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STAR ROUTE CONSPIRACY.

UNITED STATES

against

THOMAS J. BRADY AND OTHERS.

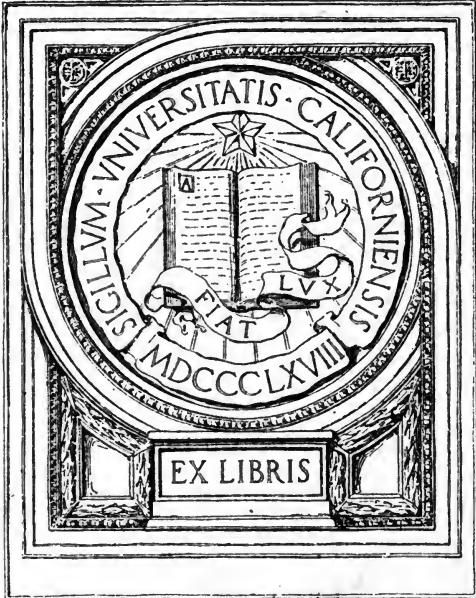
OPENING ADDRESS

OF

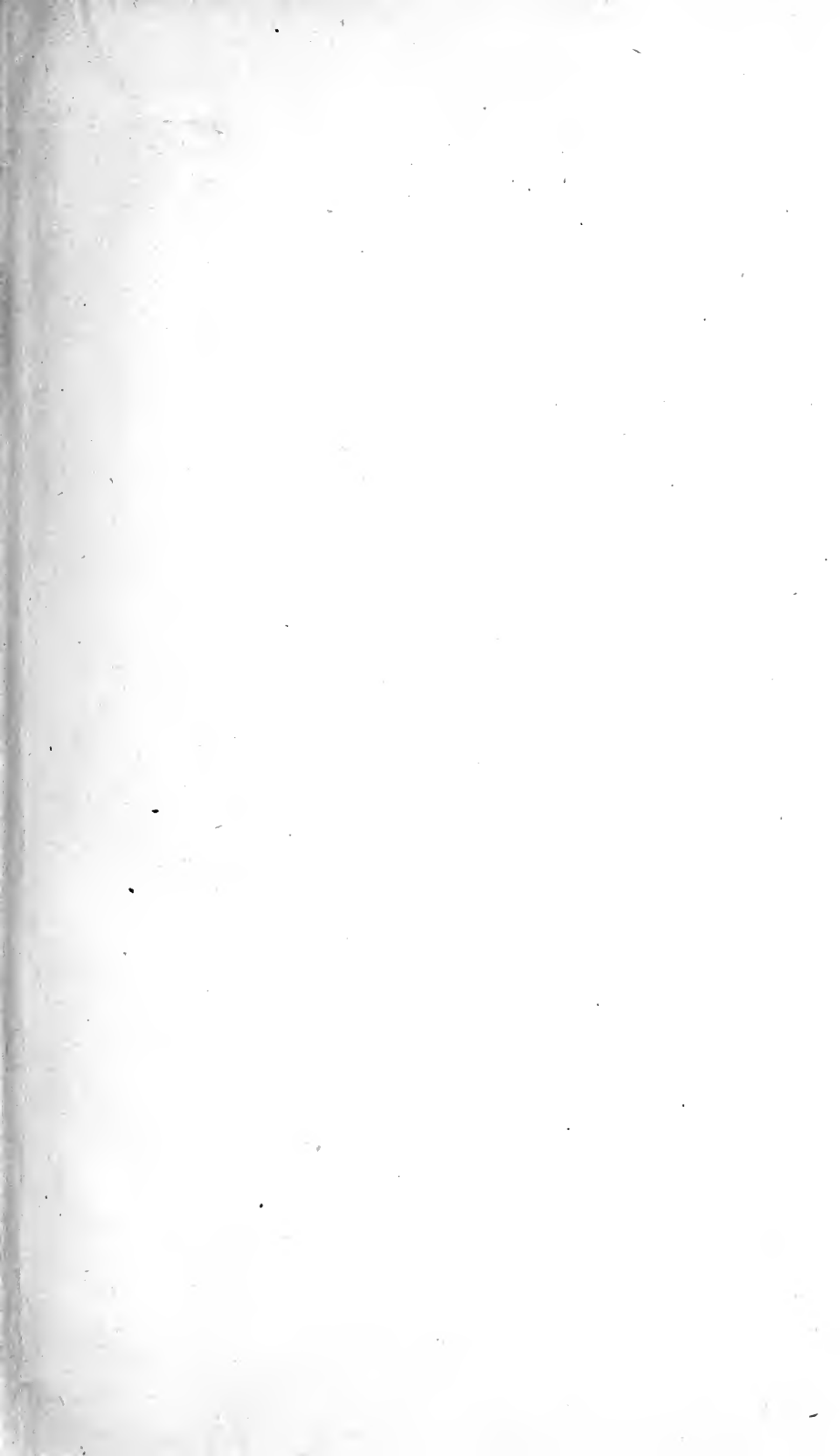
GEORGE BLISS.

WASHINGTON, D. C., DECEMBER 14, 15, 18, AND 19, 1882.

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OPENING ADDRESS OF GEORGE BLISS.

MAY IT PLEASE THE COURT, AND YOU, GENTLEMEN OF THE JURY : It has been assigned to me to state to you the grounds upon which the Government will ask that you pass your judgment upon the action of the defendants in this case, and to call your attention in some detail to the evidence which we shall present to you to sustain the charge which we make against them. That charge, gentlemen, is what is known as conspiracy, and it is founded upon a statute of the United States which is substantially this: There was an amendment of the statute in 1879. A portion of this charge relates to a period prior to 1879, and a portion to a period after 1879; so far as the operative portion of the statute is concerned it remains unchanged. It was the same in both periods. The statute is this:

If two or more persons conspire either to commit any offense against the United States, or to defraud the United States in any manner, or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, all of the parties to such conspiracy shall be liable—

to a penalty specified. That is the amendment to section 5440 of the Revised Statutes of the United States, passed on the 17th of May, 1879. It provides, you will see, gentlemen, that if any two or more persons conspire to defraud the United States in any manner whatever or for any purpose whatever, and if any one of them does any act, all of them are guilty under the statute. We expect to show you that these parties did conspire to defraud the United States out of large sums of money in connection with the postal service of the United States, and that one or more of them did various acts in pursuance of the conspiracy, and that they are all guilty under the statute. And we shall with considerable confidence ask a verdict of guilty at your hands after the evidence on both sides shall have been closed.

These defendants, gentlemen, are persons who have some of them heretofore occupied prominence in the community. One of them is an ex-United States Senator from the State of Arkansas. Another one of them was the Second Assistant Postmaster-General, who, by virtue of his office, had charge of the whole business of making the contracts for the mail service and regulating the rate of pay which could be allowed for carrying the mails. Another one of them is the brother of the ex-United States Senator of whom I have spoken. Another is the brother-in-law. The brother-in-law is not before you practically, because he is dead, though I think there is no formal evidence upon that point. Another one is the friend and, to some extent, the business associate of the ex-United States Senator. The last one was his clerk and confidential employé. That is the relation which those gentlemen bear to this case; and I may say here at the outset that the theory of the Government is that the conspiracy to defraud the United States, the method of defrauding the United States, and the original idea had its birth in the mind of the ex-Senator, Stephen W. Dorsey, and that the first steps towards its execu-

tion were taken by him; that it was impossible to carry out the conspiracy unless he got orders for the payment of money from the Treasury of the United States, which orders had to be for an extravagant and improper amount in order to make the conspiracy profitable, and that he obtained those orders from the Second Assistant Postmaster-General, and by corrupt means. The other parties were the pawns in the game. It was necessary to have bidders to get the contracts in form. As Stephen W. Dorsey was then a Senator, he was forbidden by the statute of the United States to take a contract in his own name. It was necessary, therefore, to bring here to Washington the brother, who was a humble mechanic in Vermont; and the friend, who was engaged in some business in Ohio. It was necessary to use the name of the brother-in-law, who was lying sick with a disease which brought him to his grave, who was utterly unfit to attend to business, and who rarely, if ever, attended to anything in this matter except to sign his name to papers, many of them in blank, and all of them papers in the preparation of which we believe he took no active part. The conspiracy, therefore, included the Senator, his representatives and dummies, and it included the Second Assistant Postmaster-General, whose co-operation was necessary to enable the conspiracy to become successful financially. I said that the Senator was forbidden to take any contracts in his own name. The statute upon that subject is, I think, section 3739, and is as follows:

No member of, or Delegate in Congress, shall directly or indirectly, himself or by any other person in trust for him, or for his use or benefit, or on his account, undertake, execute, hold, or enjoy, in whole or in part, any contract or agreement made or entered into in behalf of the United States by any officer or person authorized to make contracts on behalf of the United States.

The belief of the Government is that we shall satisfy you that the Senator in form obeyed this statute, and that he took no contracts in his own name, but took them in the names of his brother, his friend, and his brother-in-law. We shall show you that he was interested in the contracts all the time. The contracts commenced on the 1st of July, 1878. On the 4th of March, 1879, he ceased to be a Senator and became ex-Senator, and within a brief ten or fifteen days after that time he became avowedly and admittedly interested in these contracts, which we say were obtained for his benefit long prior to that time and in violation of the statute. We say that the conspiracy started at the very outset with a direct violation of another statute than the conspiracy statute I have read to you, to wit, the statute which forbade a Senator of the United States to have any interest in any contract, or to have any person hold an interest in his behalf or for him. This Senator, as we say, having conceived a scheme, and having brought his friends into it, went on and aided it in every way in his power, concealing his interest. He used his position as United States Senator to write letters on official paper recommending the things necessary for the perfection of the conspiracy and its successful carrying out. He did all that until he ceased to be Senator, and then he became more openly participant in it.

Gentlemen of the jury, this indictment is confined to some nineteen contracts upon nineteen separate mail routes which were awarded at what is known as the letting of February, 1878, to take effect on the 1st of July, 1878, and to be for four years. Those contracts were let after public advertisement, and were subject to competition with other bidders. They aggregated in amount \$41,135 a year. The contractors were to perform the mail service called for under those contracts for that sum. Under the fostering orders of the Second Assistant Postmaster-General,

Thomas J. Brady, the contracts within about two years after they were obtained were so transformed that they required that there should be paid by the Government of the United States for the performance of the service under them \$448,670.90. Contracts starting at \$41,135 were in two years run up to \$448,670. You will bear in mind that these were annual sums, and the contracts had an average of about three years to run at these increased rates. So the result of the whole thing was, bringing it down to very close figures, that the orders Mr. Brady made in behalf of these gentlemen on these nineteen routes alone were to cost the Government during the period the contracts ran between nine hundred thousand and a million dollars in excess of the original sum. That shows you, in this case, gentlemen, confining ourselves, for the moment, simply to the routes named in this indictment, that there was paid from the Treasury, under the improvident and corrupt orders of Mr. Brady unnecessarily and improperly made, close on to a million of dollars. When I say that I speak only of the nineteen contracts in this indictment. This combination had a hundred and thirty-four contracts in all, and upon them there were other large sums of money taken from the Treasury of the United States. The order of Mr. Brady that a contract should be increased was an absolute open sesame to the Treasury of the United States, and took from the Treasury the money that he said should be taken from it without the power in any officer of the Government to say nay. If there was Mr. Brady's order that it should be paid out, that order was sufficient and it was paid.

