

thirty per cent., fixed by the former act, to forty per cent. This commission seems to be required at the smaller offices, where the commission is very small in proportion to the trouble. In the larger Post Offices it will give an increase of forty dollars a year. In other respects it merely changes the existing law to the former rates of commission, except in one instance; that is, allowing the Postmasters at Boston, New York, Philadelphia, and Baltimore, one cent for the receipt and delivery of each free letter. They were excepted from that allowance under the former act. If that exception continues, they cannot have an increase of compensation, as it appears that their commissions barely cover two thousand dollars, and their expenses for clerk hire, rent, &c. Indeed, the Postmasters at Philadelphia and Baltimore represent that they cannot now make an adequate compensation to their clerks.

The next section proposes an alteration, so as to allow a Postmaster to receive twenty-four hundred dollars a year, instead of two thousand, the present limitation. The latter is evidently too small for the Postmasters in the large towns, where house-rent and other expenses have become very high.

I have proposed a section for a new table of rates of postage, leaving the sums blank. It seems not to be desirable to increase the rates beyond the former scale; and, in that case, no cause is discovered for any legislative provision.

A table has been suggested of the following rates:  $6\frac{1}{2}$ ,  $12\frac{1}{2}$ ,  $18\frac{1}{2}$ ,  $22\frac{1}{2}$ , and 25 cents. It is objected to this, that so many fractions will occasion a great deal of trouble and frequent mistakes in making out the post bills, entering and adding the accounts, and that it does not conform at all to the decimal arrangement of the coins of the United States, which are 5, 10, 20, and 25 cents. With these it is impossible to make quarter and three quarter cents.

The allowance for free letters will produce probably three hundred and twenty dollars a year to the Postmasters at New York and Philadelphia, and two hundred dollars a year to those of Baltimore and Boston. It appears that nine thousand six hundred and ninety-six free letters were received and sent from Philadelphia, exclusive of distributed letters, on which no allowance is proposed, in the quarter from October 1st, to December 31st, 1815, and the allowance would amount to ninety-six dollars and ninety-six cents for that quarter. The amount has not been ascertained in any other quarter; but the quarter from January 1st to April 1st, is estimated to produce more, *Congress being then in session*; and the two next quarters are estimated to produce less.

In respect to the resolution of the House on the motion of Mr. Goldsborough, made on the 8th ultimo, I would very respectfully remark that, on the first establishment of the Post Office in 1792, it was made the duty of every master of a vessel to deliver all letters, by him conveyed, into the Post Office, excepting those for the principal owner or consignee. The same duty has been re-enacted, and continued since; but it was found that, from want of technical precision, the penalty could be avoided in some cases; and the act of the last session was made to remedy that defect.

There is hardly a harbor or village in the United States, to which the mail is not carried at the public expense. If vessels are allowed to carry letters in opposition to the mail, and without any emolument to Government, especially between places where Post Offices are established, the public, by these casual conveyances, will be deprived of much of its revenue. It will, in fact, be at the expense of sending posts which carry no mails, when opportunity offers by these vessels.

It has been thought expedient to prohibit common carriers by land from carrying *any* letters; but in respect to those whose common carriage is by water, the law is much more favorable. The practice is not only authorized, but the carrier is encouraged by a payment of two cents for each letter, and the public only charges six cents, (or nine cents so long as the fifty per cent. addition continues.) This is a very moderate postage, and no hardship is perceived in the case.

Another motive in establishing this regulation was to prevent speculation. If the master of a vessel is not compelled to deliver letters, which he brings, into the Post Office immediately after his arrival, the master or his friends, by knowing the state of the market and suppressing letters, may speculate on others. He has now, indeed, the power to refuse a letter; but if he undertakes to deliver one, he cannot deceive the person sending it, by keeping it back, without subjecting himself to a penalty.

On the whole, it appears to me that the two sections objected to are beneficial to the public, and ought not to be repealed.

Respectfully, your obedient servant,

R. J. MEIGS, JUN.

HON. SAMUEL D. INGHAM, *Chairman of the Committee of Post Offices and Post Roads.*

14th CONGRESS.]

No. 34.

[1st SESSION.]

## INVESTIGATION INTO THE FISCAL OPERATIONS OF THE GENERAL POST OFFICE.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, MARCH 27, 1816.

Mr. INGHAM, from the committee appointed in pursuance of a resolution of the House of Representatives, adopted on the 29th day of January, to investigate the conduct of the General Post Office Department, reported:

That they have used their utmost endeavors to ascertain every fact that appeared to be material to a full understanding of the conduct of the officers of that Department. As the inquiry originated in a request of the Postmaster General, the committee, in the first place, addressed to him a letter, (No. 1,) requesting to be informed of the reasons of his application to Congress; and also that he would give them such information as appeared to be calculated to facilitate the investigation. The Postmaster General stated, in his answer, that the application was induced by a rumor that some person or persons of the Department had sold draughts for moneys due to the General Post Office for premiums, which had been converted to their private use, (see letter No. 2.)

The committee, therefore, proceeded to inquire into the truth of the rumor, by the examination of every person who seemed likely to have any knowledge of the fact; but, in the examination of some of the clerks in the General Post Office, various suggestions were made of improper transactions in the Department, other than those to which their attention had been drawn by the Postmaster General.

The investigation has therefore assumed a very extensive scope, and has consequently occupied more time than could have been anticipated at its commencement. This delay has also been increased by circumstances arising out of the nature of the inquiry. As no person appeared to make any specific charges, the committee had no alternative but to abandon their undertaking, or listen to rumors and the hearsays of some witnesses, and send for other witnesses to prove the facts; they made choice of the latter course, and have examined every person who was either suggested to them, or appeared as likely to possess any information on the subjects of their inquiry.

The charges arising out of the suggestions of the witnesses, and which, from the various communications they made to the committee, it appeared to be the desire of some of them most especially to establish, are as follows:

1st. That certain persons in the General Post Office, and particularly Abraham Bradley, Jun., Assistant Postmaster General, had sold Post Office draughts and checks, and applied the premium to their private use.

2d. That an erasure had been made in the cash book of the General Post Office, and an erroneous entry found thereon.

3d. That private accounts were improperly kept with individuals on the books of the Post Office.

4th. That Phineas Bradley had been concerned in a contract for carrying the mail that was improperly obtained.

5th. That Phineas Bradley had received corrupting presents from mail contractors.

6th. That Phineas Bradley and Abraham Bradley, Jun. had made use of Post Office money in purchasing depreciated bank notes, for which they received a premium, and applied it to their private use.

7th. That bank notes which were better than the paper of the District of Columbia, and a Treasury note, had been returned to Postmasters, by order of Abraham Bradley, Jun.

8th. That the Washington and Union Bank, and certain individuals, had profited by the sale of Post Office draughts.

9th. That a contract for carrying the mail from Washington to Fredericksburg had been superseded by order of the Postmaster General before it expired, and about double the amount given for the same service.

An examination of the subjoined testimony and documents will enable the House to determine how far the charges, or either of them, have been sustained; the committee have, however, no hesitation in expressing their opinion on them severally.

1. With respect to the first charge, in relation to Abraham Bradley, Jun. there is no evidence whatever to induce a suspicion that he has sold Post Office draughts or checks for a premium; nor does it appear that any other person in the General Post Office has sold Post Office draughts or checks for a premium, other than draughts obtained for their own salaries, except in the case of H. H. Edwards, who bought a Post Office draught on Boston, for District of Columbia paper, and disposed of it by an agent in New York (as "he presumes,") for a premium.

The committee have not relied upon negative testimony to disprove this charge, but have attentively examined the books of the Union Bank containing the accounts with the General Post Office, as well as the private accounts of Abraham Bradley, Jun. and Phineas Bradley, with that bank, and have satisfactorily ascertained that no credits have been given to them, or any other person in the General Post Office, for premium on draughts or checks; they have also ascertained that the premiums for Post Office draughts and checks, sold by the bank, have been entered in the profit and loss account thereof. It therefore conclusively follows that these premiums have accrued to the bank, and to none other.

2. It appears that a draught in favor of Elisha Riggs is charged in the cash book of the General Post Office, as sold to the Union Bank, the words *Union Bank* being apparently written on an erasure. But, from an examination of the books of the Union Bank, the committee ascertained that the General Post Office had credit for this draught thereon, (see also the testimony of Elisha Riggs;) and that, therefore, the draught having been actually sold to, and negotiated by, the Union Bank, and not Elisha Riggs, they do not perceive any impropriety in the entry, and still less have they been able to discover any improper purpose to be effected by the alterations on the cash book.

3. It appears to have been the practice of the Assistant Postmaster General, A. Bradley, Jun., to open an account with certain individuals, partly of a public and partly of a private nature. There were cases in which members of Congress have, by means of the agency of Abraham Bradley, Jun., transferred funds from one part of the United States to another part, or have received money for some of their constituents, who were contractors for carrying the mail; by which their names became entered on the books. No advantage accrued to any person by the transaction other than that of the accommodation in transferring an inconsiderable fund from one place to another. It may be observed that the Post Office offered peculiar facilities in this particular, and has frequently been resorted to by members of Congress, and others, for this purpose; but their names do not appear in an open account on the books, except when the draughts exchanged did not exactly balance at the time of exchange.

