

Gen. Post Office Department.

From the National Intelligencer of the 27th ult.

REPORT UPON THE POST OFFICE.

In the Senate, yesterday, Mr. EWING, from the Committee on the General Post Office, (which, the reader will recollect, sat by order of the Senate during the late recess of Congress) made a Report.

The reading of this Report occupied the Senate until the usual hour of adjournment, and was not concluded when the Senate adjourned.

As it is doubtful whether it will ever be possible for us to furnish the whole of this Report, (however desirable it would be to do so,) we have availed ourselves of a casual opportunity to make such an abstract of the Report, in this and the following columns, as time allows, without limiting ourselves to that part only of it which has been read in the Senate. The Report, notwithstanding its large volume, and the evidence which it carries on its face, and in its bulk, of great labor and perseverance, is not definitive, but rather a report of the progress of the committee, so far as they have gone.

The report, after stating the meeting of the committee in this city on the 19th of September last, and the accommodation of a room in the Post Office afforded to them for their sittings, commences with a description of the confused state of the Books of the Post Office, which rendered it impracticable to ascertain with any thing like accuracy the true state of the finances of the Post Office, or of the accounts of individuals with it. In many cases, the state of an account, in important particulars, was only to be gathered from pencil-marks in the margin of the books. Of the inaccuracy of these accounts several instances are stated; of which, as our analysis of the Report must necessarily be very brief, a single instance, quoted from the Report, as follows, must serve as an example:

"Your Committee called for the account of Jas. Reeside, and it was shown to them on the ledger, when there appeared a balance against him, on the 1st April, 1834, of \$45,369 07. The accounting officers, however, informed your Committee that the ledger did not present all the credits to which Mr. Reeside was entitled, and they have since exhibited an account containing many additional credits, by which there appears to be a balance in his favor on the 1st of July, 1834, of \$7,529 55, making a difference of about \$61,000.—Some of the credits bear date between the 1st of April and 1st of July, but a large part of the amount is made up of entries which, if entitled at all to a place in the account, belonged to a date prior to the 1st of April, 1834. The correctness of those several credits will be considered in another part of this report."

In consequence of the difficulty experienced by the committee from these causes, in arriving at true results, from the books, the committee engaged two accountants, unanimously approved, to examine and audit the books, in which business these persons have been and are still diligently engaged, the result of whose labors the committee will report when arrived at and examined.

Meanwhile, with the materials in their possession, the committee enter into an elaborate comparison of the reports of the present and late Postmaster General, and of the reports of the present Postmaster General with facts disclosed by the books, &c. to which nothing but a literal transcript (which we have now no opportunity of making) of the whole of this part of the report can do justice. There is one paragraph of it, however, which so forcibly attracted our attention, that we have thought it proper, by extracting it, to make it an exception to the rest. It is as follows:

"There is one other item introduced into the statement of the 26th December, 1834, of which your Committee knew nothing until since their former report, and did not even suspect its existence. It is a balance against contractors for payments made them prior to the 1st April, 1834, for the current services of the quarter which ended that day, and for prior services, which had not yet been placed to their credit, \$284,807 38." Your Committee did not suppose a fund of this character and amount existed to the credit of the Department, because they knew, by former statements, that there were very large sums actually due to contractors, for services fully and faithfully performed, in previous quarters, which the Department was bound, in good faith and in justice, to pay. Those sums actually due were not paid for want of funds. Large sums were also borrowed from Banks, on interest, and it seemed inconceivable that, under these circumstances, so large a sum of money should have been advanced to a few contractors, before they were entitled to receive it by the terms of their contracts. But the present investigation has satisfied your Committee that very large sums were, and still are, due from contractors for illegal payments and advances of money, and that this sum at least, and probably a much larger sum, ought to be reclaimed from them, and placed to the credit of the Department."

