
Washington, January 16, 1867.

SIR : I have the honor to submit for your consideration a copy, in translation, of a note of the 8th instant, which has been addressed to this department by Mr. Tassara, the minister of Spain, concerning a complaint on the part of certain merchants of Cadiz of the conduct of the United States consul there, who, it is alleged, has refused to certify invoices of wines prepared at Keresana and presented in triplicate to the consul, objecting that the wines were worth more than the prices represented, and refusing, as is stated, to listen to reason or receive proof to the contrary.

I will thank you for an expression of your views upon the subject of Mr. Tassara's suggestions.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

Mr. McCulloch to Mr. Seward.

TREASURY DEPARTMENT, *January 21, 1867.*

SIR: Messrs. P. Harmony's nephews of New York have advised this department that the United States consul at Cadiz has refused to certify to certain invoices embracing some octaves of sherry wine, on the ground that the importation of wine in casks of a less capacity than thirty gallons is prohibited by the first section of the act of July 28, 1866.

This department is of opinion that under the above law no restriction is placed upon the quantities in which wine may be imported into the United States, except when imported in bottles, as therein provided.

I have the honor to request that you will cause the necessary instructions to be issued to the consul at Cadiz informing him of the views of this department in the matter, and to transmit to him for his information and guidance the copy of act herewith enclosed.

I am, very respectfully,

H. McCULLOCH,
Secretary of the Treasury.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

NEW YORK, *January 17, 1867.*

SIR: We beg leave to state that some correspondents of ours in Cadiz, who have been in the habit of directing sherry wines to our consignment in quarter casks and octaves, (the former of the capacity of not less than thirty gallons, and the latter about half the size,) have just informed us that the United States consul at that port has refused to certify an invoice embracing some octaves of sherry wine, on the ground that the importation of wines in casks of less than thirty gallons is prohibited by the act of July 28, 1866, (public No. 180,) entitled "An act to protect the revenue, and for other purposes."

Now, on referring to the act in question, in one of the first clauses of the act which the consul cites as his authority it is stated that "brandy and other spirituous liquors may be imported in casks or other packages of any capacity not less than thirty gallons, and that wine in bottles may be imported in boxes containing not less than one dozen bottles of not more than one quart each."

The meaning of the clause in question appears to us too clear to admit of any doubt, viz: that the prohibition of packages not less than thirty gallons applies only to brandy and other spirituous liquors, and not at all to wines.

We shall be obliged by your informing us if we are correct in our interpretation of the act alluded to, and whether we may authorize our friends in Cadiz to ship their wines in octaves, if they consider it desirable to do so.

Apologizing for the trouble we are giving you, and begging the favor of a reply as soon as your convenience will permit,

We remain, very respectfully, sir, your obedient servants,

P. HARMONY'S NEPHEWS & CO.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

P. S.—If we have interpreted the meaning of the act correctly, we would respectfully urge the necessity of forwarding official instructions to the United States consul at Cadiz accordingly.

P. H. N'S & CO.

Mr. Hunter to Mr. Farrell.

No. 40.]

DEPARTMENT OF STATE,
Washington, January 31, 1867.

SIR: Enclosed herewith you will find a copy of a letter addressed to this department by the Secretary of the Treasury, giving his opinion as to the error into which you have fallen in refusing to certify invoices of sherry wine imported in casks of a less capacity than thirty gallons.

You will also find enclosed a copy of the act "to protect the revenue and for other purposes" sent you for your information.

You will hereafter conform your action with the opinion of the Secretary of the Treasury.

I am, sir, your obedient servant,

W. HUNTER,
Second Assistant Secretary.

R. F. FARRELL, Esq.,
United States Consul. Cadiz.

Mr. Seward to Mr. McCulloch.

DEPARTMENT OF STATE,
Washington, February 1, 1867.

SIR: Your letter of the 21st instant, with regard to the action of our consul at Cadiz in refusing to certify invoices of wine exported from his port, in quantities less than thirty gallons, has been received. A copy has been sent to the consul with instructions to conform his future action with the opinion expressed in your letter.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

Hon. H. McCULLOCH,
Secretary of the Treasury.