The only account of this nature, which is ascertained to remain open on the books, was made in December, 1800, where there is a balance in favor of the General Post Office of \$320, due from General H. Lee, of Virginia.

4. It appears that Phineas Bradley, a clerk in the General Post Office, has been concerned in carrying the mail, and that he owned somewhat more than one-eighteenth of a line of stages, which carried the mail from Baltimore to Georgetown and Alexandria for \$2,800 a year. Whatever may be the opinion of the committee as to the strict propriety of the mode in which a compromise was effected in this case between rival contractors, (see the testimony of John Davis,) it is but proper to add that Mr. Bradley had no legal agency in influencing the decision upon the contract; nor could he have had any other agency in it, unless a corrupt disposition is presumed on the part of the then Postmaster General, who was consulted, before the contract took effect, as to the propriety of his being concerned in it; but there is no circumstance in the case to authorize such a presumption.

5. There is no evidence which, in the opinion of the committee, can justify the imputations in this charge. (See testimony of J. Eddington.)

6. It appears that bank notes, to a small amount, have been sold by Abraham Bradley, Jun. and Phineas Bradley, previous to the general depreciation of bank paper, for which they received a premium. The evidence does not prove that they made use of public money for this purpose; but, so far as a fact of this kind could be ascertained from circumstances, it proves the transaction to have been a private one.

7. It appears that a Treasury note of one hundred dollars, and bank notes to a small amount, which were supposed to be better than the money of the District of Columbia, have been returned to Postmasters. This transaction, so far as it regards the bank notes returned, is in conformity with an order of the Postmaster General to his deputies, (annexed to letter No. 2.) The only reason alleged for returning the Treasury note is, that it might have been purchased at a discount by the Postmaster, who remitted it.

8. The committee have ascertained that draughts to the amount of \$121,348 40 have been disposed of to the Union Bank,\* and to the amount of \$4,000 to the Washington Bank, and to the amount of \$15,348 25 to individuals who were not public creditors since the 1st of October, 1814, the commencement of the general depreciation of bank paper. Those draughts appear to have been exchanged at par, and, except in a few cases, for the paper of the District of Columbia. It is evident, from the rate of exchange during this period between the District of Columbia and most of the places upon which these draughts were drawn, that the purchasers must have derived an advantage other than that of a mere transfer of their funds. It has not been in the power of the committee to ascertain the value of these draughts in the paper of the District of Columbia, having no means of determining, at the several dates, the respective rates of exchange; nor did this appear to them very material, as the amount of profit which accrued to the purchasers could have but little influence upon the principle which must determine the propriety of the measure. With respect to the banks, it is stated that a small proportion of these draughts were sold for premiums, some having been exchanged for specie, and others used for the payment of debts due to other banks.

It cannot, however, be of any importance, (if the draughts were essentially more valuable than the District of Columbia paper,) whether they were employed in the payment of debts sold for specie or for bank notes of this District, with a premium for the difference of value; the principle is the same in either case; and whatever may be the amount of advantage to the individuals or the banks in this transaction, resulting from the difference of exchange, the same will be the amount of disadvantage to the Government. It does not, however, appear that any change has taken place in the practice of the General Post Office Department, in this respect, for a series of years; and, as the operation complained of is evidently the effect of an existing arrangement under a change of the circumstances of the circulating medium, it is not to be presumed that the practice has arisen out of a design to promote private interests, or to prejudice the interests of the Government. The committee are, however, decidedly of opinion that the advantage arising from the difference of exchange, as to all the moneys that are due to the Treasury, ought to accrue exclusively to the Government; but, as the Postmaster General has expressed a willingness to pay over these balances, in any way that may best accommodate the Treasury Department, the evil admits of a very simple remedy.

The facts stated in this charge are admitted to be correct, and the letter of the Postmaster General (No. 19,) contains a satisfactory explanation of the reasons for altering the terms of the contract in question; whether too much

\* Abraham Bradley, Jun. is President of the Union Bank.

was eventually given for the service, under the charges required by the Postmaster General, is a subject not in the power of the committee to decide; nor would they be justified in presuming any misconduct in a transaction that appears to have been so fairly conducted.

The committee subjoin to this report the substance of all the testimony which appeared to them in any degree material to the inquiry; also sundry communications made in writing; and beg leave to offer the following resolution, viz:

*Resolved*, That the committee appointed to investigate the conduct of the General Post Office Department be discharged from the further consideration of the subject referred to them.

*Substance of the testimony taken before the committee of investigation, &c.*

I came into the office in August last, and immediately after was placed by Mr. Seth Pease, Assistant Postmaster General, on the business previously attended to by Mr. Abraham Bradley, 3d; in the course of which I had to address some hundreds of letters to contractors for carrying the mail; and to others for incidental expenses, preparatory to their being sent to the Treasury. In the performance of which I called on some persons with whom the Department had no accounts open, which Mr. Pease observing, informed me that I was not to apply for vouchers for the larger draughts I would meet on the cash book, as they were private transactions of Mr. Abraham Bradley's, with which the Department had nothing to do. I expressed my astonishment at transactions so informal; to which he replied with a shrug, adding that, if I wished to remain in the Department, I must take no notice of this and several other matters that I would see; and intimated that there were other transactions, both of Mr. A. Bradley's, and his brother, P. Bradley, relating to their official situations in this office, that would not bear investigation. I told him that the *consequences* should not deter me from sifting the business, to come at whatever of their conduct that was improper. In the course of a few days afterwards I mentioned the tenor of this conversation to Mr. Campbell, whom I thought had the ear of the Postmaster General, willing that he should be informed by any other person than myself. I have repeatedly conversed with Mr. Edwards, Mr. Hewitt, Mr. Bestor, Mr. G. Pease, clerks of this Department, and have found but one opinion as respects these gentlemen, with respect to the government of the fiscal concerns of this office.

GEORGE W. HOWARD.

H. H. EDWARDS, clerk in the General Post Office. Draughts to the amount of \$280,000 have been sold since the declaration of war. Three draughts on the Postmaster at Boston, in favor of S. Elliot, cashier of the Washington Bank, were sold in Philadelphia for twenty per cent. premium, as appeared from Mr. Weightman's books. The postage collected in Philadelphia was deposited in a bank there; Mr. Bradley kept the check book, which would show how it was disposed of. There was money to a considerable amount received with Postmasters' accounts, a part of which was worth a premium of from seven to ten per cent. There is an erasure in the cash book: a draught of \$5,000 is now entered in the name of the Union Bank, the words "Union Bank" having been written on the erasure; but it appears that the draught, of which a copy has been sent to me from the Postmaster of New York, was drawn in favor of Elisha Riggs.

SAMUEL ELLIOT, cashier of the Bank of Washington. Mr. A. Bradley deposited, some time in October, 1814, three draughts of \$1,000 on the Postmaster at Boston, for which the General Post Office received a credit at par; there was no difference of exchange at that time between this city and Boston. These draughts were negotiated the following spring by Mr. R. C. Weightman, in Philadelphia, for about fourteen per cent. premium, which was received by the Washington Bank.

The Washington Bank received a Post Office draught on Providence, some time after, for which the Department had credit at par; this draught was sold for sixteen per cent. advance. When deposits were made in our bank by the Post Office Department, we always gave credit for them at par. We sometimes took bank notes that we would gladly have refused. The bank notes received from the Post Office Department, which were better than the notes of this District, were always paid away at par to members of Congress and others. Mr. Bradley has derived no advantage, through any agency, in relation to Post Office draughts or checks.

ELISHA RIGGS. I applied, in March last, to the Union Bank for a draught on New York of \$5,000; it was sent to me in New York about the 28th of March. I find, by examining our books, that we gave \$1,250 in specie, and paid the balance in District notes. Specie was then worth about four per cent. premium. I never paid A. Bradley, or any other person in the General Post Office, a premium for that draught or any other.

PETER LENOX. I had a Cape Fear note, in 1812, of twenty dollars; Mr. A. Bradley gave me Washington money for it, and I gave him twenty cents for the difference of exchange.

General J. B. VARNUM. I had a draught upon the Postmaster at Boston, last session, for \$500; I gave no premium for it, or for any other. When I applied for the draught, Mr. A. Bradley told me he did not know whether they had funds in Boston, and that draughts on that place were worth a premium. I did not give any premium, but received the draught.

JAMES HEWITT, a clerk in the General Post Office. I do not know that any premiums have been given for Post Office draughts. I have a list of Post Office draughts sold since October, 1812, amounting to \$28,925 71. Deposites are made by the Postmaster in Philadelphia in the Farmers' and Mechanics' Bank; but no account is opened with the bank in the books of the office. The account is kept by Mr. A. Bradley, and checks are drawn by him for moneys deposited there. No credits for these deposits are entered on the books of the Department. I have heard that two letters were written by the Secretary of the Treasury, requesting payment in better money than that of this District; but no such letters are to be found in our books.