I have said these gentlemen were concerned in a hundred and thirty-four routes. There were other allowances made about the same time. There was a carnival of corruption in the Second Assistant Postmaster-General's office, as the result of which the Government are prepared to show you that the United States was defrauded of close on to \$5,000,000.

Gentlemen, that is a general outline of this case, and will give you some idea of its importance and the reason why those of us who are concerned in it, whose duty it is to present to you the Government's views and the Government's evidence, feel at once the weight of the responsibility under which we are laboring, and feel also the importance of your giving to this case your most careful attention. And you should bring to the decision of the case not only your careful attention, but your honest, unbiased judgment.

The provisions of law applicable to this subject I will call to your attention. By section 388 of the Revised Statutes of the United States, which relates to the organization of the Post-Office Department, it is provided that—

There shall be at the seat of Government an Executive Department to be known as the Post-Office Department, and a Postmaster-General, who shall be the head thereof, and who shall be appointed by the President, by and with the advice and consent of the Senate.

By the next section it is provided that—

There shall be in the Post-Office Department three assistant postmasters-general, who shall be appointed by the President, by and with the advice and consent of the Senate, and who may be removed in the same manner.

Then there is the general provision of the Revised Statutes, section 161, which relates to all the executive departments of the Government:

The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it.

Under that authority to the Postmaster-General there have been, from time to time, various regulations made and various assignments and distributions of duty, the language of the statute being—

The distribution and performance of its business.

Among other things there were assigned to the Second Assistant Postmaster-General the duties which I will read to you that you may see the breadth and scope of them. The copy of the regulations from which I read is the edition of July, 1879, but they were substantially the same regulations which prevailed before that time. These contracts were bid for in the fall of 1877, and were awarded in the winter of 1878, and commenced the 1st of July, 1878. Of course the regulations prior to 1879, as well as those of 1879, may come into play, but I think it will be found that in no point where they differ do they affect this case. Thomas J. Brady became Second Assistant Postmaster-General on the 23d of July, 1876, and he continued as such down to about the 1st of April, 1881, not long after the incoming of General Garfield's administration.

The regulations of the Postmaster-General as to the distribution of duties to the Second Assistant Postmaster-General contain the following:

THE OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL.

To this office is assigned the business of arranging the mail service of the United States, and placing the same under contract, embracing all correspondence and proceedings respecting the frequency of trips, mode of conveyance, and times of departures and arrivals on all the routes, the course of the mails between the different sections of the country, the points of mail distribution, and the regulations for the government of the domestic mail service of the United States. It prepares the advertisements for mail proposals, receives the bids, and has charge of the annual and miscellaneous mail-lettings, and the adjustment and execution of all the contracts. All applications for mail service or change of mail arrangements and for mail messengers should be sent to this office. All claims should be submitted to it for transportation service. From this office all postmasters at the end of the routes receive the statement of mail arrangements prescribed for the respective routes. It reports weekly to the auditor all contracts executed and all orders affecting the accounts for mail transportation; prepares the statistical exhibits of the mail service, and the reports to Congress of the mail-lettings, giving a statement of each bid; also of the contracts made, the new service originated, the curtailments ordered, and the additional allowances granted during the year. The rates of pay for the transportation of the mails on railroad routes, according to the amount and character of the service, are adjusted by this office. It also directs the weighing of the mails on the same, and authorizes new service on railroad routes. The issuing of mail-locks and keys, mail-pouches and sacks, and the supervision of the construction of mail-bag catchers is also in charge of this office. To it is attached the division of inspection, to which is assigned the duty of receiving and inspecting the monthly registers of arrivals and departures, reporting the performance of mail service; also special reports of failures or delinquencies on the part of mail contractors or their agents, and of noting such failures and delinquencies, and preparing cases of fines or deductions by reason thereof; of conducting the correspondence growing out of reports of failures or delinquencies in the transportation of the mails; of reporting to the Auditor of the Treasury for the Post-Office Department, at the close of each quarter, by certificate of inspection, the fact of performance or non-performance of contract or recognized mail service, noting therein such fines or deductions as may have been ordered; of authorizing the payment of all employes of the railway mail service; also the payment of such acting employes as may be employed by this office through the superintendent of railway mail service in cases of emergency, and of authorizing the auditor to credit postmasters with sums paid by them for such temporary service; and such other duties as may be necessary to secure a faithful performance of the mail service. All complaints against mail contractors or their agents, relating to failures or other irregularities in the transportation of the mails, whether made by postmasters or others, should be promptly forwarded to the Second Assistant Postmaster-General marked "Division of Inspection."

You will therefore see, gentlemen, that to the Second Assistant Postmaster-General is assigned the whole power over the transportation of

the mails, the making of the contracts for them, the decision of the question whether the contractors perform their service properly or not, and the imposition of fines upon them if they have not performed them properly. You will also see as I go along, that by general language the Second Assistant Postmaster-General is given the right to make extra allowances in various forms, which extra allowances are practically the source of the fraud upon the Government of which we complain in this case.

Now, gentlemen, bearing in mind these provisions that I have read to you, the condition of things under the statute, as we regard it, is this: It is the duty of the Postmaster-General to provide for the carrying of the mail. That duty is imposed in general terms upon the Postmaster-General, and then, under the special power given by the statute which I have read to you, it is assigned by him to the Second Assistant Postmaster-General, and his power is plenary. The statute provides, however, some limitations and considerations which must prevail in connection with the question of carrying the mail, and amongst others is this. I read from section 3965 of the Revised Statutes:

The Postmaster-General shall provide for carrying the mail on all post-routes established by law, as often as he, having due regard to productiveness, and other circumstances, may think proper.

The discretionary power given to the Postmaster-General was transferred to the Second Assistant Postmaster-General, but he is required to have "regard to productiveness and other circumstances." Productiveness is the only circumstance specified in the statute.

The Second Assistant Postmaster-General having, we will suppose, decided that the mails are to be carried on a certain route and at a certain rate of speed, and a certain number of times a week, what is his duty and what is the scheme of the law as to how that plan shall be carried out? It is in general terms this: That the opportunity for carrying the mail shall be thrown open to the whole world; that there shall be public advertisements inviting everybody to bid, and that when they do bid the contracts shall be awarded to the lowest bidder. The whole scheme and scope of the law is that as to all post-office contracts the service shall be thrown open to public competition, and contracts shall be awarded to the lowest bidder. There are also in the laws certain provisions, which I shall read directly, which are intended to provide for unforeseen contingencies which cannot be covered by the ordinary advertisements. It was by a perversion of these that Mr. Brady and Mr. Dorsey and his associates succeeded in defrauding the United States. Section 3941 of the Revised Statutes, as it then stood, provided:

The Postmaster-General shall cause advertisements of all general mail lettings of each State and Territory to be conspicuously posted in each post-office in the State or Territory embraced in said advertisement for at least sixty days before the time of such general letting, and no other advertisement of such letting shall be required; but this provision shall not apply to any other than general mail lettings.

Then, to meet the contingency, there comes section 3957, which provides:

Whenever, by reason of any error, omission, or other cause, any route which should properly be advertised for the regular letting is omitted, it shall be the duty of the Postmaster-General to advertise the same as soon as the error or omission shall be discovered, and the proposals for such route shall be opened as soon as possible after the other proposals in the same contract section; and the contract made under such supplementary advertisement shall run, as nearly as possible, from the beginning to the end of the regular contract term, and during the time necessarily lost by reason of such error, omission, or other cause, the Postmaster-General shall provide for the carrying of the mail on such route at as low rate as possible without advertising.

You will see that this section, keeping up the spirit of the statute, provided that where anything has been accidentally omitted from the advertisement there shall be a supplemental advertisement throwing it open to public bidding, and that the Postmaster-General is authorized to provide for the carrying of the mail on that omitted route only during the period when the new advertisement is running. Referring to a phrase which appears in that statute, it is proper for me to say to you, gentlemen, that under the practice of the Post-Office Department the whole country is divided into contract sections, and that what is known as the Pacific section, which covers substantially all the territory west of the Mississippi River, is the section within which the routes were contained in connection with which the frauds alleged against these defendants were perpetrated. In these contract sections it is the practice for the convenience of the department to let the contracts at different times. All contracts run for four years, but they let the contracts last year for the Pacific section, perhaps next year for the New England section, and so on. The contracts in the Pacific section, to which these frauds relate, were let to take effect on the 1st of July, 1878, and those contracts expired on the 30th of June, 1882, when new contracts were made for the Pacific section. By section 3958 it is provided :

Whenever it becomes necessary to change the terms of an existing contract for carrying the mail otherwise than as provided—

in two other sections to which I will call your attention directly—

notice thereof shall be given and proceedings had thereon the same as at the letting of the original contract.

Then by section 3944 of the Revised Statutes it is provided :

Proposals for carrying the mail shall be delivered, sealed, and so kept until the bidding is closed, and shall then be opened and marked in the presence of the Postmaster-General and one of the assistant postmasters-general or two of the assistant postmasters-general, or of any other two officers of the department, to be designated by the Postmaster-General.

By section 3948 of the Revised Statutes it is provided that—

The Postmaster-General shall have recorded in a book to be kept for that purpose a true and faithful abstract of all proposals made to him for carrying the mail, giving the name of the party offering, the terms of the offer, the sum to be paid, and the time the contract is to continue; and he shall put on file and preserve the originals of all such proposals.

Then section 3950 provides that—

No contract for carrying the mail shall be made with any person who has entered, or proposes to enter, into any combination to prevent the making of any bid for carrying the mail, or who has made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person not to bid for any such contract; and if any person so offending is a contractor for carrying the mail his contract may be annulled.

You will see running through all the same provision for public advertisement, free, open bidding, and the imposition of penalties for anything which prevents free and public bidding. Then comes section 3951 of the Revised Statutes. This section makes provision for a case where, after the award of the contract, the contractor does not take the service up. It provides for temporary service and new advertisement :

Whenever an accepted bidder shall fail to enter into contract, or a contractor on a mail route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertising, for such period as may be necessary, not exceeding six months.

Therefore, if new service is required because of the refusal of the contractor after he has been awarded the contract to enter into it, or if he fails to perform the contract after he has entered into it, there is the right of the Postmaster-General to see that the mails are carried by temporary contract, which, however, can continue only six months. It is worth while perhaps, gentlemen, to show you how thoroughly the idea of public advertisement and open public bidding runs through all the postal laws, and to call your attention to the fact that when you come to a class of service where from the nature of the case there cannot be competition, such service is excepted by special statute, leaving the remainder as it was before, and thus emphasizing the scheme. We all know that in railroad service there is ordinarily no opportunity for competition, because there is ordinarily only one railroad between given points. Therefore it is that special powers are given to the Postmaster-General by sections 3942, 3956, and 3970, with reference to the railway mail service and steamboat service :

The Postmaster-General may enter into contracts for carrying the mail with railroad companies without advertising for bids therefor.