The next topic embraced in the report is that of the removal of Postmasters without cause, to make way for mere partisans, in many cases wholly unworthy of credit or confidence, &c. In the prosecution of their inquiry into the cause of these removals the committee were, as the reader already knows, met by a refusal of the Postmaster General to furnish the committee with the information demanded, in a letter which the Postmaster General, with a disrespect towards the committee that is merely alluded to in the official journal here within a few days after the date of the transaction. This branch of the Report concludes as follows:

"Your Committee did not think it incumbent on them to enter into a discussion with the Postmaster-General on the subject of their respective rights and duties, nor do they now think it proper in this paper to examine them, or to blend an argu-

ment on constitutional law with the facts which they were refused to examine and report to the Senate. This refusal of the Postmaster-General to permit the inspection of these papers on alleged constitutional grounds, which applied alike to the whole class of cases above referred to, which rest on the same principle, of course put an end to this branch of the investigation. Finding their attention closed upon them here, they turned their attention to other subjects of inquiry, touching the condition of the Department and the management of its concerns."

The Report then proceeds to the examination of the practice of the Department in making contracts, in a manner contrary to law, and equally unauthorized by a regard to equity and to the public interest. The account of the *Improved Bids*, which have had such an unfortunate agency in the present insolvency of the Post Office, will be new to many of our readers. We therefore copy it:

"A practice has of late prevailed extensively in this Department of advertising proposals for carrying the mail on the principal mail routes in a different manner from that in which it is in fact to be carried—of receiving bids for carrying it in a different manner from that in which it is advertised, which are called "*improved bids*"—of accepting the bids as made all together, and entering their acceptance as applicable to that part of the bid which conforms to the advertisement, and immediately changing them to the *improved bid*, and so executing the contract without advertisement.—This is a violation of law, and has given rise to, and is made the apology for, other violations of law and official duty."

The Report then goes on to show that, in regard to all this class of "*Improved bids*," which have been made the ground of Extra allowances, there are important discrepancies between the Reports of the Postmaster General and the Blue Book (the printed list of contracts and allowances) and that none of them are to be relied upon. The practice of allowing these "*improved bids*" and making these "*extra allowances*," the Committee say, throws the door wide open to unfairness, favoritism, and collusion. And the Report, on the same subject, continues thus:

"The public know nothing of the purposes or the wishes of the Department as to the time and manner of transporting the mails, except through the medium of the public advertisement. And the honest business man, who would wish to seek a contract, through fair competition, would naturally suppose that a bid, pursuant to the advertisement, would be the one, and the only one, by which he could procure such contract. And he would further suppose that he would be bonded by such bid. With the public at large, this probably has been the case; it appears to have been so with the small contractors generally. But it has been far otherwise with a class of large contractors, who appear to be on terms of intimacy and confidence with some of the officers of the General Post Office, and whose affairs are intimately blended with the fiscal concerns of that Department. For example: In looking over the bids of the Fall of 1831, it will be found that several individuals who obtained contracts upon the great mail routes, or a great number of the small routes omitted, included in their bids, not only a proposition to carry the mail according to the advertisement, but with stipulations, that the bidder would bind himself to carry the mail in a different manner, at a different price. Of the favored contractors, the bids to carry the mail, pursuant to the advertisement, are generally very low, so as to enable the Department to award them the contract; while their *improved bid*, in pursuance of which the contract is at last executed, is very high, so as to ensure to the contractor an enormous profit. The acceptance is marked on the Proposal Book, opposite the sum which was bid for carrying the mail, pursuant to the advertisement, and the rival bidders will see at once, on an inspection of this book, that they are unbid. But the contracts are executed according to the *improved bid*, which is often twice or three times the sum at which it is entered on the Proposal Book laid open to the inspection of the public."