Mr. BRANNAN, a clerk to Mr. R. C. Weightman. Mr. R. C. Weightman purchased of S. Elliot, cashier of the Bank of Washington, on the 6th of December, 1814, two draughts on Boston, of \$1,000 each; on the 29th of December he purchased another, of \$1,000. The two first were dated November 1, 1814; the last, October 31, 1814. Two of the draughts were sold by William J. Duane, in Philadelphia; the third was sold by John Rea, Philadelphia, for a premium of twenty per cent. brokerage (nine dollars) deducted. The nett premium was \$591, which was paid by Mr. Weightman to Mr. Elliot.

DAVID ENGLISH, cashier of the Union Bank. The Post Office draughts which we have received are generally transmitted to the banks in the place upon which they are drawn, and the amount placed to our credit on their books, at par. We have sold some draughts on Postmasters to the southward for a premium; also some to the eastward for specie. When we give checks upon banks whose paper is better than our own, we get a premium for them. I do not know whether the General Post Office was in our debt, or not, when we received the last draught of \$13,000 on the Farmers' and Mechanics' Bank, Philadelphia. The advantage derived from the sale of draughts or checks from the Post Office accrued to the Union Bank exclusively.

HARVEY BESTOR, a clerk in the General Post Office. My duty is to receive quarterly returns, and the cash that is sent from Deputy Postmasters. I know nothing of any Post Office draughts having been sold for a premium for the benefit of any person in the General Post Office. Some moneys are received from Deputy Postmasters, not as good as that of the District of Columbia; also some counterfeits and notes of banks that do not exist. I applied

to the Postmaster General to issue an order to prevent these remittances in future, which was done. In one settlement with Mr. Bradley, I paid him \$4,304, and I sent back forty-nine packages of notes deemed not good for various reasons.

**Question.** Do you know any thing in relation to contracts for carrying the mail, that appears to you material in this inquiry?

**Answer.** In 1810 or '11, there were bids made for carrying the mail from Baltimore to Georgetown. I have taken an extract from the book, which shows that one offer was for \$400, by Lorman, Crawford, & Co.; another was to give \$100 for the privilege of carrying it, by Tayloe & Davis. It further appears that these offers were withdrawn, and \$2,800 were given to Lorman, Crawford, & Co., and Tayloe & Davis, jointly. I have heard Dr. P. Bradley speak of his being concerned in this contract. I do not know that he explicitly said he was interested, but such was my understanding. Dr. Bradley has the charge of the proposals for contracts; but they are decided upon by the principal of the Department.

**Mr. O'NEALE.** Some years back I was in the habit of giving Mr. A. Bradley money; for which he gave me Post Office draughts; it was a convenience to me, but he never asked for nor did I ever give him any premium. I had a draught from Mr. A. Bradley upon the Postmaster at New York for \$4,364 53, last spring; but I gave no premium for it. I paid \$3,000 in Virginia money, that was esteemed equal to that of New York, and the remainder in notes of various banks; the draught was to pay a balance due for the steamboat. The boat was purchased by subscription, in which many persons are interested; Dr. P. Bradley and Mr. A. Bradley are shareholders; the latter has perhaps \$500 in it.

**Mr. SETH PEASE,** an assistant in the General Post Office. I have the care of the accountant department of the office. I know of no Post Office draughts or checks having been sold for a premium, by any person in the General Post Office.

**Question.** Have you intimated to Mr. Howard, or do you know that there are any improper transactions in the General Post Office?

**Answer.** When Mr. Howard first came into the office, I directed him to apply for vouchers from contractors and Postmasters; but informed him that there were some persons' names found on the books, to whom he need not apply for vouchers, as such accounts did not relate to the settlement with the Treasury; perhaps I may have said those accounts were private; but it is not to be understood strictly that they were private transactions. With respect to my conversation with Mr. Howard, as to any improper conduct in the Department, I had reference to draughts sold to banks and others, which the committee are fully informed of.

[Mr. Pease being requested to state in writing the mode of keeping the cash account in the General Post Office, and also what is to be understood by his expression in relation to private transactions, communicates letter No. 16—, which see.]

**Mr. HOWE,** late clerk in the Post Office Department. I purchased a draught from Mr. A. Bradley for \$1,500 upon the Postmaster at New York, for which I gave him a check upon the Union Bank; the rate of exchange was about eight per cent. I sold it at that rate. I gave no premium for it. When I applied for this draught, I reminded Mr. Bradley of some losses I had sustained while a clerk in the office, in detecting a robber of the mail in Virginia, and at another time by a mistake in counting money, in all about \$150; and urged this as a reason for some indulgence. I have never known Mr. A. Bradley, or any other person in the General Post Office, to sell Post Office draughts or checks for a premium.

**JAMES EDDINGTON.** I am a contractor for carrying the mail from Knoxville to Nashville. I made a contract about the 18th December, 1813, and on the 22d following I sold Dr. P. Bradley a pair of horses; he afterwards complained of the bargain, and I promised to present his son with a pony. About eighteen months afterwards I brought the pony and gave him to the boy; he cost me about ten or twelve dollars.

**Question.** Have you ever received any overtures from, or made any other presents to any person in the General Post Office?

**Answer.** While my proposals were pending, one of the clerks, James Hewitt, observed that he thought money might be made by insuring contracts, but it would be a very improper business. I never perceived any disposition in Dr. Bradley, or any other person, to induce me to make an offer of a present, except the suggestion of Mr. Hewitt be so considered. I presented a saddle to Mr. Hewitt before I left Washington, worth about thirty dollars.

**Mr. EDWARDS,** a clerk in the office. Mr. A. Bradley came into the room this morning, and suspended me from my accustomed employment, and assigned to me other business, viz: making out an account current; and forbade me from touching the books. I inquired of the Postmaster General if he had given this order; he replied Mr. Bradley wanted the books to make some statements, and he told him he might do as he pleased with them. I have frequently sought for the cash book, but have not been able to get it since this examination commenced. I have sent for it twice, but received for answer, "Mr. A. Bradley was using it." I had a draught for \$496 sent to me by Mr. Bestor last summer, to the eastward, the money was due me by Mr. B.; no premium was paid for it. I had another of Mr. A. Bradley, for \$300, on New York; I sent it to New York to pay debts there; no premium was paid for it to Mr. Bradley. I had another on Boston, for \$176, for which I paid Mr. Bradley District money, but no premium for it. I sent it to my brother-in-law in New York to be disposed of; it was worth, and I presume was sold for a premium, but have not had any account of it yet.

**JOHN DAVIS.** In 1810 I applied for carrying the mail from Baltimore to Georgetown and Alexandria, which was then carried by Lorman, Crawford, & Co. Having heard they intended to offer for nothing, I offered \$100 for the privilege of carrying the mail. On Monday following the Postmaster General, Mr. Granger, sent for me, and showed me into a room where Lorman, Crawford, & Co. were; Lorman asked me if I would comply with my proposals; I inquired for Mr. Granger; and when he came in, I asked whether I had a preference to the contract; he replied I certainly had, if I insisted upon it; Mr. Lorman made some complaint. Mr. Granger observed, "You had better make a compromise, such strife is ruinous," and left the room. Mr. Lorman threatened me with opposition. I left the room, and about half an hour after I got home, Mr. Granger, and Lorman & Co. came to my house; Mr. Granger said, you ought to have made an arrangement before you made your bids; you ought to do it yet; this Government does not expect individuals to work for nothing; if you can agree, I will give you the same as heretofore; we did agree, and received \$2,000 for carrying the mail from Baltimore to Georgetown, and \$800 to Alexandria. After the contract was concluded, I solicited Dr. Bradley to join me in the concern, which he did; there were four teams between Tayloe, Dr. Bradley, and myself, and eighteen belonging to the company.

Dr. Bradley had no interest whatever with me until after the contract was made. When I made the offer, I expected the result would be as it turned out.

**DAVID SHOEMAKER, ANDREW TATE, THOMAS B. DYER, J. B. VARNUM, WILLIAM BEARD, STEPHEN GRAY, JOSEPH W. HAND, CHARLES BELL, and ALEXANDER DYER,** (clerks in the General Post Office,) being severally asked if they knew of any Post Office draughts or checks having been sold for a premium by any person in the General Post Office, or of any other transaction in the office that appeared to them as improper, answered that they knew of no Post Office draughts or checks being sold for a premium by any person in the General Post Office; nor did they know of any other improper transaction.

**TOPHAM WEBSTER,** a clerk in the General Post Office, answers in like manner.

**Question.** Do you know of any sum of money being divided among the clerks at the end of the year, out of the contingent appropriations to the Post Office?

Answer. There have been sometimes a small sum, not more than thirty dollars a piece, divided among the clerks out of the *appropriation for clerk hire*, not out of the *contingent appropriation*.