When from any cause it may become necessary to make a new contract for carrying the mails upon any water-route between ports of the United States upon which mail service has been previously performed, the Postmaster-General may contract with the owner or master of any steamer for carrying the said mail upon said route without advertising.

Those are the provisions which, in connection with another provision as to steamboat routes, are, I think, the only provisions which give the Postmaster-General power to make contracts for carrying the mail without advertising and open public competition. You will excuse me if I emphasize the fact that you may plainly see the scheme to be one of advertisement, an opportunity for free and open public bidding, and a provision for the different contingencies in case of a contractor failing to enter into contract, or to carry it out, for temporary service extending simply over six months, and in this way making provision that the mail shall be carried, come what may. Now, these provisions, your own judgment will tell you, mean precisely what the Supreme Court has said in the case of *Garfielde* against *The United States*, in 3 *Otto* :

The object of the statute was to secure notice of the intended post routes, of the service required, and the manner of its performance, that bidders might compete, that favoritism should be prevented, and that efficiency and economy in the service should be obtained.

We think you will be satisfied before we get through how wise the statute was, because we shall show you overwhelmingly that when favoritism is allowed to come in efficiency and economy cease to exist in the service.

This being the scope of the law, gentlemen, what were the duties of the Second Assistant Postmaster-General with reference to the arrangement to carry the mail? Very obviously, first, to ascertain the probable necessities of the service during the four years for which he was about to advertise. He had abundant means of ascertaining those necessities. He knew, in the first place, what the existing service was which was about to expire. He had postmasters at every town, each one of whom would certainly not err in understanding the amount of service required. Each man in his locality would certainly see that the claim of the locality to the requisite amount of service was brought to the notice of the Second Assistant Postmaster-General. Beside that the Second Assistant Postmaster-General is provided with a corps, known as post-office inspectors, whose business it is to go to the regions

in question and see precisely what the condition of the locality is, what service is required, how it is performed, and everything of that sort. They are his eyes. I want here to say that in view of the practice, which seems to prevail in these days, of assuming that every branch of the public service is incompetent and corrupt, that I do not believe there is any private corporation or any private citizen who has so efficient a corps of men under him as the corps of post office inspectors in the Post-Office Department of the United States, taking them as they have been certainly within the last two years. The Second Assistant Postmaster-General has these means of finding out how much service should be advertised for. Having ascertained that, it is his obvious duty, as an honest public officer, to advertise for all the service required, so as to submit it to public bidding. If he could advertise for only a portion of the service and then, under some of those laws which I have read to you, or under others to which I will directly call your attention, could, by private proceeding behind the door, arrange for contracts with other parties without competition, of course he could nullify the practical objects of the law. He must, therefore, advertise for all the service required. He must advertise for the number of trips per week which, according to the best information he can get, is likely to be required. He must advertise for the rate of speed which, according to the best information he can get, is proper for the locality. We all understand that in certain unfrequented regions and in certain mountainous countries it is very absurd to ask that the mail shall be carried without the aid of railroads, six, eight, or nine miles an hour. In certain regions it may be proper not to carry the mail at a higher rate of speed than three miles an hour. Perhaps I ought to say here in passing, that when it comes to speaking of service at a certain number of miles an hour, you must bear in mind that under the rules of the Post-Office Department when a man is required to transport the mail at the rate of four miles an hour that includes all stoppages, and that every postmaster at whose office he stops to leave and obtain mail is authorized to detain him not to exceed seven minutes; so that if there is a single post-office the hour would be reduced by seven minutes, and so on. Now, if the Second Assistant Postmaster-General believes that four miles an hour is a proper rate of speed he has no right to advertise for three miles and then expect under some provision of the law to increase it. He is bound also under the law which I read to you in fixing the proper amount of service to have regard to "productiveness and other circumstances," productiveness being the only circumstance specified. He must make up his mind upon that subject, and then, having made up his mind and having advertised and having received bids, he must award the contract to the lowest bidder.

It is provided in section 3949 of the Revised Statutes:

All contracts for carrying mails shall be in the name of the United States, and shall be awarded to the lowest bidder tendering sufficient guarantees for faithful performance without other reference to the mode of transportation than may be necessary to provide for the due celerity, certainty, and security thereof.

Gentlemen, in those three words, celerity, certainty, and security, we find the origin of the phrase "star route." Prior to 1845, I think, the Postmaster-General, in awarding contracts, was authorized to take into consideration other matters; among other things, if I remember right, the conveniences that the contractor had for transporting passengers. This led to great abuses, and in that year there was passed a statute in which the words celerity, certainty, and security appear. And when contracts were awarded under that law and came to be carried on to the Post-Office

records, instead of putting in those three words, celerity, certainty, and security, they carried them on the books under three stars, hence came the phrase about which you will hear so much in this trial. I fear some of you may think you will hear too much about it.

Mr. HENKLE. Your honor, this is the hour for recess.

The COURT. This seems to be a convenient time and we will take a recess for half an hour.

Accordingly at this point (1 o'clock and 8 minutes p. m.) the court took its usual recess.

AFTER RECESS.

Mr. Bliss resumed his address as follows:

But, gentlemen of the jury, notwithstanding all these provisions for advertising and for supplementary advertising and for temporary contracts the law looks to the possibility that there may still be some accident unprovided for by which the mails may fail to be carried, and it considers it necessary, therefore, to make further provision. It may be that the circumstances under which a contract is awarded—the circumstances in the country through which the route runs—may have changed, rendering it advisable to increase the number of trips per week, or to decrease the trips, or to increase the rate of speed, or decrease the rate of speed. The condition of the country may change by a railroad penetrating the country which takes up the ordinary railway mail service, and necessarily dispenses with the star-route service which previously supplied the locality; or it may be that some mining region has been proved to be productive, and a population has rushed in there with the rapidity with which we know it has done in many of the Western States, and it may be necessary there to make additional mail service; or a mine may “play out,” and it may be proper to reduce the service. There may be a dozen contingencies which may arise and which experience shows do arise which may render it desirable in the eye of the law-maker, and wisely render it desirable, to make other provisions so that by no possibility should the real needs of any locality in mail service fail to be supplied. It may be also that after advertising, as I have already called to your attention, a contractor fails to perform the service, or fails to enter into a contract, and there is a right given to make a temporary contract; but there is another provision of law to meet that case, and that is section 3951 of the Revised Statutes, which provides that—

In all cases of regular contracts hereafter made the contract may, in the discretion of the Postmaster-General, be continued in force beyond its express terms for a period not exceeding six months, until a new contract with the same or other contractors shall be made by the Postmaster-General.

In other words, the Postmaster-General, under a contract about to expire on the 30th of June, 1878, could, under that provision of law, as of right, require it to be extended for six months at the same rate of pay, to give him time to make any arrangements for carrying the mail over the same route after the six months expired, if for any reason, by failure of advertising, or failure of the contractor to enter upon the service, or anything else, the service is not performed under the advertisement.

Then we come, gentlemen, to other provisions, which are those which come chiefly in question in this case. There are two provisions taking their origin from one provision of law, originally passed, I think, in 1825,

and subsequently separated and put into two, to which provisions I now desire to call your attention. One of the provisions looks to providing for an increase of the number of trips per week. If a contract has been made, say, for three trips per week, one of the provisions looks to an increase of those trips possibly to seven trips a week, or to such number as may be decided by the Second Assistant Postmaster-General. The other provision looks to the idea of increasing speed. Where a contract has been let at an average rate, say, of three miles an hour, it provides for increasing the speed to, say, four miles an hour, and for the adjustment of the compensation. One of the increases is usually spoken of as an increase of trips or of service, while on the other hand the provision looking to an increase of speed has come to be spoken of familiarly—and you will constantly hear it in this case spoken of in that way—as expedition; increase of speed or expedition simply relates to the same number of trips as are provided for in the contract, but the making of them in less time than is provided for in the contract, while on the other hand the question of the increase of trips does not relate to speed, but only to the number of trips per week. You not infrequently will find in the orders of the assistant postmaster general, to which I shall call your attention, that there is first an increase of speed and then an increase of expedition. Section 3960 of the Revised Statutes provides—and let me say before I read this that you will notice as to both these provisions of law that they do not themselves confer any power whatever. They simply limit a power which is recognized as existing, and yet it is a power which so far as I have been able to find has never been expressly conferred by statute, but has been by various statutes recognized as existing, and therefore is an undoubted power. Yet the statutory provisions on the subject, it should be noted, are not provisions conferring the power. They are provisions recognizing it as an existing power and limiting its exercise. Section 3960 provides that—

Extra compensation for additional service in carrying the mail shall not be in excess of the exact proportion which the original compensation bears to the original service; and when any such additional service is ordered, the sum to be allowed therefor shall be expressed in the order, and entered upon the books of the department; and no compensation shall be paid for any additional regular service rendered before the issuing of such order.

Now, you will perceive, gentlemen, that this provision simply limits the compensation.

Compensation for additional service in carrying the mail shall not be in excess of the exact proportion which the original compensation bears to the original service.

Under that the practice has grown up, and probably a correct practice, that if there was a payment, for instance, of a thousand dollars a year for one trip a week, and the trips were then increased to two trips a week, this law is recognized as saying that the amount to be allowed when there are two trips shall *not exceed* two thousand dollars, two trips being twice as much as one trip, and two thousand dollars being twice one thousand dollars. The law provides that that limit shall not be exceeded. It is not a provision, you will perceive, that they shall allow twice as much for double service, but only that they shall not exceed it. This provision gave rise to a phrase which you will constantly hear in the course of this trial, and that is *pro rata*. When it is said that so much increase is allowed, “being *pro rata*,” it is intended to assert that where the service has been doubled the compensation is doubled, and where it has been trebled the compensation is trebled, and this allowance is *pro rata*.

That section relates, you will see, to an increase of trips. Section 3961, which I am about to read, relates to increase of speed. It introduces a little more complication into the statement and carries us back to our school days when in arithmetic the rule of three was the stumbling block to a good many of us :

No extra allowance shall be made for any increase of expedition in carrying the mail unless thereby the employment of additional stock and carriers is made necessary, and in such case the additional compensation shall bear no greater proportion to the additional stock and carriers necessarily employed than the compensation in the original contract bears to the stock and carriers necessarily employed in its execution.

You will see, gentlemen of the jury, in the first place that there is no right to pay a cent of extra compensation unless the increase of speed necessarily involves the employment of additional stock and carriers. If it does involve the employment of additional stock and carriers, then you may not allow any more additional compensation than the compensation in the original contract bears to the stock and carriers necessarily employed in its execution. As to the effect of that I shall have occasion to call your attention to it in a moment. But I now pause to remind you of the fact that these provisions of law complete the scheme of the Post-Office laws so far as they relate to carrying the mails. First, ascertain what service is likely to be needed during the four years of the contract term. Then advertise for it. Advertise fully; cover all the service there is reason to believe will be required. Award the contract to the lowest bidder. If an emergency arises, give a temporary contract under the provision allowing it to be done for six months, until an advertisement can be made, so as to open it to the lowest bidder, or meet the emergency if it occurs within six months after the commencement of the new contract term by extending the former contract at the same rate for six months; or when these fail, meet it under these two last exceptional provisions to which I have referred relating to an increase of trips and to an increase of speed.