Of the general effect of this mode of distributing, at pleasure, the public money to favored contractors, the Report speaks thus:

"It were tedious to enumerate the cases in which this difference exists between the bid made pursuant to advertisement and accepted, and the contract executed. Your committee have caused to be prepared, a table compiled from books and papers in the Department, from the Blue Book, from the letter of the Postmaster General of the 3d of March, 1834, in reply to a call of the Senate, and from his report of the 15th of April, 1832, which shows, in each individual case in the contracts of 1831, the difference between the bid, as entered on the bid book, and the contract executed. It shows, also, the cases in which no difference exists. The same paper shows in another column, opposite the name of each contractor, what extra allowances have been made him over and above his contract as executed, from which it will be seen:

1st. That the whole amount of the bids accepted, pursuant to the advertisements in October, 1831, was \$340,626 54

Amount of contracts as executed for same division (by the Blue Book) 488,259 40

Making a difference of \$147,632 86

"And it will be seen that this whole difference, amounting to the enormous sum above shown, is made in favor of not more than — contractors, or companies of contractors, most of whom your committee will find it their duty to notice hereafter in this report, as the recipients of other pecuniary favors from the Department."

A single case out of many is quoted to show the anomalous character of the contracts and the unjustifiable waste of the public money in the practice of accepting these *improved bids*:

"Take, for example, the route from Philadelphia to Pittsburg, which was first accepted daily at \$7,000, and which, by the modified contract pursuant to the *improved bid*, is carried, as is alleged, twice daily to Pittsburg, at \$25,000, and extended to Wheeling, at \$27,000—one of the lines from Philadelphia to Pittsburg running at an increased speed. Now it can hardly be established as a mathematical proposition, that if a daily mail costs \$7,000, that a mail twice daily should, by exact proportion, cost \$25,000—nor do we think that any one who understands the nature and value of the service will be prepared to say that the one bears any fair or just proportion to the other. It were vain to urge as an apology for such excessive increased allowance, that there is no means of arriving at the true proportion which the original bid, and the increased allowance, bear to the service rendered

under each or to each other. If such proportion cannot be arrived at, the law forbids the increased allowance. But in truth no law applies to this species of contract. It seems to be of a hybrid nature—neither an original contract, which the law will recognize, nor a legal extra allowance for increased services. It is about equidistant between them, and sustained by neither."

In a few words the Report shows how this whole practice, and the allowances growing out of it, have been officially screened from the view of Congress and the People, until the Senate forced a revelation of the whole system:

"Your Committee has shown that the Postmaster General did not report the increased allowances made in consequence of these *improved bids*, as any part of the original contracts in which they were embodied—neither did he report them as extra allowances when called upon by resolution of the Senate to report the amount of those allowances made for extra services since the 6th of April, 1829. They pass wholly without his notice in any of his reports to Congress, and seem, in his judgment, to be referable to no class of cases whatever. Indeed, no one could but feel that they were wholly without legal warrant, and that they could, therefore, fall under no known legal head. Nevertheless, immense sums of money have, through their means, been transferred from the Department to the pockets of individuals; and the American Congress and the American People have, until this investigation commenced, been wholly ignorant of the existence of any such mode of appropriating or disposing of the public funds."

The Report next proceeds to a further examination of the manner of making these contracts and extra allowances, with especial reference to the Report of the Postmaster General of the 18th April, 1832, which the Committee argue, from the facts disclosed by this investigation, to have been wholly delusive and calculated to deceive. They go so far as to say that it is evident, from the facts, that that report must have been drawn up and presented to Congress, by accident as it is, purposely so and not by accident. Upon which they make the following severe animadversions:

"In whatever manner this matter may have been considered by the Postmaster-General, and whatever may have been his reasons for the presentation of a report in its tenor, certain to mislead; whatever opinion or views unknown to your committee acquired him, this feature in his report according to their deliberate opinion, cannot be justified. It is, indeed, unnecessary to enter into a disquisition upon the subject; it is a question referable to the forum of common sense and common honesty. It is simply whether the obligations of truth extend or do not extend to the official papers of high public functionaries. If they do not, this paper may be justified; if they do, it is a breach of official duty."

"There is another circumstance touching the above named report, which ought not to be entirely overlooked. It was made out and presented to Congress just before the commencement of the Presidential canvass in 1832; and it was a paper, the tendency of which was to bear upon that election. It held out to the American People a delusive view of the prosperity of an important Department of the Government, and naturally induced a belief that it was wisely and economically administered; while, in truth, the public moneys were squandered without stint, and the Department was rapidly sinking to insolvency."