ANDREW COYLE. I know of no premium having been received by any person in the General Post Office. I have been lately directed to keep the books that were kept by Mr. Edwards. I have had access to the cash books. I receive \$1,100 salary; Mr. Edwards received \$1,300. I do not know that my salary will be raised in consequence of the change.

Question. Did the Postmaster General or Mr. Bradley tell you the reasons why Mr. Edwards was taken from the books?

Answer. Mr. A. Bradley said something about Mr. Edwards's statement of the transaction respecting the Union Bank and the draught which Mr. Riggs had obtained, as a reason why he could not trust him, and had suspended him from the books. Dr. P. Bradley notified me to take charge of the books, and said it was the order of the Postmaster General.

GAMALIEL PEASE, a clerk in the General Post Office. I know nothing of any premium being taken by any person in the General Post Office. I think I have seen the cash book in Mr. Edwards's room since the committee met at the Post Office. There are considerable sums of money received at the Post Office. I had a list of about \$14,000 in notes above par. I have sent to contractors District of Columbia notes; to Virginia, Tennessee, and the Carolinas. I furnish Mr. A. Bradley an account of the money that is wanted to pay contractors; he gives a check upon the Union Bank, to be paid in notes current in the part of the country where it is to be sent.

HARVEY BESTOR, a clerk in the General Post Office. My employment has been changed in the General Post Office; on Saturday last Mr. A. Bradley directed me to give up my books and keys; I requested time to take some extracts, which was granted; I was informed by the Postmaster General, that it was his order; upon inquiry, he said no decision was made as to a reduction of my salary; I inquired if this order was in consequence of my being a witness before a committee of Congress, on the affairs of the office; he replied, Do as you are ordered, or leave the office. I obeyed, gave up the keys, and this morning left the room. Mr. A. Bradley said it was improper for clerks to take statements from the books, but that I might take what I pleased; he said he had applied to me for statements of the relative proportions of money above and below par, received in one quarter, that I had neglected or withheld them; he said this was the reason he suspended me. I had spent two days in making out statements, and when I gave them to him he said they were of no consequence, and I thought he was satisfied. I offered to give him further statements.

Question by Dr. Bradley. Did not the Postmaster General request you to make a statement of the moneys received in one quarter above and below par?

Answer. I did not understand him to that extent; but made out a statement such as I thought he wanted; there was some difficulty in making it, arising from the nature of the accounts which I mentioned to him.

Question by P. Bradley. Did you not say to me, that there was a difficulty arising from the circumstance, that the fact was different from what public opinion supposed it to be?

Answer. I did say so, and that the public opinion supposed that almost the whole of the money received at the Post Office was high premium money; most of it is better than the money of this District, and about one-fourth worth on an average of ten per cent. premium.

H. H. EDWARDS. The cash book which Mr. Edwards alleged had been concealed from him being brought, he was requested to examine it, and inform the committee what use he wished to make of it in his testimony; he referred the committee to an erasure which he had formerly shown them, but made no further statement from the books.

HARVEY BESTOR, clerk in the Post Office. I have returned money to Postmasters that was better than the money of this District. I can form no opinion of the precise sum, but it was not much; I returned a Treasury note of \$100 to a Postmaster in Beverly, Massachusetts. When I pay over the money to Mr. A. Bradley, he examines it, compares the account, and hands back the money that is to be returned, which I enclose to the Postmaster by a general order. My impression is, that Mr. A. Bradley alleged as a reason for sending back the Treasury note, that the Postmaster might purchase it at a discount; it was received January 17th, 1816.

Dr. Bradley observed to me that he hoped I did not think they meant to dismiss me; I replied that I believed they intended to punish us, if we told what we knew; he said he was sorry I should think so; and intimated to me that he hoped I would continue to think well of his brother.

MR. SETH PEASE. Mr. Crawford, of Georgetown, applied for some allowance in addition to his contract. The Postmaster General proposed to refer the subject to Mr. Howe and myself, as the Messrs. Bradley were said to be interested. Mr. A. Bradley might have been excused on account of his brother's interest. Some time before this Mr. A. Bradley mentioned to me that he had some small interest in stages.

There are two or three persons with whom we have a running account, which is not necessary to be carried into our settlement with the Treasury. Colonel Tallmadge has given Mr. Bradley draughts on some person to the South, and Mr. A. Bradley gave him a draught upon a Postmaster to the eastward; this account was closed April, 1814. There is another account of the same kind with Mr. John G. Jackson not yet closed; it may be that it appears open, because the books are not posted up; there is another of Mr. Richard Stanford, closed some time ago.

These transactions are a mere matter of exchange and accommodation between the individual and Mr. A. Bradley; sometimes the draughts exchanged do not exactly balance, and hence the name of the individual is entered on the books. There was a loss sustained by a transaction of this nature in December, 1800, of \$320, by Gen. H. Lee. We have, in some instances, done an account with contractors, by giving them credit for transportation to a small amount, to balance the books. I cannot say but there may be larger amounts. Dr. P. Bradley told me that the clerks should not take statements from the books unless they were ascertained to be correct; such was the order of the Postmaster General; and that Mr. Edwards should not touch any books but those that were put into his hands.

DAVID ENGLISH, cashier of the Union Bank, with the books containing the accounts with the General Post Office, and also the private account of each person in the General Post Office, who kept an account with the Union Bank. We have received deposits from the Post Office in notes of various banks, which we were often obliged to keep a considerable time before we could exchange them or pass them away; there were also many small notes that were very troublesome to the teller; but I consider the deposits as advantageous to the bank; they are more advantageous now than before the difference of exchange took place.

MR. TENCH RINGGOLD. I was to have been concerned in a contract for carrying the mail from Baltimore to Georgetown with Davis and Tayloe; they offered to give \$100 for the privilege of carrying it, and obtained the contract. Lorman, Crawford, & Co. were afterwards taken in, and a compromise made for \$2,000. When Davis applied to me, he said there was to be a secret partner. After the contract was made I knew Dr. Bradley to be a partner; I understood Davis to say he was the secret partner. This contract continued two years, and the third year the same persons, including Dr. Bradley, had the contract renewed at the same price.

MR. T. HUGHES. Dr. Bradley's son, William Bradley, was in business with me; we wanted some money in Philadelphia, and I requested William Bradley to apply to A. Bradley for a draught; he applied once or twice before he could get one; at length he procured a draught for \$1,555- $\frac{5}{10}$ ; we gave a check for it on the Bank of Washington, but no premium was given for it; the difference of exchange was about two per cent.

MR. HAMER said that he had a bank note of \$50 of Newbern Bank in the year 1813; he went to the Post Office to get it changed, and Abraham Bradley 3d gave him a check for \$48 50 or \$49 on the Union Bank for it. The check was not signed Abraham Bradley, *Ass. P. M. Gen.*

**SAMUEL BURCH.** In 1811 I had a \$100 Charlestown note; applied to Dr. P. Bradley to change it, who charged two dollars discount. Dr. P. Bradley had not money enough about him, and asked his brother, A. Bradley, to lend him some; A. Bradley said he had not as much in his pocket, and went to the iron chest and got the money. I considered, from what passed, the transaction as a private one; I knew of no other transaction by which any person in that office has made a profit by selling draughts or notes.

**JOHN SESSFORD** said he had been foreman for Mr. Gales. Mr. Gales requested him to go to the Post Office and get some Southern and Western notes changed; amount not more than fifty dollars. The notes were discounted by Dr. P. Bradley, at from two to five per cent.; he paid witness in notes which he took out of his pocket-book.

**JOHN DAVIS.** Question. Did you inform Mr. Ringgold there was to be a secret partner in the contract for carrying the mail from Georgetown to Baltimore?

Answer. I *might* have said to Mr. Ringgold that there was to be a secret partner, as Dr. May had made a proposition of that nature to me; but I never could have intimated such a thing in relation to Dr. Bradley, or A. Bradley, because there was no direct or indirect understanding whatever with him, or either of them, on this subject. Some time after the contract was made, and before Dr. Bradley joined me, I applied to Mr. Granger to know whether there was any impropriety in Dr. Bradley's being concerned with me; he said there was no impropriety in it.

**JOSEPH GALES.** He has exchanged money with Abraham Bradley, but gave him no premium; he has since exchanged money with Dr. Bradley at his store, for which he gave a premium. The whole amount exchanged could not have exceeded \$500; he considered these as private transactions; he never had a check on the funds of the Post Office; he has paid no premium since the general depreciation of bank notes took place.

**H. H. EDWARDS.** On the 1st January, 1814, a contract was made with Williams and others for three years to carry the mail from Washington city to Fredericksburg, for \$3,300. This contract has been superseded, and there is now given for carrying the mail from Washington to Alexandria,

From Alexandria to Dumfries,	-	-	-	\$800 00
From Dumfries to Stafford, C. H. 13½ miles short of Fredericksburg,	-	-	-	4,000 00
				<u>1,894 52</u>
				<u>\$6,694 52</u>

See letter of the Postmaster General, No. 19.