You will see that under these there is a limitation that you shall not allow beyond a certain amount. It is not said who is to do it or anything about who is to decide whether there is to be an increase of service, who is to decide whether there is to be an increase of speed, nor who is to decide how much is to be allowed for compensation, either for increasing the service or increasing the speed. All that is covered by the general provision which I read to you which vests in the Second Assistant Postmaster-General the entire charge of everything connected with the transportation of the mails and the amount to be allowed therefor.

These provisions which I have read to you, called provisions for increase of service and increase of speed, we claim were intended to be exceptional provisions only to be resorted to in exceptional cases. I said on the last trial, and I can fairly repeat it here, that they were intended to be the medicine of the postal service, and that Brady made them his daily bread. He resorted to them constantly, habitually, unnecessarily, and corruptly. He based his action upon pretended evidence, showing the necessity of increased service, which evidence was not only false, but which he knew to be false, and which bore on its face the evidence of its own falsity. He based his action as to the allowances to be made for increased speed upon papers which were not only false, and which he must have known to be false, but which no man with sufficient capacity to read them would ever accept as genuine and proper documents to base action upon. He based his action upon

documents which were sworn to in blank. He based his action upon documents full of erasures and changes, all of those erasures and changes being made in the precise spots and in the precise manner where they would take the greatest amount of money from the Treasury if they were accepted as genuine. He went to the extreme limit of the law. Where the law said you shall not allow more than a certain amount for increase of service he habitually, yes, uniformly, almost without exception, went to the extreme limit of the law, when it is perfectly obvious that there was no justification even if the service was to be increased, in paying so much for it. Accepting the statements which were made to him as to the number of stock and carriers necessary to make increased speed, accepting those, altered as they were, cheating, as they were obviously intended to be, as true, he went to the extreme limit of the amount that the law allowed to be given for increased speed. Moreover the law expressly says, and I read it to you again:

No compensation shall be paid for any additional service rendered before the issuing of the order.

Yet he made orders which expressly and on their face provided for the allowance of compensation for weeks previous to the date of the order. Probably we shall confine our evidence on that subject to two or three instances; it may be to one. The one I have in my mind will show conclusively that there was an order by which compensation was directed to be allowed at a large amount for some six or eight weeks prior to its date, directly in the face of this statute. Though there is for a portion of that service and a portion of that time some reason to claim that a telegraphic dispatch might be treated as a prior order, yet accepting the dispatch as all that can be claimed, Mr. Brady still, in that case, made the order expressly allowing a large amount of compensation from a period prior to the date of any order that was issued, and in direct and express violation of the statute. We say, gentlemen of the jury, that Mr. Brady made these orders unnecessarily, improvidently, corruptly; that he directly benefited by them, and that he made them at the instigation of and divided the profits of the transaction with some or all of the other defendants. He so acted, as I said at the outset, and that action was entirely under these two provisions, the provision for increase of service and the provision for increase of speed. He so acted under those provisions of law that the original contracts, having been made with these parties by which they were to receive \$41,155 a year for performing the service on these nineteen mail routes, they were run up, without advertising and by virtue of the secret arrangement with Brady, so that he allowed to them \$448,670 90 a year. He multiplied them considerably more than ten times over, and he did that, as we say, by availing himself of these exceptional provisions of law and introducing a practice into the Post-Office Department which had never prevailed there before, to wit, the practice of using these provisions constantly, and as I said, as the daily bread of the postal service instead of its occasional food or medicine. We shall show you, gentlemen of the jury, that under John L. Routt, who was Second Assistant Postmaster-General from the 1st of January, 1872, to the 30th of June, 1875, being three years and a half, there were in those three years and a half but fifteen cases in which resort to this provision as to increase of speed was had; that under James N. Tyner, who was Mr. Brady's immediate predecessor, and who was in office for a year—

Mr. CHANDLER. [Interposing.] Mr. Bliss—

Mr. BLISS. [Continuing]—there were but five cases of expedition.

Mr. CHANDLER. Your honor, I ask that Mr. Bliss may stop. He pays no attention to me.

Mr. BLISS. I did not hear the counsel.

Mr. CHANDLER. I tried to make myself heard. I understood that on the former trial of this case an offer to compare the administration of the Post-Office Department and its business with former and subsequent administrations was not permitted by your honor as a rule of determining whether this business was properly or corruptly conducted; and inasmuch as the gentleman is pursuing that same theory now and undertaking to compare what was done under the administration of General Brady with an administration which preceded him, we say it is not a subject of proof, and it is not a subject of statement before the jury, and we object to it.

The COURT. It may or may not be competent. The proper time has not come to make that point.

Mr. BLISS. I simply say that it is proper evidence, and we shall claim it to be proper evidence, as showing that Mr. Brady introduced a new practice, and shall ask the jury to infer from that, in connection with other evidence, that it was done improperly.

Mr. CHANDLER. If your honor please, it cannot be any evidence of a crime that one administration—

Mr. BLISS. [Interposing.] The point has been ruled upon, and I object to further interruption.

The COURT. I cannot undertake to pass upon Mr. Chandler's question now.

Mr. CHANDLER. I only raise the point because your honor ruled it out before.

Mr. BLISS. He has ruled it in now.

The COURT. This case is being tried *de novo*, and I must decline to restrict counsel.

Mr. BLISS. Gentlemen of the jury, I told you that Mr. Routt in three years and a half had only fifteen cases of expedition, and that Mr. Tyner in a year had only five cases of expedition. Mr. Brady came into office on the 23d day of July, 1876. Prior to the 30th of June, 1877, being less than one year, he had had fourteen cases of expedition, or one less than Mr. Routt had in three years and a half. Mr. Brady, in the year from June 30, 1878, to June 30, 1879, had seventy cases of expedition; and in the period from the 23d of July, 1876, to the 30th of April, 1881, being four years and nine months, Mr. Brady resorted to this statute as to expedition in one hundred and twenty distinct and separate cases, while Mr. Routt and Mr. Tyner together, in four years and six months—just about the same time—resorted to it only in twenty cases. We shall ask you, gentlemen, in connection with other evidence upon that subject, to say that Mr. Brady coming into office in the way he did, and finding this exceptional instrumentality, which had previously been resorted to only in exceptional cases, used it improperly and wrongfully. He went to work and availed himself of it to the extreme and great extent that I have mentioned, and we shall ask you to infer from that, in connection with other evidence, that Mr. Brady's course was dictated by improper motives.

Gentlemen of the jury, let me call your attention to one single effect that the resort to that practice had upon the Government. When an advertisement is made for a postal contract it is provided that the contractor shall enter into a bond. That bond is made to bear a certain fair proportion to the amount paid for service upon that same route during the previous contract term. If the payment for service upon the

route, for instance, be \$2,500 a year the bond will be \$1,500, or something of that kind. The bond is necessary to the Government for this reason: If a contractor gets a contract at the lowest rate he may be several hundred dollars below the next bidder. He enters into service and commences it, and then fails to perform it. He is declared a failing contractor. The Post-Office Department then has to make an arrangement with some other man, and uniformly is compelled to pay an increased price for the service. They have then to look to the bond of the original contractor for the amount that they have lost thereby; but they can only resort to that bond for the amount specified in it. We shall show you routes in this indictment where the original contract sum was less than \$2,500, I think I am right in saying that, where the bond required was about \$1,500, and where, under the orders of Mr. Brady, the amount allowed for service was run up within a year to about \$50,000, and yet all that the Government had after the increase was a paltry bond of \$1,500, adequate to the original bid, but not at all adequate to the increased compensation. I call your attention to that merely as showing that under the provisions of the law, by applying this exceptional power as to expedition, Mr. Brady put the Government in a position to suffer great loss without the possibility of resorting to that protection which the law intended the Government should have for the enforcement of the contracts for mail service.

You will see as to this provision for increase of trips that the statute says the Postmaster-General shall not pay in excess of the exact proportion which the original compensation bears to the original cost. If Mr. Brady, or any Second Assistant Postmaster-General, habitually violates the law in this respect, if he does it without due inquiry, if he does it in cases where increase of service is obviously unnecessary, if he allows for it excessive sums, all that is necessarily and positively proof of misconduct of some nature on his part. All you gentlemen, as business men, must know that an increase of trips does not necessarily nor ordinarily involve a proportionate increase of the price; that if a man has undertaken to carry the mail once a week and is called upon to carry it twice a week, it does not cost him twice as much money to do it. Take a short route, for illustration, that is gone over in a day. You have to have your horses and your wagons, and it will not cost you twice as much to go over that route twice a week as it will to go over it once. Suppose it is a route that you are required to run over once a week each way, which will take your horses two days in a week, and all the rest of the time they are standing and "eating their heads off," to use a common expression. If you are called upon to go over that route four times a week instead of twice, you will see plainly that doubling the trips does not double the price. But if the contractor is lucky enough to have some convenient Brady make a secret order about it he can get his pay doubled when his service is doubled. We all understand that on the longer routes there are other expenses—the expense of supervision, the expense of rent, of stables, the expense of hostlers, and many other expenses which are not doubled in such a case. All of you, as business men, know that it will not cost you twice as much to keep two horses in your stable as to keep one. There is not any question about that. Yet we shall show you by evidence in connection with the very cases in this indictment, that although Mr. Brady and these defendants knew these facts, they habitually and constantly, for their own benefit, acted in violation of that knowledge; and that Mr. Brady allowed sums which he knew to be in excess of the fair cost for the increase of serv-