After contrasting the practice of the present with former Administrations of the Post Office, the Committee revert to the Postmaster-General's Address to the People of the United States at the close of the Session of Congress, and rebuke some of its statements, &c.

The Committee then proceed to re-examine in detail and at very great length some of the cases of extra-allowance contracts which were more briefly noticed in their report to Congress at the last Session; and especially the cases of J. F. Robinson, J. and B. Bennett, W. Tillow, Reeside's contracts from Hagerstown to McConnellsburg, from Bedford to Washington, from Cumberland to Blair's Gap, from Baltimore to Chambersburg, from Philadelphia to Pittsburg, Reeside's & Shymaker's extra \$10,000 per year, Reeside's contract from New York to Philadelphia, &c. The allowances to Mr. Reeside are most dwelt upon by the Committee, apparently because they are the largest, and he is the most extensive contractor. To this gentleman, in one form or other, of contract or allowance, the Committee say there has been paid, within two years and a half (from 1st January, 1832, to 1st July, 1834) for carrying the Mails between Philadelphia, and New York, \$84,372; or 33,748 86 per year.

The Committee conclude this laborious examination of contracts with the following summary, showing the aggregate of payments which they aver to have been unlawfully and unjustifiably made to a single contractor:

Paying over those cases in which a contract or allowance was made contrary to law, but for which an equivalent service has been rendered, and taking only those in which the law did not warrant the allowance, and in which also no services whatever were rendered, or in which the allowance was much above the real value of the services, and taking the excess only, of the allowances over and above that value, your committee find the following sums paid to James Reeside, since the 1st April, without any warrant of law or justice, to wit:

On the contract to carry the mail from Hagerstown to McConnellsburg	\$2,132 00
From Bedford to Washington	7,733 66
From Cumberland to Blair's Gap, \$12,559 62, less \$1,500 a year for two years, \$3,000	9,559 52
From Philadelphia to Pittsburg, excess of allowance over service, \$4,000 for two years and six months.	20,000 00
Same route—carrying newspapers in the most rapid line, half	8,750 00
From Baltimore to Chambersburg	3,587 50
From New York to Philadelphia. Allowance for expediting from January 1st, 1832, to December 31st, 1831, \$6,000—services paid for, not performed	18,000 00
Detention, waiting for distribution of foreign mails—an unprecedented allowance, and without sufficient evidence	4,550 00

Carrying mail bags from Philadelphia to New York—a charge wholly unpreceded 1,560 00

For transporting the mail from Philadelphia to New York from the 1st January, 1832, to the 1st of July, 1834, two years and six months, Reeside has received \$24,372 17. His original contract was \$6,000 a year for carrying a daily mail; but, in his improved bid, which was afterwards made the contract, he agreed, for \$19,000, to run two daily mails, and a third mail for \$1,500, making \$20,500, and furnish guards and carry all expenses. This allowance, though enormous, falls short of the sum actually paid in two years and six months on that route, by 33,122 17

So the whole sum paid to Reeside, which is founded on no law and no apparent justice, is \$110,154 85"

If the name of Mr. REESIDE makes a thus prominent figure in this summary, it is because it does so in the Report, and not by any preference of ours. The private pecuniary transactions of the same citizen with the Postmaster General and with the Chief Clerk of the General Post Office are also brought into view in connection with the largeness of his extra allowances. So also are his loan to the Chief Clerk, (O. B. BROWN,) and said BROWN's alleged partnership in the contracts of E. PORTER, upon which large extra allowances have been made, &c. In relation to these passages of the Report, as it is impracticable for us to give the whole, we forbear making extracts which might only give a partial and imperfect view of them.

Adverting again to the generally confused manner which the largest and most important accounts of the Post Office are kept, the Report presents the following curious instance, for which, to make room for it, we use a smaller type:

"In examining the account of Jas. Reeside, your Committee found to his credit the following:—1833, April 30, Cash deposited in the Western Bank of Philadelphia, \$20,000."