Question by A. Bradley. Have you not applied to me for a draught on New York for \$500, and been refused?

Answer. yes.

## No. 1.

SIR: WASHINGTON, February 3, 1816.

I am directed by the Committee of Investigation to request you to inform them—

1. What are the considerations that induced you to request an investigation into the fiscal concerns of the Post Office Department?
2. By whom the fiscal concerns of the Post Office Department are managed?
3. In what manner the persons who manage the fiscal concerns of the Post Office Department are responsible?
4. Where the moneys of the Department are deposited, and to whose credit?
5. In what manner the remittances of the moneys from the Deputy Postmasters are made?

And generally such information respecting the practice of your Department, in relation to its fiscal concerns, as may, in your opinion, facilitate the proposed investigation.

I have the honor to be, yours, &c.

S. D. INGHAM.

HONORABLE POSTMASTER GENERAL.

N. B. You will also be pleased to furnish the committee with a list of the names of your clerks.

## No. 2.

SIR: GENERAL POST OFFICE, February 5, 1816.

In reply to the questions of the Committee of Investigation into the fiscal concerns of the General Post Office, stated in yours of the 3d, I have the honor to reply:

*To the first.* The cause of my addressing the Speaker of the House of Representatives, inviting an investigation into the fiscal concerns of the General Post Office, was, that I became informed that a rumor had circulated among some of the honorable members, that some person or persons of the Department had drawn draughts for moneys due to the General Post Office, for which premiums had been received by them, and converted to their private benefit, and not credited to the public, or producing any equivalent for its benefit.

*To the second.* The fiscal concerns have long been managed by the Assistant Postmaster General, ever since the establishment of the Department.

*To the third.* The Assistant Postmasters General are practically responsible, by their *oaths* of office, their liability to prosecution, and removal; the law not requiring bonds.

*To the fourth.* The deposits of moneys have long been made in the Union Bank of Georgetown, to the credit of the General Post Office, by permission of my predecessor.

*To the fifth.* Moneys due from Postmasters are transmitted to the General Post Office, or the Assistant Postmaster General draws on them in favor of contractors for transporting the mails. Some Postmasters have been specially instructed to *remit*, others not to remit, but to *retain* the moneys to be drawn for as above. Those who *remit*, send their remittance in bank notes of multifarious kinds.

Lately an instruction has been sent to the Postmasters, which, on the face of it, shows the reason of its being issued. I herewith transmit one for perusal.

Respectfully, your obedient servant,

R. J. MEIGS, JUN.

The Hon. Mr. INGHAM, Chairman of the Committee of Investigation.

SIR: GENERAL POST OFFICE, November 30, 1815.

It has become impossible, from the multitude of banks which have been established, to distinguish, at the General Post Office, genuine notes from counterfeit, and to know which banks are substantial; and a loss has been sustained on both accounts. The adoption of the following rule has, therefore, become indispensable; that no bank note be remitted here from any Post Office, other than notes of chartered banks, issued at the principal commercial town of the State in which the Post Office is situated. If such bank notes cannot be procured, the balances are to be retained until drawn for.

A Boston note is not to be forwarded from a Post Office in Pennsylvania, nor a Philadelphia note from a Post Office in Massachusetts.

R. J. MEIGS, JUN. Postmaster General.

No. 3.

SIR:

GENERAL POST OFFICE, February 5, 1816.

I transmit the following statements and observations in reply to yours requesting general information respecting the practice of the General Post Office.

When I first entered on the duties of the office, in 1814, I learned that the deposits were made in the Union Bank of Georgetown, and, on inquiry, understood that the bank was chartered, of solid and secure basis and credit, and that the Assistant Postmaster General was president of the bank; to such presidency, I could not perceive any just objection; many respectable officers of Government within the District being presidents of banks, and since, I have discovered, that the bills of that bank are more current abroad when sent; one reason for their currency was, the signature of the president was known (by means of his correspondence) to every contractor and Postmaster.

Having been applied to by officers of other banks, to have the receipts of the General Post Office deposited in their bank, my reply was, that "the deposits were considered safe in the Union Bank; that I had no personal interest or preference, and that I would direct the deposits wherever the Secretary of the Treasury should desire or direct for public convenience." No such desire or direction was ever expressed or given.

Of the vast variety of bank bills remitted by Postmasters, some are genuine, some spurious, current and uncurrent. It has been a usage of the Department to exchange one bill for another, to accommodate members of Congress, officers of Government, pupils at colleges and others, as well as to draw bills in their favor, and receive paper current at the seat of Government; such accommodation was always for the convenience of the applicant, and not with a view to profit. Premiums were neither spoken nor thought of. It is true that since the seclusion of specie, premiums might have been obtained to no very considerable amount, and carried to the credit of Government, but as there was neither law, usage, regulation, or treasury instruction in favor of such practice, it was not adopted. To have adopted such practice would, in my opinion, have degraded the Department, and reduced it to the standard of a brokerage office; and I did think, during the fluctuating rates of exchange paper, that such accommodating course was more creditable to Government than the amount of premiums could be useful. In drawing draughts, the Government had preference, whenever its agents applied.

During the last summer, the commissary general of prisoners applied for draughts on the Northern and Eastern States, to accommodate the arrival of cartels from England, (see his letter, No. 531, accompanying this.) The Postmaster General was directed to draw in his favor for all that was due in those States; this he cheerfully did to the amount of between 50 and 60,000 dollars, and on a subsequent application, 20,000 dollars was, and is yet, retained in Albany and New York, for his disposal whenever called for.

These are the only applications for draughts by any public officer for public service, since my superintendence of the Department.

In relation to the collection of balances due the General Post Office, it appears that during twenty-six years, and from the commencement of the establishment of the General Post Office under the present constitution, one hundred and six suits have been directed to be instituted for balances, and that during the years 1814 and 1815 two hundred and eleven suits have been directed. See Assistant Postmaster General Pease's certificate, No. 4.

A state of war diminished private correspondence, and reduced the amount of postage received; while at the same time the expenses of the Department were greatly augmented, by the establishment and conducting of military expresses; so that the revenue was then small.

Since the return of peace, the increased activity of commerce and business, and the abolition of the military express establishments, the revenue has augmented, and the Assistant Postmaster General has paid into the Treasury of the United States one hundred and thirty-five thousand dollars, being the produce of two quarters.

The Assistant Postmaster General will present you a schedule of the draughts drawn, for whom, and on what account.

Very respectfully, your obedient servant,

R. J. MEIGS, JUN.

Honorable Mr. INGHAM,

*Chairman of Committee of Investigation into the fiscal concerns of the General Post Office.*

No. 4.

SIR:

COMMITTEE ROOM, February 5, 1816.

I am directed by the Committee of Investigation to request that you will inform them whether any bank notes have been received since the 30th of September, 1814, at the General Post Office, from Deputy Postmasters in those parts of the United States between which and the District of Columbia the exchange was unfavorable to the latter; and, if any, where have such notes been deposited; and in what money have the checks for these deposits been paid; and that you will furnish the committee with a list of the names of persons to whom draughts upon Deputy Postmasters, or the banks in which they deposited their moneys, have been sold since that time, designating those who were not public creditors, if there were any such.

I have the honor to be, &amp;c.

SAM. D. INGHAM.

Honorable POSTMASTER GENERAL.

No. 5.

SIR:

GENERAL POST OFFICE, February 7, 1816.

In answer to your inquiry "whether any bank notes have been received at the General Post Office from Postmasters since 30th of September, 1814, in those parts of the United States between which and the District of Columbia the exchange was unfavorable to the latter; and, if any, where such notes have been deposited; and in what money the checks for those deposits have been paid," I reply that the moneys (received from Postmasters) were of every description, and from every section of country, and deposited in the Union Bank of Georgetown, D. C. No register or account of particular notes was taken in this office. A remittance of a quarterly balance often contained a number of bills of various banks.

I send a certificate of the cashier of the Union Bank, and Dr. Bradley will present you with the book in which the money is entered as it arrives; both of which will afford a general explanation, though not any specific sum or sums which have been received, and which were better than District money.

Conforming to your request, I send you a schedule of draughts.

The letter P, in red ink, denotes public officers, of various descriptions and grades, and members of Congress. Those for General Mason were for public service.

Respectfully yours,

R. J. MEIGS, JUN.

Honorable SAMUEL D. INGHAM,

*Chairman of Committee of Investigation of the fiscal concerns of the General Post Office.*

No. 6.

SIR:

UNION BANK OF GEORGETOWN, February 6, 1816.

I feel at some loss in answering the question as to the proportion of notes deposited in this bank by the General Post Office which were considered of greater value than those of this District. I have frequently counted the money

brought here, but no entry was made of the notes which distinguished the kind; and I can only say, by conjecture, that the amount of such notes was much less than that of notes less valuable than those of this District. The proportion of small notes (to wit, of one, two, and three dollars) was also very great, which made them of much less value than large notes.