ice. We shall show you that these defendants themselves recognized it, recognized it by documents formally executed, and which they placed upon the files of the department. There is a provision of the law to which I shall have occasion to call your attention by and by, known as the subcontract law, under which, when a mail contractor not carrying the mail for himself, arranges with somebody in the locality to carry it, and makes a subcontract with him, that subcontract can by the subcontractor be placed on file in the department. These subcontracts to which I am going to call your attention were on file in Mr. Brady's office, and showed Mr. Brady that these defendants themselves recognized the fact that an increase of trips did not necessarily or ordinarily involve a proportionate increase of expense. For instance, we shall show you one case where the subcontract made by these defendants with a subcontractor in the locality, provided that the subcontractor should be allowed \$1,400 a year for one trip, if there were two trips that he should be allowed \$2,600 a year, and if there were three trips that he should be allowed \$3,700. If there were six trips he was to be allowed \$7,000, and if there were seven trips \$7,500. I give you that particular instance, and I can readily refer you to others showing you that they are not exceptional. On another route we find by their subcontract that they allowed \$700 for one trip, \$1,300 for two trips, \$1,800 for three trips, and \$3,300 for six trips. On another route they allowed for one trip \$2,500; for two trips, \$4,000, and for three trips, \$5,100. On another route they allowed for one trip, \$1,500; for two trips, \$2,850; for three trips, \$4,055, and for six trips, \$8,017. On another route they allowed for two trips, \$5,500; for three, \$7,500; for six, \$15,000, and for seven, \$17,000. The subcontracts made by these defendants for service upon these routes show that they recognized the fact that the increase of service did not necessarily involve a corresponding increase of expense. Many of those subcontracts were on file in Mr. Brady's office conveying that same information to him. We submit that if he knew what he was bound to know if fit for his place, and what he was bound to know if he had any knowledge of the simplest business matters, that he should have used this knowledge for the benefit of the Government. Moreover, Congress has expressly recognized this principle in making appropriations years ago before we had any Pacific Railroad for transporting the mails overland to California. They put in the law a clause by which they provided \$300,000 a year for semi-monthly service, \$450,000 a year for weekly service, and \$600,000 a year for semi-weekly service. It is so obvious, so well known, that that must be the result, that I think we may almost say the court would take judicial notice of the fact. This being the condition of things, Mr. Brady habitually and uniformly, when he was making an order for increase of service, went to the extreme limit allowed by the law. We shall show you on the routes in this indictment, as far as increase of service is concerned, twenty-nine separate orders made under Mr. Brady. In twenty-six of them he deliberately and on their face provided that there should be allowed the extreme amount authorized under the law. When he increased one trip to three he multiplied the compensation by three. When he increased two trips to six he multiplied it by three. For illustration, if the original compensation for one trip was \$1,000 and he ordered seven trips, he allowed \$7,000. That was almost his uniform practice, and that happened in twenty-six of the twenty-nine orders he made. The remaining three orders were cases in which he mixed up the sum he allowed for increase of speed and increase of trips so that it is difficult to say how much was allowed for one and how much

was allowed for the other. I think I shall be able to satisfy you that in two of those three cases he allowed for the increase of service the extreme amount which could by any possibility come in under the law. In twenty-eight of the twenty-nine orders made on the routes specified in this indictment Mr. Brady went to the extreme limit authorized by the law. You will bear in mind, gentlemen, that I am assuming for the moment that the increases of service which Mr. Brady authorized were properly authorized, but I am calling your attention to the fact that when Mr. Brady came to decide how much should be paid—and the decision rested entirely with him—he went uniformly to the extreme limit, and that is a thing which no honest, provident, and faithful officer could do under the circumstances.

As to expedition or increase of speed you will bear in mind that, in the first place, no allowance of extra compensation is under the statute lawful unless by such increase of speed additional stock and carriers are necessary. If additional stock and carriers do not become necessary there can be no allowance whatever for the extra speed. We shall show you, gentlemen, cases where Brady did make large allowances for increase of speed, and yet we shall put upon the stand before you drivers who were carrying the mail over that route both before and after the extra allowances made by Mr. Brady; carrying it on the original rate of speed, and on the increased rate of speed, and who will tell you that they did not use any additional stock or carriers, but that the identical horses and men went over that route day after day at the increased speed that went over it with the original speed; and yet Mr. Brady paid large sums for the expedition. We shall show you cases, gentlemen of the jury, where the unfortunate subcontractor went on doing this business, and though he had a provision in his subcontract by which, if the speed was to be increased, he was to get a certain percentage of the increased compensation allowed, these defendants went on drawing from the Post-Office Department the increase of compensation and paying him only his original compensation. The first knowledge some of these contractors had that the Government had ever allowed any additional amount was from the inspectors whom we sent out there to investigate in connection with this indictment. They informed the contractors that Messrs. Dorsey and others had, under the orders of Mr. Brady, been for years drawing thousands of dollars a year for additional compensation for service which the subcontractor had rendered at the original price and with the same horses and the same men. And here let me say, gentlemen of the jury, that you will find in this case that there was a great distinction between these defendants and many other people engaged in the mail service. That with a single exception they were not mail carriers; that they did not go into this business with the idea of carrying the mail; that they went into the business with the idea of getting contracts here at a low price, in many cases bidding lower than it was possible for the service to be rendered, lower than any honest bidder could bid, with the intention in the first place of arranging with some subcontractor in the locality to carry the mail. In carrying out that intention they arranged with these subcontractors not infrequently to pay them more than they themselves were getting from the Government. In such an event they took care immediately to obtain from Mr. Brady orders for expedition by which what were originally losing contracts to a small extent became at once most enormously profitable contracts. Of this additional amount which they got they gave to the subcontractor, who really performed the service, only an insignificant proportion. They kept all the rest

for themselves simply for their expenses in carrying on business in Washington! We shall show to you in that connection some rather extraordinary things. As I said, the Second Assistant Postmaster-General had no right to pay any increased compensation unless increased stock and carriers were required. Mr. Brady made allowances where no increased stock and carriers were allowed. Moreover, Mr. Brady made allowances even where increased stock and carriers were required greatly in excess of the proper amount. He constantly and habitually allowed sums in excess of the stock and carriers needed, and he allowed sums in excess of the stock and carriers which even were stated to be needed on the evidence before him. This provision as to stock and carriers originated I think in the statutes in 1825. It was there a provision both as to increase of service and increase of speed. It reads in this way:

That no additional allowance shall be made by the Postmaster-General to the contractor or carrier of any mail, on any route, over and beyond the amount stipulated in the contract entered into for the transportation of the mail on such route, unless additional service shall be required; and then no additional compensation shall be allowed to exceed the exact proportion of the original amount to the additional duties required.

After this statute had been in force some ten or twelve years there came up a post-office scandal, and the question was raised as to whether the statute of 1825 applied not only to increase of service but also to increase of speed. There was an investigation in Congress on that subject, and it seems to me to have been unlike an investigation to which I shall have occasion to call your attention—a thorough one—and thereupon there came reports from Congress and reports from the Postmaster-General.

The Postmaster-General at that time said:

For expediting the mail in point of time there can be no rule for determining the pro rata. The actual increase of expense, agreeable to an ancient provision made in contracts, is the rule which governs. It is frequently done at a less rate, but when that full rate is demanded some evidence of the increased expense is required before the allowance is made.

Congress said:

All that is necessary is to ascertain the expense of the original service and what will be the expense of the additional service. The rule would then be: As the amount of the expense of the original service is to the compensation therefor, so is the amount of the expense of the additional service to the pro rata additional allowances.

That was the view which was taken in Congress and by the then Postmaster-General as to the provisions then applicable to the subject.

In this case we shall show you that upon the routes in this indictment Mr. Brady made fifteen orders for expedition. There are nineteen routes in the indictment and he made fifteen orders. Twelve of the orders on their face purport to make allowances up to the full limit, gauging that limit by the alleged evidence he had before him. That is to say, if he had a statement before him that a certain number of stock and carriers was then actually required and that a certain number would be required, he applied the rule of three laid down in the statute to it and gave the extreme limit. I shall have occasion to call your attention presently to the absurdity of that evidence that he had before him on the three remaining orders. In one case he allowed less than the limit. Taking all the time the evidence on which he claimed to base his action the amount less than the limit in one case was merely nominal. In another case it was only \$1,300. In a third

case it was very large; but it was large because of the monumental swearing of one of the defendants in this case, John R. Miner, who swore that an increase of trips would require an addition of one hundred and fifty men and one hundred and fifty horses, when his counsel will not dare to pretend before you that there were any additional men more than forty necessary. Yet Mr. Brady makes his order in that case as being less than the limit, or less than pro rata, as he chooses to put it, because he accepts Mr. Miner's monumental perjury of one hundred and fifty men as true. Gauged by that, it is less than pro rata. Gauged by what was necessary, it is greatly in excess of pro rata. I shall have occasion to call your attention to some other things in connection with that affidavit.

I have said that this evidence upon which Brady chose to act in making his allowances for increase of speed was false. Much of it was absurdly, transparently false. Assuming that an application was made to the Second Assistant Postmaster-General for an increase of speed on a given route, what would he as an honest, faithful officer do? Would he not ascertain how much stock and how many carriers were then actually employed in the first place, and could he not readily ascertain that by sending to the postmasters upon the route; by getting statements from the men who were carrying the mail over the route, and if need be by sending one of his inspectors to find it out? Having ascertained that as a fact he has one of the elements necessarily entering into the question as to how much should be allowed. There was no difficulty in finding that out, gentlemen. It involved no trouble to Mr. Brady. It involved no expense to the Government, and is it not the obvious, the natural thing to do to find it out, and to find it out on the spot, from the people who were carrying the mails, how many men and horses they were using in so doing? Would it occur to anybody to make that inquiry of the men who were here in Washington, who never were on the route, who knew nothing about it, to find out from them what they said was the number of stock and carriers then employed, and to accept their statement as final and conclusive? Would any ordinary business man think of doing a thing of that sort? And let me show you here, gentlemen, just the importance of this condition of things. The statute says:

The additional compensation shall bear no greater proportion to the additional stock and carriers necessarily employed than the compensation in the original contract bears to the stock and carriers necessarily employed in its execution.

You have to find out how many are employed at the moment under the original contract, and then how many will probably be employed under the increased speed. One is a question of fact, the other a matter of opinion. Now, suppose a contract provides that they shall carry the mail three miles an hour at \$5,000 a year, and it is proposed to make an increase of that rate to four miles an hour. The question of course is how much additional stock and carriers are necessary. If in fact on the existing rate of speed it requires ten men and carriers, while it will take on the increased rate of speed twenty men and carriers, then by the rule of three laid down in the statute, \$5,000 being the sum allowed for the original service, \$10,000 would be the sum allowed for the increased service, because it takes twice as many horses and carriers on the increased speed as upon the original speed.

But accepting that as the true state of the fact, suppose that in making up the calculation instead of taking those items, and instead of saying that it now takes ten men and horses to carry the mail on that route, Mr. Brady says it now takes five men and horses to carry the

mail on that route, and it will take twenty men and horses on the increased service. In that way he has understated the number of men and horses by five, just half, and he is taking the increased number of men and horses as the same in each case. What is the result? The result is that instead of allowing \$10,000 for the increased speed where \$5,000 was the original allowance, Mr. Brady allows \$20,000 when he should have allowed \$10,000. He has doubled the amount taken from the Treasury by the simple expedient of understating by one-half the number of men and horses which were then actually used.

