

19th CONGRESS.]

No. 59.

[1st SESSION.]

DEFALCATION OF A DEPUTY POSTMASTER.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 2, 1826.

Mr. INGHAM, from the Committee on the Post Office and Post Roads, to whom was referred the petition of Samuel B. Crocket, late a postmaster at Frankfort, Kentucky, reported:

That the petitioner prays to be released from the payment of a judgment for the sum of \$1,827 01 obtained against him at the suit of the Postmaster General. The ground on which the petitioner asks relief is, that he had been authorized by the custom of the country to receive postages in the notes of the Bank of Kentucky, of which he had a considerable sum in hand at the time that bank stopped payment, viz. on the 31st of December, 1819, by which he was compelled to pay subsequent drafts from the General Post Office at an advance upon the Kentucky Bank notes of from fifty to one hundred per cent.

It is not improbable that the petitioner may have sustained some loss by the cause above stated, but there is no evidence before the committee showing the amount of Kentucky Bank notes on hand, or his deposits in that bank at the time of its failure, or of the rate of depreciation of those notes; but it appears, from the documents furnished by the petitioner, that, had the balance been struck between him and the General Post Office Department on the day of the failure of the bank, he would have been indebted in the sum of \$1,999 79; and, had the whole of this sum been in hand, in Kentucky Bank notes, on that day, (which is not alleged, nor at all probable,) and the depreciation of those notes been at the current rate stated by the petitioner, viz. fifty per cent., his only loss would have been half the amount of the above balance, *provided he had paid it up*. This balance was, however, subsequently reduced to only \$1,395 54; and the only loss which the petitioner could, in any event, have sustained by the causes alleged would have been the depreciation on the difference between \$1,999 79 and \$1,395 54, viz. \$604 25, which, at fifty per cent., would have occasioned a loss of \$302 12½. It is impossible, therefore, for the committee to agree to the petitioner's conclusion that he has been compelled to pay more than was due to the General Post Office Department, even according to his own premises. But this question involves a principle which ought not to be lost sight of in determining all similar cases.

The constitution requires that "all duties, imposts, and excises shall be uniform throughout the United States." Postage duties are undoubtedly embraced in this provision; and Congress has declared, by a resolution passed 20th April, 1816, that "no duties, taxes, debts, or sums of money, accruing or becoming payable to the United States, ought to be collected or received otherwise than in the legal currency of the United States, or treasury notes, or notes of the Bank of the United States, or in notes of banks which are payable, and paid on demand, in the said legal currency of the United States." Then, in order to preserve the uniformity of the taxes, duties, &c., it is required that they shall be paid in the currency of the same character in every part of the Union. In this case, the petitioner became indebted to the United States for the amount of the postage duties received by him, which could only be paid in the description of money prescribed by the resolution of Congress; and now, to release him from the payment of the judgment, on the ground which the application rests upon, would be to infringe the uniformity of obligation imposed upon public debtors by the aforesaid resolution, if not indirectly to violate a very sacred provision of the constitution; for, if a collector shall be permitted to pay over duties to the Government in notes not equal to the legal currency of the United States, how much more strongly might other debtors, and those who had duties to pay, claim the right to pay their dues in the same description of paper? And it could not be pretended that duties, &c. were uniform when they were thus paid in currencies of unequal value, having no reference to any generally established standard whatever. These principles, in the opinion of the committee, decide this case conclusively against the petitioner; and they submit the following resolution:

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

19th CONGRESS.]

No. 60.

[1st SESSION.]

EXTRA ALLOWANCE MADE TO A MAIL CONTRACTOR.

COMMUNICATED TO THE SENATE, MARCH 13, 1826.

Mr. JOHNSTON, from the Committee on the Post Office and Post Roads, to whom was referred the petition of John Donly, made the following report:

John Donly was the mail contractor from Nashville, Tennessee, to Columbus, in Mississippi. In 1820, the mail having greatly increased, so as to require one, and often two additional horses to transport it, application was made to the Postmaster General, Mr. Meigs, and, in consideration of all the circumstances, the fidelity and vigilance of the contractor, but particularly the increased size of the mail, and increased difficulty and expense of carrying it, it was agreed at the Department to extend to him an additional allowance of \$1,000. Mr. Meigs, in a letter dated 5th of July of that year, to the Hon. Newton Cannon, a member of the House of Representatives, remarks:

"In reply to your letter of the 3d, on behalf of John Donly, I have the honor to observe, that when I contracted with Mr. Donly, I made him an allowance of \$1,000, to compensate him for a led horse; and his mail has *manifestly* so much increased as to require *another led horse*, and sometimes *two led horses*, or one led with each of the three mails. I am satisfied it will be proper to make him, for *this year*, a further allowance of \$1,000 *a year*; the additional allowance to take date January 1, 1820.

"R. J. MEIGS."

On the authority of this letter, Mr. Donly inferred that the allowance made to him was not merely for the year 1820, but would, in fact, be continued during the years 1821 and 1822; for which his present application is made. Besides this, he states that Colonel Cannon assured him that such was the intention and design of Mr. Meigs. Thus impressed, he continued to carry the mail, and knew nothing against the impression he had received from Colonel Cannon and the letter of Mr. Meigs until the latter part of the year 1821, when Mr. Bradley informed him the allowance heretofore made could not be extended for that year. In consequence of this, shortly afterwards Mr. Donly informed the Department that he would be unable to carry the mail, and requested that their agent in Tennessee might be instructed to make a new contract, and to discharge him.