We have generally paid out to individual applicants with checks from your Department our own notes, or those of more value, at the request of the applicants. We always sent, as far as we had them, such notes as were asked for by your Department.

I am, with respect, your obedient servant,

D. ENGLISH, *Cashier*.

R. J. MEIGS, Esq., *Postmaster General*.

P. S. Formerly we did not receive any papers on deposit except from New York to Virginia, inclusive; but we took from your office every description; and until a difference of exchange arose, distant notes lay on hand very long, and we had of such uncurrent notes a large sum.

Ohio notes we could not get people from that State to take, as they preferred notes of this quarter of the country.

No. 7.

UNION BANK OF GEORGETOWN, *February 6, 1816.*

SIR: In answer to your request to know what proportion of the money deposited by your office in this bank has been such money as was above par; there have no accounts been kept in bank of the different moneys deposited; but, from what I can recollect, and from conversation with the other officers of the bank, do suppose that the money above par, in proportion to that below par, may be nearly as one to four. These two things are the only ones conversed about in bank, and therefore I can form no conjecture about the amount or proportion of District or par paper.

Respectfully yours,

L. MACKALL, *Teller*.

R. J. MEIGS, Esq., *Postmaster General*.

No. 8.

UNION BANK OF GEORGETOWN, *February 13, 1816.*

SIR: I have carefully examined our books since I was before the committee, and find that, prior to August, 1815, we never received any premium for draughts, or bank checks, or notes, disposed of in any way. I stated to the committee that draughts on Boston, &c. had been exchanged for specie, and draughts on New York had been exchanged for part specie and part current notes.

The total amount of premiums placed to the credit of profit and loss account for draughts, bank checks, and bank notes, commencing August 1, 1815, is	-	-	-	\$2,302	69
Of this sum, premiums for checks, &c. where we had funds, not received directly or indirectly from the Post Office Department,	-	-	-	908	85
Premiums on Post Office draughts,	-	-	-	\$1,393	84
				728	40
Leaving a balance of	-	-	-	\$665	44

Which last sum was made up of premiums received for deposits, derived in part from the General Post Office, and in part from other sources.

I am, with respect, your obedient servant,

D. ENGLISH, *Cashier*.

Hon. Mr. INGHAM.

No. 9.

*Copy of a letter from Mr. Ingham to D. English.*

SIR: WASHINGTON, *February 19, 1816.*

Yours of February 13th has been received. I am directed to inform you that it does not enter sufficiently into detail for the satisfaction of the committee. You will therefore be pleased to communicate to the committee a transcript of your books, showing what disposition has been made of each of the Post Office draughts received by you since the 1st October, 1814; that is to say, a detailed statement, showing—

1. What draughts have been transmitted to pay balance due to banks, specifying the draughts, banks, and what advantage or loss, if any, accrued in the transactions.
2. What draughts have been sold for bank notes, or otherwise disposed of at par.
3. What draughts have been sold for a premium, to whom sold, and the amount of premium on each.
4. What draughts have been sold for specie, and to whom sold.
5. What draughts have been deposited with banks, and the amount of premium obtained for the checks for these deposits.

You will accompany these statements with their proper dates, and will also state to the committee the amount of balance due to the Post Office Department by the Union Bank at the end of each quarter of the calendar year since the 1st October, 1814, and you will be prepared to verify these statements by an exhibition of your books, when called upon for that purpose.

I have the honor to be, &c.

S. D. INGHAM.

No. 10.

UNION BANK, GEORGETOWN, *February 22, 1816.*

SIR: Since the receipt of your letter of the 19th, I have examined the General Post Office account, and referred to the original entries; from which I have made a list of all the draughts deposited in this bank from that Department, with remarks annexed, which will show how they were disposed of. I have also arranged them under specific heads, which, I trust, will be satisfactory to the committee. I also enclose a statement of the book-keeper, showing the balance appearing to the credit of the General Post Office at the end of each quarter of the calendar year, since 1st October, 1814.

I am, with respect, your obedient servant,

D. ENGLISH, *Cashier*.

S. D. INGHAM, Esq.



No. 11.

A list of draughts received from the General Post Office, and deposited to the credit of that account, since October 1, 1814.

November 9, 1814.	Draught on Richmond, \$2,500, paid to Farmers' Bank of Virginia.
November 9, "	Draught on Norfolk, \$2,000, paid to Farmers' Bank of Virginia.
November 9, "	Draught on Fredericksburg, \$1,000, paid to Farmers' Bank of Virginia.
November 13, "	Draught on Baltimore, \$4,000, paid to Farmers' and Merchants' Bank of Baltimore.
December 13, "	Draught on Boston, \$1,000, exchanged for specie.
December 31, "	Draught on Boston, \$500, exchanged for specie.
January 5, 1815.	Draught on Boston, \$2,000, exchanged for specie.
January 5, "	Draught on Charleston, S. C., \$2,500, paid to Farmers' and Mechanics' Bank, Philadelphia.
January 5, "	Draught on Savannah, \$1,000, paid to Farmers' and Mechanics' Bank, Philadelphia.
January 5, "	Draught on Augusta, \$700, paid to Farmers' and Mechanics' Bank, Philadelphia.
January 7, "	Draught on New York, \$12,000; (\$3,000 specie, \$9,000 District notes received for this.)
January 7, "	Draught on Philadelphia, \$4,000, paid Farmers' and Mechanics' Bank, Philadelphia.
January 25, "	Draught on Salem, \$650, exchanged for specie.
January 25, "	Draught on Newburyport, \$350, exchanged for specie.
January 30, "	Draught on (2) Portsmouth, \$600, exchanged for specie.
May 2, "	Draught on New York, \$5,000, (E. Riggs,) part specie, balance District notes.
May 4, "	Draught on Norfolk, \$5,000.
May 4, "	Draught on Richmond, \$5,000, paid to Farmers' Bank, Virginia.
May 6, "	Draught on Salem, \$777 50, to W. S. Nicholls, for specie.
July 17, "	Draught on New York, \$6,500, to Bowie & Kurts.
July 28, "	Draught on Baltimore, \$4,000, paid a Baltimore bank.
May 2, "	Draught on Boston, \$3,000, to W. S. Nicholls, for specie.
September 25, "	Check on Philadelphia, \$5,400.
November 6, "	Draught on Baltimore, \$7,000, paid Bank of Columbia.
November 6, "	Draught on Boston, \$2,000, to W. S. Nicholls, for specie.
November 6, "	Draught on Boston, \$1,000, to W. S. Nicholls, for specie.
November 20, "	Draught on Richmond, \$7,500, paid Bank of Virginia.
November 20, "	Draught on Norfolk, \$4,000, paid Bank of Virginia.
November 20, "	Draught on Petersburg, \$1,000, paid Farmers' Bank of Virginia.
November 20, "	Draught on Cincinnati, \$1,525, paid to R. Ober, for District funds; it was not worth par.
November 20, "	Draught on Charleston, S. C., \$4,000, } Sold to Mr. W. S. Nicholls, and received a pre-
November 20, "	Draught on Savannah, 4,000, } mium of \$728 40.
November 20, "	Draught on Georgetown, S. C., 400, }
November 29, "	Check on Philadelphia, \$13,500, to Farmers' and Mechanics' Bank, Philadelphia.
November 29, "	Check on Baltimore, \$4,945 90, Mechanics' Bank, Baltimore.
November 29, "	Check on Baltimore, \$1,000, now on hand.

The foregoing list of draughts shows the following specifications:

1. That \$60,645 90 were remitted to other banks where we had accounts, and no benefit arose but that of paying our debts, as all transactions with other banks have been at par, neither paying nor receiving any premium.
2. That only one draught (viz. on Cincinnati, for \$1,525) has been exchanged for District funds at par.
3. That only three draughts have been sold and premiums obtained, which were entered to credit of profit and loss, producing \$728 40, viz:

Draught on Charleston,	\$4,000	} Sold to W. S. Nicholls.
Draught on Savannah,	4,000	
Draught on Georgetown, S. C.,	400	

4. Those exchanged for specie are as follows, viz:

Boston,	-	-	-	\$1,000 00	
Boston,	-	-	-	500 00	
Boston,	-	-	-	2,000 00	
Boston,	-	-	-	3,000 00	} Wm. S. Nicholls.
Boston,	-	-	-	2,000 00	
Boston,	-	-	-	1,000 00	
Salem,	-	-	-	650 00	
Newburyport,	-	-	-	350 00	
Portsmouth,	-	-	-	600 00	
Salem,	-	-	-	777 50	Wm. S. Nicholls.
				<u>\$11,877 50</u>	

Part of the above were exchanged with John Peabody, but there is no entry to whom, except those to Wm. S. Nicholls. The \$12,000 draught on New York, I stated to the committee had been disposed of for \$3,000 specie, and \$9,000 District funds.

5. In the fifth specification required, I cannot say that any draught deposited in banks has been drawn out by checks for which a premium has been received. Checks on Philadelphia and Baltimore have been sold, but we had funds there not derived from the Post Office deposits. I stated in my letter of the 14th that the whole amount of such premiums was \$908 85.