You see, gentlemen, the importance of getting at that fact, and getting at it accurately: "How many men and horses are now used when I am about to make this order for increase of speed is the question, because if I understate the number of men and horses, then I allow from the Treasury a sum in excess of the legal amount." But the Government could be, and was, defrauded in the other way; that is, stating the number of men and horses that were used at the moment correctly, say, when ten were then actually in use. In fact it would have taken twenty to perform the increased speed, but Mr. Brady estimated upon thirty, and in that way you find, following out my comparison of \$5,000, if Mr. Brady takes and states correctly the number of horses actually employed, but increases the number that will be employed to thirty instead of twenty, the result is that instead of allowing \$10,000 from the Treasury he allows \$15,000, and on the face of the thing it is all pro rata. The rule of three works very well if his elements going to make it up are correct. It was in that way that Mr. Brady's most magnificent exploits were performed. He understated the number of men and horses actually employed then, and overstated the number of men and horses that would be employed. You will find that in place of \$10,000 which could have been legitimately taken from the Treasury, \$30,000 was the allowance, and yet on the face of the thing it was all straight; he had applied it all right and he had only gone to the limit; he said five men and horses are now employed, when, in fact, ten were employed, and he said thirty would be employed, when in point of fact twenty were all that were needed for the increased speed. So that you will see, gentlemen, that these two little elements and this little arithmetical rule put into the statute gives the means by which by a slight change in figures the Government can be very largely defrauded. Put the original figure too small or the future figure too large as to the number of men and carriers and you cheat the Government. Either put one too small or put the other too large and you cheat the Government. Put one too small and the other too large and you treble the cheat substantially.

Now, what did Mr. Brady do in ascertaining these most important numbers? Did he do as any honest man would do, as any fair official would do? Did he make any effort to find out what those numbers were? Did he send to the locality and find out how many men and horses were then actually being used? Did he inquire of people experienced in the business, and not interested in the sums to be allowed, as to how many would be used on the increased service? No, gentlemen, he did this, and only this, and I want you to bear it in mind, for it is literally true: He went to the man who was to be benefited by the allowance, who was to get the money from the Treasury, and he received from him a brief affidavit not larger than that [exhibiting a folded paper], in which the man said that the number of stock and carriers now employed on a given route are so many, and the number that will be employed on an increase of speed will be so many. He

took the statement of that interested man as the sole evidence upon which he acted, and upon such affidavits he made orders under which he took thousands and hundreds of thousands of dollars from the Treasury of the United States, and put them into the pockets of the men who made those affidavits, barring and excepting the toll that he took for his own pocket as he went along.

I say, gentlemen, that that is literally true. We have searched in vain to find a case where Mr. Brady prior to making an order for increase of speed inquired of any human being how many men and horses were then being used on the route, or how many men and horses would be used on the route, other than of the man who was to be directly benefited by the order he was to make and who was therefore interested to misstate in both respects.

Gentlemen, if there were nothing else in this case than Mr. Brady's action in that way upon those papers we should ask you to say that Mr. Brady had so acted as to deserve from you a verdict of guilty. But there is, gentlemen, much more than this. There appears in the Regulations of the Post Office Department, published in the year 1879, a provision which was obviously enforced by Mr. Brady prior to that date, and yet we are unable to say when it was first applied. It does not appear in the Regulations of the Post-Office Department published in 1873. It does appear in those published in 1879. It was applied by Mr. Brady, or availed of by Mr. Brady, in every expedition that he made after he came into office in July, 1876. While I do not think it was used before that time I am not prepared to assert that it was not. It may possibly have been in existence before that time, but it was not ordinarily used. That provision is this :

When it becomes necessary to increase the speed on any route the contractor will be required to state under oath the number of horses and men required to perform the service according to contract schedule and the number required to perform it with the proposed increase of speed.

That provision is of course a very proper provision to be made in such a case—that the contractor who is to be benefited should be required to give his own statement, and to give it under oath, of the number of men and horses he is then using and the number that he believes he will use. But I ought to call your attention to one fact. This regulation speaks of the number of men and horses that will be used. The statute speaks of the number of stock and carriers, and in the progress of this case you will see that it will be claimed that this regulation is broader than the statute, because while the statute says you can only take the number of stock and carriers engaged in carrying the mail, in your estimate under this provision, which it is claimed is broader than the statute, you can take men who were employed as hostlers and everybody else who was directly or indirectly engaged in the mail carrying, even to the extent of reckoning in the men who were employed in driving the wagons that hauled the oats on which the horses were fed, though they never saw or touched a mail. That regulation, if it is thus broader than the law, was habitually resorted to by Mr. Brady, and, if thus broader than the law, is very clearly an illegal regulation. Yet it was a very proper regulation in some form to get from the contractor his statement, as the party interested, of what he claimed it would be. Of course we all know that human nature is weak, and that if we were to be benefited by an increase of compensation we should be apt to be pretty liberal. We probably would try to state correctly the number of men and horses we are now using, but I think our judgment would be a good deal biased in getting at the number we should

be likely to use; and that ought always to be borne in mind in reference to this matter. But Mr. Brady, under that regulation, took from the contractor, or claimed to take from the contractor, his affidavit of the number actually used, and the number that would be used, and he took nothing else. He took that affidavit of the contractor. He sought no evidence anywhere else, and upon the basis of that affidavit he made his orders allowing to the contractor the extreme limit which that affidavit showed him entitled to. And he said that was a fair and provident administration of the Post-Office Department of the United States.

But not only that, you will bear in mind that this affidavit says that the contractor will be required to state under oath the number of horses and men required. But when it suited Mr. Brady's convenience, when these defendants wanted their order for expedition, so that their increased pay might commence promptly, and the contractor was probably not available to make the affidavit, they quietly had somebody else make the affidavit and Mr. Brady accepted it. If that somebody else had been somebody who had been on the route, who knew anything about it, there might have been some justification for it. But the order was made upon the affidavit of somebody who had no connection with the route, who had never been near the route, and knew nothing about it. I do not wish to make a general statement of that kind without referring to specified items. I am referring only to routes in this indictment.

On the route from Pueblo to Rosita, No. 38134, the contract was the contract of John R. Miner, one of these defendants. So far as the Post-Office Department knew, outside of the illegitimate knowledge which Thomas J. Brady had, John R. Miner was the only person connected with that contract for carrying the mails. Yet, when they wanted to increase the compensation, Mr. John W. Dorsey, another of these defendants, unknown to the Post-Office Department so far as this route was concerned, made the affidavit called for by that regulation. Mr. Brady accepted it as conclusive, and upon that affidavit made the order for an allowance of a large amount of extra compensation.

On route 38140, from Trinidad to Madison, John R. Miner was in like manner the contractor. Did he make the affidavit? And let me say, gentlemen, you will find in the progress of this case that it was not from inability to swear that Mr. Miner did not make the affidavit in this case. Instead of his making the affidavit in the case Mr. John W. Dorsey again came to the front and made the affidavit which Brady took as a sufficient voucher for taking from the Treasury a large amount of money.

On the route from Vermillion to Sioux City, No. 35015, the contractor was the same—John R. Miner, I think. I do not remember who the contractor was there. Whoever the contractor was, Mr. Harvey M. Vaile, another of these defendants, who was the subcontractor, made the affidavit upon a sheet of note paper with the heading of the National Hotel upon it. He made it in this city, and made it when he never had been upon the route and never knew anything about it, except that he was going to make by that affidavit a good, round, handsome profit. He made that affidavit as subcontractor, though it was not in accordance with the regulation at all, and Mr. Brady accepted it and took it as his sole basis for his order taking money from the Treasury.

On route 38113, from Rawlins to White River, in like manner Mr. Perkins, the subcontractor, made the affidavit; but Mr. Perkins had this advantage over anybody else in this case who made an affidavit

upon which Brady acted: Mr. Perkins had been on the route. No other human being who made one of these affidavits upon which Mr. Brady acted had at the time he made the affidavit ever been upon the route to which it related or had any knowledge as to the number of men and horses actually employed, and, other than Mr. Vaile, none of them had by experience a right to say how many would be needed, for none of them other than Mr. Vaile had ever been a mail contractor. They were nothing, gentlemen, but a set of speculators in mail contracts, and never expected to carry the mails, but expected to get the contracts at a low price, get them expedited, and get the service performed by subcontractors, to whom they would pay an insignificant proportion from the amount that they drew from the Treasury of the United States.

What is the result of allowing such affidavits, so made by these parties, to be accepted? Why, the result was, and we shall place before you the witnesses who will show it, that the statements were almost uniformly false of the number of men and horses then actually in use, they being almost uniformly understated, and the number of men and horses to be required on the increased service almost uniformly overstated. We are not going to ask you to come to that conclusion on any question of opinion. We are going to put before you the men who drove the horses before and after the increase. And we are going to have them tell you in their frank and honest way precisely what were the facts.

These affidavits, made by contractors or subcontractors who had never seen the route, and which Mr. Brady chose to accept—I am not permitted in my opening to show you the papers, gentlemen, for they are not yet identified—we shall have occasion to show you, and I think, from the mere inspection of them, you will be able to see that not only no honest man, but no man who was not going on in a career of fraud and corruption, under the impression that he would never be investigated, would have made orders upon such papers. They are altered. They are erased. They are changed. They bear all the insignia of fraud upon their faces.

But that is not all, gentlemen. We find this extraordinary condition of things. On route 38134, from Pueblo to Rosita, which, I think, is the same route upon which the obliging Mr. John W. Dorsey, as I have just stated to you, was allowed to make the affidavit instead of Mr. Miner, we find that there were actually on file in Mr. Brady's office when he made the order for expedition, two oaths, both made by John W. Dorsey, both sworn to before the same man on the same day—the 21st day of April, 1879—and in one of them he says, "The number necessary to carry the mail on that route on the existing schedule is two men and six animals;" and in the other affidavit he says, "The number necessary to carry the mail is three men and twelve animals." Those two affidavits were before Mr. Brady, made by John W. Dorsey on the same day, and yet Mr. Brady chose to pick out one or the other of them and say, "I believe *that* as the absolutely conclusive statement of the number of men and animals that are now in use upon that route, and upon that affidavit I will make my order taking from the Treasury thousands of dollars of money." You will see that the first affidavit made the number two men and six animals, making eight as the number of stock and carriers then in use; but the other one called for three men and twelve animals, making fifteen as the number then in use, and therefore, according as he accepted one or the other, by the rule of three, to which I called your attention just now, there

would be twice the amount of money allowed from the Treasury under the one affidavit that there would be under the other.

But the point to which I am calling your attention now is, that Mr. Brady chose to accept one of the affidavits as true when he had before him the two affidavits, and one or the other must have been square perjury. Yet, as I say, he accepted the affidavit of a man not connected with the route, when he had the evidence before him that that man had committed square perjury in swearing.

The COURT. Which of those affidavits did he use ?

Mr. BLISS. Well, sir, for the moment, I cannot say. My own impressions about it are, and I think, on reflection, we shall be able to show it to you, that it was concluded that the one stating the small sum was a little too bad, and that that would not do, and that the other was put on file. I do not remember at this moment how that was. These routes get a little mixed in my memory.

Mr. DAVIDGE. You do not recollect which he acted on ?

Mr. BLISS. I do not, sir.

Mr. INGERSOLL. The affidavit requiring the least money was the one acted on.

Mr. BLISS. I undertake to say, as a matter of fact, that that was not so.

Mr. DAVIDGE. Very well.