"Your Committee, while in Philadelphia, examined the books of the North Western Bank, and obtained a statement of its transactions with the Post Office Department, by which it appears that this sum was raised by Reeside on a draft drawn by himself in favor of R. C. Stockton, and accepted by O. B. Brown, Chief Clerk, dated the 25th day of April, 1834, and payable three months after date, which draft was paid by the Department at maturity; so that, as the transaction stood at the time the account of Reeside was made out and presented to the Committee, he was entitled to credit arising from this transaction. It was found that he had entered on the books at the time the draft was negotiated, then, when the draft was paid by the Department, there should have been a charge of an equal sum against Reeside, so balance it. This was not done; and this sum stood as a credit to Reeside, and it helped to reduce a balance of \$54,269 67, which, notwithstanding his large extra allowances, stood against him on the books of the Department on the 1st of April, 1834. Your Committee called upon Obadiah B. Brown to explain this transaction, and he stated that the draft on which Reeside raised this money had not become due until some time in the month of November, and that since that time there had been no settlement with the Bank, so that the credit could, in the ordinary course of things, be entered. A member of your Committee then, in the hearing of the witness, asked for the statement of the Cashier of the Western Bank of Philadelphia, and the paper not being in the Committee room it was sent for, and the witness was dismissed until it should be brought in. After a short time the witness returned; stated that he had been mistaken; that the charge against Mr. Reeside was omitted by mistake, and was also by mistake entered against R. C. Stockton, but that he had promptly corrected the entry on the books, and that it was now all right. Your committee directed the witness to bring in the books in which he had made the correction; he did so, and showed no less than seven *entries and changes of entry* which he had caused to be made in the books in the short time that your Committee had resented him from examination. The credit which is due to Reeside thus kept and thus altered to suit the emergency of the occasion, can be readily appreciated by the Senate."

After reciting the testimony of C. K. GARDNER, one of the Assistant Postmasters General, in regard to this particular transaction, the Committee sum up the case as follows:

"Thus, when these acceptances are made, they are credited to the contractor as so much money paid by him to the use of the Department, though he, in fact, pays nothing; but merely lends his name as a drawer or endorser; the same sum is charged to the Bank as so much deposited to the credit of the Department, and the draft is at last taken up by a check, which is certified to be for transportation by the three officers who, according to the improved system of checks, or disbursement, adopted by Mr. Barry, are required to certify every check which issues from the Department. But, by examining these debits, and credits, and certificates for transportation, no accountant, however skillful, could ascertain that such expedients had been resorted to, or money raised in that manner. These certificates, upon whatever grounds they may be supported, are contrary to the plain fact of the case."

After adverting further to the erasures in the books of the office, the conflicting testimony of witnesses, &c. all of which we are obliged by want of time to pass by for the present, the Report comes to the following conclusion, to which we give insertion at large, as no less due to the importance of the subject, than to the indefatigable labors of the intelligent Committee by whom it has been prepared:

"So numerous and so great are the abuses which have grown up in this Department, that reform has become absolutely necessary; but the measures by which it is to be effected are by no means free from embarrassment. They are more difficult, as many of the evils which require a remedy do not arise from defects in the existing provisions. They may, however, be principally traced to the absolute and unchecked power which a single individual holds over the resources and disbursements, and all the vast machinery of this Department.

"The checks of various inferior officers upon each other are of no value, when all are guided

and controlled in their acts by one dominant will. Within the comparatively short period of twenty-five years this Department has arisen from a feeble beginning until it has acquired a revenue equal to that of the Union itself at the time of its organization; and its extensive and diversified operations, its patronage, its resources, and its power, must, by the mere force of circumstances, be increasing indefinitely, with the increase of the country in population, business, and wealth.

"The annual reports of the Postmaster General are of little value as a restraint upon the liberality of the Department, or as a means of calling public attention to his official conduct. These Reports may be true, yet the state of affairs which they indicate cannot be understood without that careful examination, which few or none will feel willing to give them, amidst the other arduous duties of legislation; or those statements may be false, and yet few will be disposed to bestow on them the labor, bodily and mental, which would be necessary for their correction—and to encounter the bitterness of party calumny, which those must encounter who venture to explore the secret mysteries of great patronage and high power, and to expose their enormities to the public gaze.