There are two or three draughts that I do not find how they were disposed of, but it is most probable they were exchanged for notes of this bank when we were applied to from other banks. If they had been sold, I should have found some entry of them. We made none when an exchange for specie in whole or in part was made, nor when banks with whom we kept no accounts sent here to make exchange of notes.

I am, with respect,

E. ENGLISH, *Cashier Union Bank of Georgetown.*

FEBRUARY 22, 1816.

No. 12.

UNION BANK OF GEORGETOWN, February 20, 1816.

There stood to the credit of the General Post Office on the books of this bank:

1st October, 1814,	-	-	-	\$30,893 88
1st January, 1815,	-	-	-	11,204 34
1st April, 1815,	-	-	-	21,619 43
1st July, 1815,	-	-	-	28,281 17
1st October, 1815,	-	-	-	56,596 11
1st January, 1816,	-	-	-	61,334 87

The above shows the balances on hand at the several periods, but various checks were made on the bank which were not presented for payment until some time after date.

WM. THOMSON, JUN., *Book-keeper.*

## No. 13.

SIR:

WASHINGTON, February 19, 1816.

I am directed by the Committee of Investigation to request that you will inform them whether any application has been made, by letter or otherwise, to the General Post Office Department, for the payment of the balance due to the United States from that Department in other money than that of the District of Columbia.

I have the honor to be, &c.

S. D. INGHAM.

HON. A. J. DALLAS, *Secretary of the Treasury.*

## No. 14.

SIR:

TREASURY DEPARTMENT, February 21, 1816.

I have the honor to acknowledge the receipt of your letter dated the 19th instant, requesting, on behalf of the Committee of Investigation upon the Post Office, information whether any application, by letter or otherwise, has been made to the General Post Office Department, for the payment of the balance due to the United States from that Department, in other money than the money of the District of Columbia.

In compliance with your request I have the honor to state that no application, by letter or otherwise, has been made to the General Post Office Department upon the subject of your inquiry. It appears, however, that a desultory, unofficial conversation passed between the Assistant Postmaster General and Mr. Sheldon, one of the chief clerks in this office, which may be considered as, in some degree, connected with your inquiry; and, therefore, I transmit to you Mr. Sheldon's statement of the conversation.

I am, very respectfully, sir, your most obedient servant,

A. J. DALLAS.

The Hon. S. D. INGHAM.

## No. 15.

FEBRUARY 20, 1816.

A day or two before the close of the last year, Mr. Bradley, the Assistant Postmaster General, came to the Treasury to inquire whether a payment, which he was about to make into the Treasury, might not be made to the credit of the Treasurer in the Union Bank of Georgetown. Not being able to see the Secretary of the Treasury at the time, he came to me and made the inquiry. I told him, of course, that he could obtain a definitive answer only from the Secretary of the Treasury himself; but the principles which had regulated the deposits of public money here, as far as I understood them, were against the mode he proposed; as the Union Bank had hitherto only been employed to receive deposits of moneys loaned to the United States, by such persons as found it most convenient to pay the amount of their loans into that bank, but that moneys arising from revenue had never been deposited there. In the course of the conversation I told Mr. Bradley that I thought, since the difference in the value of money in different parts of the United States had arisen, the revenue derived from the Post Office ought, like the other revenues, to be paid to the Treasury at the places where it accrued, and was actually paid by the people. He said that it had heretofore usually been paid at this place, and that their operations were conducted upon the plan of continuing to make the payments in the same way; but that the mode could be changed, at least as to some parts of the Post Office revenue, if it should be thought necessary. He said that the postage was received by the Deputy Postmasters throughout the United States in all sorts of bank notes; and he supposed the Treasury would find an inconvenience in receiving them specifically. Some further conversation took place as to the power of the Postmaster General to give directions as to the kind of money to be received in payment of postage, and of the power of the Treasury to decide as to the kind of money to be received into the Treasury from him, when it should be other than the lawful money of the United States. But the whole of this conversation was desultory, and had not, at least in my estimation, any thing official about it. When Mr. Bradley left me, I was under an impression that he still meant to see the Secretary of the Treasury, as to the payment into the Union Bank; but I believe he did not see him afterwards. The payment was made on the same day, or the day following, of \$51,150 16, into the Bank of Washington, and \$23,849 94, into the Bank of Columbia. I do not recollect any thing further which is material to Mr. Ingham's inquiry.

DL. SHELDON, JUN.

## No. 16.

WASHINGTON CITY, February 22, 1816.

SIR:

Yours of the 19th instant is received, requiring of me to state in writing "the mode of keeping the cash account in the General Post Office, and what the committee are to understand by my suggestion of a private account being kept by Mr. A. Bradley, between the General Post Office and banks or individuals;" in compliance with which I have to state, that the cash account is kept in a book called the cash book; where cash is debited for all moneys paid over to the General Post Office, on account, which includes remittances, payments into bank, by Postmasters, to the credit of the General Post Office; the appropriation for salary and clerk hire; and draughts on Postmasters, such as have been sold by Mr. A. Bradley, Assistant Postmaster General, either to banks or individuals; but cash is not debited for draughts on Postmasters, issued for the payment of contractors and agents of the Department. Cash is credited for all disbursements of the Department which are paid by Mr. A. Bradley, whether in specie, bank bills, or checks, to contractors and agents; for salary payments; for incidental expenses, &c.; also, for payments made to the Treasury of the United States. At the end of each quarter, the balance is struck between the debits and credits, which balance exhibits the amount of cash in the hands of the Postmaster General; or, as is understood, in the hands of Abraham Bradley, Jun., Assistant Postmaster General; who, for years past, has been intrusted with keeping the cash and the cash account. The cash book has of late years been considered a journal, or a part of the journal, and as such is posted into the ledger, where the same quarterly balances are exhibited as in the cash book. I am not able to state how the cash account is kept between the General Post Office and the banks, for this business of course devolves on Mr. Bradley, and the duties assigned to me require not that knowledge; nor has my curiosity led to it. Indeed, it has been my impression that the books which he may have kept for that purpose were so far *private* as to make it improper for me to inspect them without his permission. I have already observed that the balance per cash book shows what amount is in the hands of the Postmaster General, or rather his assistant Mr. Bradley; but neither the cash book nor ledger will show the precise situation of the moneys—as what is in deposit at the different banks, and how much in the iron chest of the office; for the bank accounts are not posted into the ledger.

From what has been advanced in relation to the accounts kept by Mr. A. Bradley with the several banks having deposit moneys of the General Post Office, it is presumed the honorable committee will understand in what point of view I consider those accounts kept private. It has been stated by Mr. Howard, (clerk in the General Post Office,) that, having occasion to point out to him what kind of entries in the cash book required a voucher in making out our accounts with the Treasury, I also told him that a certain description of the entries did not require any, and gave him to understand that such were kept private, &c. That the committee may fully understand me on this point, I think it proper to state that such entries are for draughts on Postmasters, drawn by Mr. A. Bradley, Assistant Postmaster General, and sold by him to banks or individuals, and for which the Postmasters receive a credit, and cash is debited for the amount; thus far it becomes a public account, and is kept as such. But in relation to the

negotiation between Mr. Bradley and the purchaser, it may be otherwise; as, for instance, if the draught is obtained wholly or partially on credit, it might require an account to be kept, which I consider as a private account of his, whether the same is made to appear on the ledger or not.

I am, very respectfully, your obedient servant,

SETH PEASE.

To Hon. S. D. INGHAM,

*Chairman of the committee appointed to inquire into the fiscal concerns of the General Post Office.*

No. 17.

In the first stage of the business about the fiscal concerns of the General Post Office, and while the subject of investigation was before the Committee of Post Offices and Post Roads, Harvey Bestor, a clerk in the General Post Office, volunteered several conversations with me on the pending inquiry; he said, in one of the interviews, "that Mr. Bradley (meaning A. Bradley, Jun. Assistant Postmaster General) was, in his opinion, as honest a man as any in the country; and that he did not believe he ever did a dishonest act in his life; that he was obliging to every person in the office about advances and every thing else; and that they acted very wrong in injuring such a man; and that he had told them so a number of times, but they would not stop with all he could say." I inquired of him whom he meant. He said "those in the big room." I observed that there were several in that room, and I asked him whether he meant all? He said "that he meant Mr. Edwards and Mr. Hewitt, as the most active among them; and that there was one at the west end of the office who I guess is worse than they." I asked him what their object was; he said "to turn out Mr. Bradley; but he told them that they would not succeed, and that they ought not to."