Mr. BLISS. The only doubt in my mind is precisely this: Whether the result of the application of the rule of three to the two affidavits did not make the amount required under each of them substantially the same by understating one and the other. They did not balance. But I do say that I am very clear that he did not act upon the affidavit which gave a less amount than the other affidavit would have given. It may be that both the affidavits would have given the same sum. I do not know whether that is true or not. The only doubt in my mind is as to that. But, gentlemen, the point to which I am directing your attention now is not how much money was taken from the Treasury upon these affidavits, but I am directing your attention to this: That a man who could, on the same day, swear to two affidavits which are so inconsistent as these, and who had therefore as to one of them committed a perjury, was the only witness whom Mr. Brady accepted as satisfactory to him as to how much money should be taken from the Treasury of the United States. I do not care whether they took the smallest or the largest sum. They took it upon the evidence of a man whose perjury stared Brady in the face, and Brady chose to say that was sufficient. Now, as to the other affidavit. In one of them he swore that on the increased rate of speed there would be required six men and eighteen animals. In the other affidavit he swore that on the increased rate of speed there would be required seven men and thirty-eight animals. The total, you will see, is in one case twenty-four, and in the other case forty-five. Having sworn to two affidavits, both of which could not be true, and one of which must be a lie, it was natural that he should go on and swear that in his opinion, and in his experience, there would be required in the one case twenty-four men and animals, and in the other case forty-five men and animals. There was falsity necessarily in one or the other of those affidavits, and in both branches of one or the other of the affidavits. It may be that the rule of three, as worked out between them, would result in taking from the Treasury only the same amount of money. That I do not care about on the present occasion. The point I am making is that the affidavits showed Mr. Brady that that man was not

a safe man to take as his guide. He was not the contractor and he was not the subcontractor. He had no relation to the routes, and yet Mr. Brady picked him out because he happened to be conveniently available to set in motion the machinery by which, at the earliest possible moment, money was to be taken out of the Treasury of the United States. One of those affidavits was filed on the 6th of May, 1879. Another of them was filed on the 8th of May, 1879. The order was made after the latter date when both affidavits were on file.

Mr. Dorsey, it is true, having put the first oath on file, on the 6th of May wrote a letter in which he asked permission to withdraw the first affidavit. He was apparently afraid that Mr. Brady would not have his attention called to the fact that he was a perjurer. So he asked permission to withdraw the affidavit to correct an error therein. The next day he corrected the error by putting on file the second affidavit, and so far as the correction of the error was concerned you will see that there is not a single figure in the two affidavits which is identical; not a single figure. The number of men and horses actually used is given in each and the figures do not agree, and the number of men and horses which would be required is given in each and the figures do not agree there. That is what he calls correcting an error. But the same Mr. John W. Dorsey made another error. On the 11th of March he swore to an affidavit on route 38145, from a place down in New Mexico called Ojo Caliente to Parrott City, that the number then necessary to carry the mail was three men and seven animals. He took that oath up in the pure air of Vermont, gentlemen, and six weeks later he got into the contaminating atmosphere of Washington and then he found out that instead of three men and seven animals, it would take five men and fifteen animals. In the one case the aggregate was ten which was to be used as the factor in estimating the amount to be taken from the Treasury, and in the other case the aggregate was twenty which was the factor to be used. You will see those figures agree precisely with the supposititious case which I took up when I was trying to illustrate to you the effect of this rule of three in the statute as to expedition.

The COURT. According to that the lower the figure the more the money?

Mr. BLISS. The lower the figure as to those actually in use the more the money. The higher the figure as to those to be used the more the money.

Mr. DAVIDGE. As I understand it the point contended for is that they lowered the past and increased the future.

The COURT. Yes.

Mr. BLISS. They lowered the present.

The COURT. For example, take one as the original figure. If six is the second figure, it would be multiplied by one. If the original figure is two and the next figure six, that would be three times more than two. So that it was to the interest of the contractor to reduce the first number and increase the second number.

Mr. DAVIDGE. He has already stated that several times, your honor.

The COURT. I know.

Mr. INGERSOLL. There is no doubt about that.

Mr. DAVIDGE. It is a mathematical calculation.

Mr. BLISS. There is obviously an excuse for the two affidavits being on the record on this route, because the first affidavit, made in Vermont, was made when Mr. Dorsey and his associates were looking to an idea of getting the speed so increased that the time would be reduced from

one hundred and twenty hours, I think it was, to eighty hours. The second affidavit was made when they had become more enterprising, and had concluded, six weeks later in Washington, that they would get the time reduced, not to eighty hours, but to fifty hours. You will see that no matter to what time they proposed to reduce the time, no matter what the rate of increase of speed was proposed to be, yet in both cases in the affidavit which stated the number of men and horses then actually in use they should have stated the same number. There was no change there. But there would undoubtedly be more horses required in the future to reduce the schedule to fifty hours than were required to reduce the schedule to eighty hours. Therefore there was a reason for Mr. John W. Dorsey's getting two affidavits on the files of the Post-Office Department, and it was not an error that he had to correct. The only error was that he forgot when he made the second affidavit what he had stated in the first affidavit as to the number of men and horses actually in use. Those two affidavits were both on file, both staring Mr. Brady in the face, and both in the very envelope on which Mr. Brady indorsed his order allowing increase of pay. He based his order upon the papers which he recited were inside of the envelope. They could not both be true. Mr. Brady chose to accept the man who made those two affidavits, both of which could not be true, as his sole authority for taking money by thousands from the Treasury of the United States. There is no escape from that, gentlemen.

There is another case. On route 38113 John W. Dorsey was the contractor. A letter was written by Montfort C. Rerdell, one of the defendants, a clerk of Stephen W. Dorsey, then still a Senator. That letter was written on paper of the Senate of the United States. It was written to Perkins, the subcontractor at Rawlins, Wyo., sending him an affidavit to be sworn to in blank by him as subcontractor. He directed him to swear to it just as it was, leaving the blanks unfilled. Perkins swore to it just as it was, and he sent it back here with the blanks unfilled. Immediately afterwards the blanks were filled in and the affidavit was filed in the department. It is in Mr. Brady's order recited as the affidavit upon which he based his order for expedition and allowance in that case. We shall place before you the notary public who took the affidavit. We shall place before you Mr. Rerdell's letter directing it to be taken just as it was, without change. We shall place before you the man who swore to it. They will all tell you that that affidavit was sworn to in blank, was sent here to these defendants, was by one of them filed in the department, and was made by Brady the basis of the order upon which he directed tens of thousands of dollars—I think it was—to be taken from the Treasury of the United States.

But, gentlemen of the jury, we shall show to you a still more extraordinary condition of things. We shall show you that the ability to make two affidavits which were inconsistent was not confined to John W. Dorsey. On route 35051, from Bismarck to Fort Keogh, you will find a good many queer things, but I will now only ask you to remember one: John R. Miner, by an oath filed on the 4th of October, swore that to carry the mail over that route in eighty-four hours, which was the original time, took twelve men and thirteen animals, making twenty-five in all, and that to carry it in sixty-five hours, which was about twenty hours' reduction, would take one hundred and fifty men and one hundred and fifty animals. Now, in that affidavit he did not expressly say that he was referring to an eighty-four hour schedule, but he was making an affidavit for the purpose of getting the time reduced to sixty-

five hours, and he did so under a regulation compelling him to state the number which would be required. That is the route on which I told you that Brady, acting upon the evidence of this monumental swearer, said that this allowance was less than pro rata. By making the allowance less than pro rata he still carried the original compensation of, I think, \$2,250 up to \$27,950. He said, allowing him \$27,950, and assuming that it would take three hundred men and horses to carry the mail on the increased rate, that that was less than pro rata. Well, it was less than pro rata upon that basis. But what do we find? We find this condition of things: In the Post-Office Department, as in other public offices, the papers relating to a given route are filed away in what is practically a long envelope cut open at the ends, and is known as a jacket. When Mr. Brady made an order it was made on the back of the jacket, and referred to the papers which were inside. The order recites that upon such and such papers it appears so and so, and therefore it is ordered so and so. Mr. Brady's practice was to look over these papers, and then to indorse ordinarily in pencil on the back of the jacket "Do this—Brady." That indorsement was the voucher on which some clerk went to work and wrote out a formal order, which was indorsed on the back of the jacket, reciting the papers; and that was the authority under which money was taken from the Treasury of the United States by hundreds of thousands and millions. Now, in the very jacket on which Mr. Brady indorsed the allowance of \$27,950, and felicitated himself that it was less than pro rata, accepting Mr. Miner's statement that it would take three hundred men and horses, we find this condition of things: We find inside of the jacket another jacket which contains an indorsement reciting precisely the same petition of the same officers and the same papers in every respect all the way down, agreeing almost absolutely, and yet when we come to see on what it is based we find this: The contractor, that is, Miner—

Furnishes sworn statement that for service three times a week on the present schedule eleven men and twelve animals are required.

That was not much different from the affidavit which was finally used, which is twelve men and thirteen animals, making twenty-five in the aggregate instead of twenty-three. But he also furnished a sworn statement that thirty seven men and seventy-three animals would be required on a sixty-five-hour schedule. He swore that a hundred and fifty men and a hundred and fifty animals would be required on the eighty-four-hour schedule, and Mr. Brady accepted that and made an order upon it, felicitating himself that it was less than pro rata, and that he had saved a few hundred or a thousand dollars; but he had before him at that time the affidavit of the same John R. Miner that to make a speed of sixty-five hours it would require only thirty-seven men and seventy-three animals, making a hundred and ten as the factor to be used in calculating the amount, and not three hundred, as it was made under the affidavit which Mr. Brady chose to accept. The existence of that affidavit is recited upon the paper in the very jacket on which Mr. Brady made his order. That affidavit has unfortunately disappeared, how or when we cannot say; but we shall place before you the man who indorsed that jacket to which I referred as on the inside and he will tell you that that affidavit was there, that he made that indorsement upon the inside jacket, and that the inside jacket so indorsed was in Brady's possession at the time he made the order. When he was making an order upon John R. Miner's affidavit he had the statement before him

that it would require a hundred and fifty men and a hundred and fifty animals to carry the mail at a certain rate, and yet John R. Miner had also filed an affidavit stating that it would take but thirty-seven men and seventy three animals to do the same service. Brady chose, with that evidence staring him in the face, to accept Mr. John R. Miner's affidavit as sufficient to justify the making of an order carrying up an allowance of \$2,250 to \$27,950. Gentlemen of the jury, we shall ask you from that evidence, from evidence such as that, and from evidence other than that, to draw the inference that Mr. Brady's action in this matter was not that of an honest, incorrupt official.