Mr. Hunter to Mr. Farrell.

[Extract.]

DEPARTMENT OF STATE,
Washington, February 2, 1867.

SIR: Your despatches from No. 54 to No. 58, both inclusive, have been received. No. 54 will receive consideration.

* * * * *

I am, sir, your obedient servant,

W. HUNTER,
Second Assistant Secretary.

R. F. FARRELL, Esq.,
United States Consul, Cadiz.

H. Ex. Doc. 33—2

Mr. Tassara to Mr. Seward.

[Translation.]

No. 8.]

LEGATION OF SPAIN AT WASHINGTON,
Washington, February 5, 1867.

With reference to the note which the undersigned, minister plenipotentiary of her Catholic Majesty had the honor to address to the honorable Secretary of State of the United States, dated 8th of January last, placing under his consideration a complaint made against the consul of the United States at Cadiz for refusing to certify the invoices of wines of Xeres which were presented for shipment intended for the United States, by supposing that the true prices of such wines were higher than those expressed in the invoices, must also to-day claim the attention of the honorable Secretary of State to the complaint which other merchants of Cadiz, Messrs. Lacave & Checopar have presented.

While I await other proofs and documents, which, like those already sent to the department, make manifest the arbitrariness of the said consul, doing by his conduct serious injury to Spanish commerce with the United States, and by refusing on the other hand any examination into proofs and dates which would convince him of the truth, I must to-day limit myself to stating that Messrs. Lacave & Checopar shipped a cargo of wine on the Russian ship Suone, after having obtained the certificate of the consul of the United States. He refused to certify 672 quarter casks which were shipped on the American Loyal Scranton, it being the fact that these wines were the same as those which, invoiced at the like price, the ship Suone was to have carried, they having been left behind for want of room.

The Loyal Scranton nevertheless sailed for her port, and for this reason reiterating the note of the 8th of January.

The undersigned hopes that orders will be given not to place any difficulties in the way of the landing of these wines, which, through the act of the consul at Cadiz, have come to hand without the certificates which the custom-houses require, and that the government of the United States will give to this question the importance which it deserves, in order that in future the Spanish merchants engaged in a traffic which has not until now been the object of the slightest difference on the part of consuls of the United States may not find themselves obliged to make reclamations.

The undersigned avails of this occasion to reiterate to the honorable Secretary of State the assurances of his highest consideration.

GABRIEL G. TASSARA.

Hon. SECRETARY OF STATE
of the United States.

Mr. Seward to Mr. McCulloch.

DEPARTMENT OF STATE,

Washington, February 13, 1867.

SIR: Referring to a letter addressed to you by this department on the 16th ultimo, upon the subject of a complaint made against the consul of the United States at Cadiz, for refusing to certify certain invoices of wine, I have now the honor to enclose a copy, in translation, of a further note, relating to the matter, from Mr. Tassara, the minister of her Catholic Majesty, dated February 5.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

Mr. Jordan to Mr. Seward.

TREASURY DEPARTMENT,

Solicitor's Office, February 18, 1867.

SIR: I have the honor to inform you that R. F. Farrell, esq., consul at Cadiz, in a letter to me under date of the 8th ultimo, states that the exporters of wine in that vicinity are procuring voluminous *ex parte* certificates of vine-growers and others, their friends, as to the original cost of the low wines which they manufacture into imitation sherries for exportation to this country, with a view to disprove alleged undervaluations in invoices. He is of opinion that such certificates will be deceptive, and should be met by counter ones, and he suggests that he be authorized himself to visit the vine-growing districts, which are at some distance from Cadiz, to procure evidence from the merchants and others there, employing an interpreter.

I am authorized by the Secretary of the Treasury to say that this suggestion is deemed important, and should be accepted, and to ask that leave of absence may, if the public service will permit, be granted to Mr. Farrell for the period of, say, six weeks or less—all expenses to be borne by this department.

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

EDWARD JORDAN,

Solicitor of the Treasury.

HON. W. H. SEWARD,

Secretary of State.