A few days after he said "that he was to be turned out, he was told, for siding with Edwards and Hewitt." I inquired who said so. "I don't like to tell," he replied. I pointed out Edwards and Hewitt as the informants; he said "it was very true the story came through them, but somebody else told them so, and he supposed it was true." I then observed there was no data for such a declaration, and that their object was to obtain his co-operation; learning soon after, from a confidential source, that he began to act with those men, Edwards, and Hewitt, and Howard, I had no further conversation with him until the 7th of February. I met the Postmaster General and Bestor in the passage; the Postmaster General there told Bestor that he wished him to make out a statement and hand it to me, relative to the proportion of bank notes received by him from Postmasters of such part as was above par, such as was below par, and such as was District or equal to District paper.

I observed to Bestor that he had two facts on which he could found an estimate; the one was the case of General Mason, the other was that of Mr. Pease, if he thought those fair comparisons. He came to my room within an hour, and said, that "the fact and public opinion so much disagreed, that he did not know what to do." I observed that public opinion I knew not, and that the Postmaster General wanted the facts alone to show to the committee. Just before 3 o'clock, he returned again, and said that he "really did not know what to do; for the fact was that there was but a small proportion of good or Eastern money, and that the public opinion made it a great deal; and that he should like to see the statement of Mr. English and Mr. Mackall (officers of the Union Bank) before he made his." I told him he could not be indulged with their perusal, as the Postmaster General wanted a statement from him, founded on his best judgment, and that I should want it the next day. About 1, P. M. on the next day, he came again to my room, and said, "he could not make out a statement that would do; for the fact and public opinion was wider than he thought they were yesterday, and that Mr. Edwards insisted upon it that there was a great deal more Eastern paper than there really was, and that he had told Mr. Edwards so, and besides he had handed to Mr. A. Bradley a list from his books that he guessed might answer." I then told him that that list was useless, inasmuch as I should place his book before the committee, and that he could make the statement in fifteen minutes, if so inclined; and I urged him to have one ready the next morning, that I might hand it, with many other papers, to the committee. The morning came, and he was still unprepared, and said, "he could not make one to suit." I inquired what he meant by so saying; he said that "he did not like to say," and left me distinctly to understand that it was Edwards whom he could not suit with the statement. I have detailed the substance of his (Bestor's) remarks, and I believe of his words.

PHINEAS BRADLEY.

WASHINGTON COUNTY, *Columbia District:*

This 11th day of March, 1816, personally appeared before me, the subscriber, a Justice of the Peace in and for the said county, Doctor Phineas Bradley, who made oath on the Holy Evangelists of Almighty God that the within statement is just and true as it stands stated, to the best of his knowledge and belief.

JAMES M. VARNUM, J. P.

No. 18.

GENERAL POST OFFICE, *March 11, 1816.*

SIR:

I herewith return the papers and documents which you sent me from the Committee of Investigation; also a letter from Mr. Bradley, Assistant Postmaster, to me, for the perusal and consideration of the committee. Although Mr. S. Pease and Mr. Bestor have not, in their testimony, as regards myself, related correctly, yet I shall not make any comments. Permit me to refer you to my letter of the 5th of February, to which, I think, the testimony conforms, and to which I only add, that, subsequent to that time, I have, upon request of the commissary general of prisoners, drawn for, and appropriated to his (public) use, thirty-five thousand dollars.

Respectfully, your obedient servant,

R. J. MEIGS, JUN.

Hon. S. D. INGHAM, *Chairman of the Committee of Investigation, &c.*

No. 19.

GENERAL POST OFFICE, *March 20, 1816.*

SIR:

The proposal of George Williams, Hazlewood Farish, John Davis, and William Crawford, was accepted in the autumn of 1813, for the due transport of the mail between the city of Washington and Fredericksburg, Virginia, and a contract was entered into with those gentlemen, to take effect on the 1st of January, 1814, and to continue until the 31st of December, 1816, at the rate of \$3,300 per annum. The parties understood, at the time of contracting, that they were to carry the letter mail on horseback, and the newspapers in stages. When the state of the roads was such as to prevent the regular transport of the mail by stages, in conformity with the schedule annexed to the contract, that post route was thus divided by the contractors: Messrs. Davis and Crawford were to transport the mail between Washington city and Alexandria, at the rate of \$800 per annum, and Messrs. Farish and Williams were to have \$2,500 for the transport of the mail between Alexandria and Fredericksburg. In the month of November, 1813, that part of the route from Alexandria to Dumfries was assigned to Col. John Tayloe. The contract, it will be observed, had not yet commenced. Late in the month of November, 1813, this office was advised by the Secretaries, and it is believed by the President, to send the entire mail, newspapers as well as letters, with the greatest practicable speed during the state of war. With a view to do justice between the public and individuals, an agent of this office was instructed to make an estimate of the expense that would be necessarily incurred

by sending the entire mail in curricles at all seasons of the year, the mail being altogether too large to be transported on horseback. His estimate was compared with two others made in the office, and found to be judicious.

A new system was then agreed on, and it was decided that the entire mail should be carried at all seasons of the year, and an adequate compensation, as was supposed, was allowed for that service. Colonel Tayloe engaged to transport the mail on his part, and Messrs. Williams and Farish on theirs, in curricles. On my arrival in this office, it was intimated to me that Colonel Tayloe did not carry his mail with regularity; he stated that every practicable exertion was made, though sometimes unsuccessful. At length we undertook to transport the route assigned to him through our agent; he succeeded tolerably well, but the business was found to be both troublesome and expensive. I therefore sold the property belonging to the office to Colonel Tayloe, and entered into a new contract with him, which was unquestionably advantageous to the public, and he has carried the mail punctually. The steamboat has destroyed all the profits of stages between Alexandria and Fredericksburg; in fact, I understand that the proprietors have now decided not to run stages on that route any more, and they have no alternative but to carry the mail in curricles at a great expense.

This statement is substantially the same as that made by Doctor Bradley on Tuesday last to your honorable committee.

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

R. J. MEIGS, JUN.

HON. SAMUEL D. INGHAM, *Chairman of the Committee of Investigation.*

15th CONGRESS.]

No. 35.

[1st SESSION.]

### INDEMNITY FOR MONEY LOST IN THE MAIL.

COMMUNICATED TO THE SENATE, JANUARY 19, 1818.

The Committee on Post Offices and Post Roads, to whom was referred the petition of Alan Farquhar, of the State of Ohio, respectfully report:

That the petitioner declares, under oath, that he did, in June last, enclose in a letter six hundred dollars, which letter and enclosure he delivered to Anderson Judkins, to deposit in the Post Office at Steubenville, to go by mail to the city of Philadelphia. The said Judkins testifies that he delivered said letter to the Postmaster at Steubenville, or some person acting in his place. A certificate from a number of inhabitants of said State, that said "Farquhar is a respectable citizen, in whose statements every confidence may be placed," accompanies the petition.

This sum of six hundred dollars Mr. Farquhar prays Congress to reimburse him.

Admitting the facts to be as above stated respecting the loss of the money, the committee are of opinion that it furnishes no solid ground for a claim upon the United States. Government established the Post Office Department for the accommodation of the citizens, but it never intended to become *responsible* for the safe transmission and delivery of all letters and packages intrusted to this mode of conveyance: such a course would subject it to innumerable impositions. All that it promises, and all it can perform, is to endeavor to employ none but faithful agents; to dismiss and bring to condign punishment such as are found unfaithful; and, if possible, to recover and restore any property which may have been embezzled.

The committee, therefore, recommend for adoption the following resolution:

*Resolved*, That the prayer of the petitioner ought not to be granted.

15th CONGRESS.]

No. 36.

[1st SESSION.]

### PROPOSITION TO ESTABLISH A BRANCH OF THE GENERAL POST OFFICE IN ONE OF THE WESTERN STATES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, APRIL 11, 1818.

Mr. INGHAM, from the Committee of Post Offices and Post Roads, to whom was referred a resolution to inquire into the expediency of establishing in one of the Western States a branch of the General Post Office, for the purpose of making contracts for the conveyance of the mail, and to correct abuses in that Department, reported:

That, in an establishment of such extent as that of the General Post Office of the United States, it is not to be expected that the most perfect system of responsibility, executed with the most untiring vigilance, could at all times secure the public from every species of irregularity and abuse; and when it is considered how many persons are employed as Postmasters, whose emoluments offer no inducement to a diligent attention to their duties in the appointment of whom in sparse settlements there is often not an alternative in the choice; and also that the rapid extension of the post routes requires, annually, the employment of untried mail carriers, whose want of experience or capacity, and the frequent interruptions from bad roads, high waters, and various accidents to which such undertakings are always liable, cannot fail to occasion irregularities in the progress of the mails. It is a matter of gratulation and surprise that so few interruptions and losses are experienced.

The committee are not aware of any thing peculiar in the situation of the Western States that demands an alteration of the establishment with respect to them; nor have they been able to discover by what means a division of it in the manner suggested by the resolution, by locating one branch remote from the seat of Government, and consequently more difficult of access to the Representatives even of the States for which it might be established, would secure a more effective responsibility than when the whole is subject to the immediate direction and inspection of a general head, where the advantages of long experience are strengthened by a uniformity of proceeding, and secured by the direct responsibility of that head to the executive and legislative branches of the Government. The