"From reflections on these and other causes leading to the same result, your Committee decline to the opinion, that there will be few instances in the future history of our country of a full and searching investigation into the conduct and management of the Post Office Department. They deem it, therefore, their duty, at this time, to propose such measures of legislation as will, in their opinion, the most effectually prevent the recurrence, in future, of abuses similar to those which this investigation has disclosed. This, they conceive, can be best effected by a change in the organization of the Department, so as to place the collection and disbursement of its funds in different hands, and under the control of officers entirely independent of each other.

"That Department, as at present arranged, is a dangerous anomaly in our system; and by whosesoever its concerns are hereafter to be conducted, its organization ought to be changed, so as to conform more nearly to that of the other great Departments of our Government. The accountability of its officers ought also to be rendered effective, and their discretion limited, as far as is consistent with the efficient performance of the public service."

From the Raleigh Register.

A great and good man fallen!—The painful death devolves upon us of announcing the decease of the Rev. Dr. CALDWELL, President of the University of N. Carolina. He expired at his residence at Chapel Hill on Friday night last, after a brief illness of three or four days, preceded by a general indisposition of longer duration.

His name is too intimately interwoven with the history of our State, to make it necessary for us, were we qualified for the task, to accompany this announcement with any reference to his public life or services. His individual merits are too universally appreciated, to need to be blazoned by the pen of eulogy.

We hope, however, that some one of his contemporaries will prepare for the Press a memoir of his life, in which will be portrayed, in their proper colours, his literary attainments—his rising devotion to the best interests of the rising generation—his ardent patriotism—his unassuming deportment in all the relations of life—his unbounded charity, and his fervent zeal in the cause of universal benevolence. Truly say the Patriarch of learning and science of North-Carolina. For nearly forty years he has stood by our University, through good and through evil report, with a disinterestedness worthy of all commendation, and an ardor of devotion, not to be chilled by the tempting offer of higher salaries and loftier stations elsewhere.

The subjoined Proceedings of a meeting held by the young gentlemen of College, in relation to this melancholy event, have been communicated for publication:

The day subsequent to the death of the Rev. JOSEPH CALDWELL, President of the University of North-Carolina, the Students, sorrowfully and sensibly penetrated with the conviction of their irreparable loss, and to express their feelings of regret for the demise of that great and good man, unanimously assembled to adopt measures called for by their feelings and the occasion. On motion, Mr. H. W. Guion was called to the Chair, who in a few and pathetic remarks, explained the object of the meeting. Mr. C. C. Battle was appointed Secretary.

A motion was then made "that a Committee consisting of six be appointed to draft resolutions indicating our unfeigned regret for the loss of our venerated President, and to his bereaved family, tokens of our sincere condolence." Messrs. R. W. Henry, H. L. Graves, Wm. B. Rodman, R. J. Halliday, J. E. Hamlett, and J. E. Critchfield were appointed. After retiring a few moments, the Committee returned and reported the following Resolutions which were unanimously adopted. In requisition of the third resolution Messrs. R. W. Henry, Wm. B. Rodman and Wm. P. Webb were appointed the Committee of condolence.

Resolved, That the Students of the University of N. Carolina, deeply affected by the melancholy death of our much esteemed and venerable President, Joseph Caldwell, which has become the subject of such general grief to all, do convey to his bereaved family, a proper expression of our profound sense of his acknowledged worth and our unfeigned sorrow for the irreparable loss which they, we, and society have sustained thereby.

Resolved, That each of us do wear a suitable badge of mourning in testimony of our sorrow for his death and the cherished recollections associated with his name.

Resolved, That a Committee of three be appointed, in accordance with the object of the first resolution, to address to his afflicted family a communication expressive of the feelings and sentiments of this meeting.

Resolved, That the proceedings of this meeting be signed by the Chairman and Secretary, and transmitted for publication to the "Raleigh Register," "Western Carolinian" and "Fayetteville Observer."

HAYWOOD W. GUION, Chairman.
CHRISTOPHER C. BATTLE, Sec'y.