On the nineteen routes in this case there were on file eighteen affidavits used for expedition. On one of the nineteen routes in this indictment there never was any expedition. The fraud upon the Government there consisted in paying twice over for the same service. One of the eighteen affidavits was made by Vaile. I have already told you that it was made on National Hotel paper and made in this city, and was made and filed although Vaile did not pretend ever to have been on the route or to have known of his own knowledge anything that he swore to. He did have the advantage over the other defendants of being a mail contractor, and therefore had some experience upon which to judge on a statement of facts by others, as to what would probably be required. But he had no knowledge as to what number was actually required. That affidavit of Vaile's is an unaltered affidavit. It will come before you with no evidences of alteration upon it. There is another affidavit made by Miner which will come before you without any alteration. Every one of the remaining sixteen affidavits which were used as the basis for making orders to take money from the Treasury of the United States will come before you bearing upon their face evidences of alterations, erasures, or insertions. They are sworn to in regular form, and yet erased and with insertions so made that no business man would accept them. They would not be accepted in any court or by any business man without some explanation. Why are these alterations there? Why are all the affidavits full of erasures? The erasures and the alterations are in every case with regard to the figures, which were the elements which determined how much should be taken out of the Treasury of the United States. We think we shall be able to satisfy you that these affidavits present evidence of the growing greed of these parties, that they were made at a time when they were content to take from the Treasury one amount of money illegitimately, but as their immunity went on and their greed increased, they thought they would have more money from the Treasury. It may be, that their expenses were greater. It may be that they had to make larger "divvies." At any rate their greed increased, and then they altered the affidavits by putting in, larger figures. However that may be the affidavits were all made—except that of Perkins, which was sworn to in blank—by men who were never on the routes. Sixteen of the eighteen were altered on their face, and those affidavits were the only evidence which Brady had before him, on which the allowances to these defendants were run up from \$41,000 a year to \$448,000 a year. We shall ask you on that evidence—of course, in connection with other evidence—to say that the acts of Brady and these other defendants were the acts of men engaged in a corrupt conspiracy to defraud the United States. Brady violated not only the spirit of the law, but he violated its direct letter. He acted upon insufficient affidavits. He acted upon altered affidavits. He left it to the person benefited to be the sole judge of how much he should have from the Treasury. He accepted evidence which could not have

been accepted by any honest man if he was not blind. He made allowances on that evidence in excess of what the evidence called for. He made allowances in violation of the statute by antedating the effect of the orders. All this we shall show you by the records of the department, which there will be no attempt to impeach.

I said that he ran up the amount from \$41,000 to \$448,000 on such orders and based upon such affidavits. I was not entirely correct in that statement. That amount is the aggregate amount of increases not only for expedition which had affidavits as its basis, but it also included increase of trips for which no affidavit was required. Trips were increased at Brady's own sweet will, because the law only said that the pay should not exceed the proportionate amount of increase. As to expedition, the law said there must be this arithmetical calculation. Hence the device of these deceptive affidavits to comply seemingly with the law. In point of fact Brady made, I think, thirteen orders for expedition, carrying up service already incurred to \$159,299.95 to \$317,718.54, or just about double. At the same time, and without affidavits, he made the increase of trips carrying it up to \$448,000. I may have got confused on these figures to some small extent.

Some of these orders were not his in form, but were so in fact. But, gentlemen, these affidavits told their own tale in another direction, the tale of their absurdity, the tale of the impropriety of Brady's undertaking to base anything upon them. Take route 35051, from Bismarek to Fort Keogh, upon which Miner made these two affidavits. On the original schedule the speed was three and sixty one-hundredths miles an hour. On the expedited schedule it was four and sixty one-hundredths miles an hour. Practically an increase of one mile an hour. On the original schedule, judging in each case by Miner's oath, each horse had to travel twenty-three miles a day—not an excessive distance. But on the expedited schedule, assuming that as many horses were needed as Mr. Miner swore to, each horse would have to travel only two miles a day. Mr. Brady accepted the statement that it was necessary on that route to have such a number of horses that no horse should travel more than two miles a day. If they had used double teams they would have had to have gone four miles a day. I am obliged to use an illustration not arithmetically correct, because if you reduce anything a hundred per cent. you wipe it out; but it will probably carry to your minds the idea I want to express when I say that they made an increase of speed of a mile an hour and thereby reduced the capacity of each horse four hundred and fifty per cent., and upon that route, gentlemen, this was done; the route being started at \$2,350 a year, by the addition of increased trips \$14,100 was added; then by the addition of the increased speed of one mile an hour \$55,000 more was added, and the result was that that route, let to Miner after public bidding, which originally started at \$2,350 a year, before he and Brady got through with it, was run up to something over \$70,000 a year, and run up, gentlemen of the jury, as to all except \$14,000 of that amount upon the affidavit of John R. Miner, which the papers on file in Mr. Brady's office showed him could not be true, because there were two inconsistent affidavits there, and a mere analysis of the affidavits showed it could not be true, because it proceeded upon the basis that each horse would have to travel only two miles a day.

Now take another route. On the route from Pueblo to Rosita, by the original schedule, the speed was three and twenty-six one-hundredths miles an hour, and on the expedited schedule it was four and nine one-hundredths miles, therefore increasing it somewhere about three-quar-

ters of a mile an hour. On the original schedule every horse would have to travel sixteen and one-third miles a day. To make three quarters of a mile more in an hour over that short route, it was necessary to reduce the daily travel of each horse from sixteen and one-third miles to five and four-ninth miles a day. The horses that that affidavit said would be necessary for the increased speed would have to travel to make it only five and four-ninth miles a day. Does anything need to be said, gentlemen, to show you that it is not necessary for horses in carrying the mails at a rate of about four miles an hour that they shall travel only five miles and a half in a day?

On the route from Silverton to Parrott City, on the original schedule, every horse would have to travel thirteen miles a day—only thirteen miles a day, mind you. I am taking the statement of the men and horses in actual use. And on the expedited schedule every horse would have to travel four and one-third miles a day.

On the route from Mineral Park to Pioche, on the original schedules, every horse would have to travel six and sixty-four one-hundredths miles a day. On the expedited schedule the horse would have to travel six and twenty one-hundredths miles a day. Does anybody need any argument to show that either on the original or on the expedited schedule it is absurd to suppose that a horse could go only six and one-third miles a day? On that route it is right to say that the fraud did not chiefly come in in that connection. They had some queer inconsistencies in these affidavits. They might have sometimes benefited themselves by being more consistent.

On the route from Toquerville to Adairville every horse on the original schedule would have to travel twenty-four miles a day, but on the expedited schedule he would have to travel only thirteen and one-third miles a day. On the original schedule the rate was two miles an hour. You will see how they understood it there. Accepting the statement of horses actually in use, every horse that they stated was in use, to have got over the route in the schedule time of two miles an hour would have to travel twenty-four miles every day. Every horse would have to travel all the time every day, week in and week out, if they only had that number of horses alleged. And yet Mr. Brady accepted that as conclusive. And if on that route there had been put on seven trips a week which the affidavit was seeking to get, and that affidavit was made upon the basis that there would be seven trips a week, every carrier would have to travel eighty miles in a day, and what is the climax of absurdity, he would have had to travel forty hours in every twenty-four. That is the affidavit, gentlemen, that Mr. Brady accepted. That is the sole affidavit and the sole evidence that he had and on which he took thousands of dollars from the Treasury.

On the route from Eugene City to Bridge Creek, on the original schedule, according to the affidavit, each horse would have to travel nineteen and seven one-hundredths miles a day, and on the expedited schedule he would have to travel only five and nine one-hundredths miles a day.

On the Canyon City and Camp McDermitt route, on the original schedule, accepting the affidavit always, each horse would have had to travel eight and sixty-eight one-hundredths miles a day. On the expedited schedule he would, according to the affidavit, have had to travel only three and fifteen one-hundredths miles a day; and on that route, gentlemen, to carry the speed from one and eighty-seven one-hundredths miles an hour, which is a little less than two miles an hour, up to two and one-half miles an hour, Mr. Brady, upon such an affidavit as I have

just described to you, ordered paid to these defendants \$29,950. To carry the speed up on that route in Oregon through an unfrequented region one-half a mile an hour he paid \$29,950, and, to be accurate, gentlemen, 66 cents.

On the route from Julian to Colton, if we take the oath as correct, on the original schedule each horse had to travel twenty and six one-hundredths miles a day. On the expedited schedule, if we take the oath as correct, he only had to travel five and seventy-two one-hundredths miles a day.

On the route from Redding to Alturas on the original schedule a horse had to travel twelve and eight one-hundredths. On the expedited schedule, taking the affidavit as correct, he had to travel only five and seven one-hundredths a day.

On the route from Saint Charles to Greenhorn, on the original schedule, a horse had to travel twenty-seven and forty-three one-hundredths miles a day, and when it came to the expedited schedule that horse had to travel only six and eighty-five one-hundredths miles a day. And yet, gentlemen, we shall show you that it was the same horse all the time, and that he went over that route in the same way; that there was no increase of horses and no increase of men, and we think the affidavit was in fact a lie, just as all these affidavits showed to Mr. Brady, or to any officer, or to any man who chose to examine them, that on their very face they were lies. Yet those affidavits were the sole evidence upon which Mr. Brady took enormous sums from the Treasury of the United States. I could go on and give you additional details of those affidavits. You must believe, gentlemen, for the present certainly, that they are all of that same general nature. They are all cases where the affidavit showed upon its face that it was not and could not be true.

But, gentlemen of the jury, Mr. Brady had before him at the time he made these orders other evidence showing that he was doing what no honest officer could do.

I have already referred to the law as to placing the subcontract on file. I think there is but one of the nineteen routes which was run by any of these parties. Upon all the others they had subcontracts, as I recollect, though in some cases the subcontracts were not put on file, and I shall presently have occasion to show you why they were not put on file. The subcontracts that they made were on a form that they had prepared and had printed themselves and contained provisions that the subcontractor agreed to carry the mail on the existing schedule and at the existing rate of speed, the same number of trips, and the same amount of speed, for so much money. Then they contained the provision that, supposing the original schedule is one trip and two trips shall be ordered, they will carry it for a given sum, which is less than double the amount. If three trips shall be ordered that they will carry it for a given sum, which is less than three times the amount. And then, also, most of them contained the provision that in case the speed should be increased, they will carry the mail at the increased speed for a certain percentage of the amount allowed by the Government. I think in no case is it stated at over 65 per cent. of the amount to be allowed. You will bear in mind, gentlemen, that the law said that Mr. Brady could not allow any sum in excess of a given amount. His duty, as an honest officer, was to get it as much below that sum as he could get it and have the service fairly and properly performed by some one who would feel that he was adequately compensated for the service rendered. And yet you will find this condition of things: that when Mr. Brady had before him on the files of his department subcontracts which said that a certain man

was actually carrying the mail at three miles an hour, that he agreed to carry it at four miles an hour for 65 per cent. of the additional allowance from the Government, Mr. Brady would make an order saying that there shall be allowed for carrying the mail on the increased service \$10,000, and of that \$10,000 \$4,500 shall go to the man who has actually to carry the mail, and \$6,500 shall go to the man who is to sit here in Washington, and make the arrangements to get this expedition ordered. Mr. Brady having those subcontracts on file in his department, where he saw that people agreed to do the expedited service at 65 per cent. or a given percentage (I think in some cases they agreed to do the expedited service for a round sum, but I am not sure about that), made orders for those large sums and actually put into his order that only a fragment of that amount should go to the man who was to carry the mail, and the remainder was to go to the man who was to sit here in Washington and not carry the mail, and did that under that law which I have read to you, and I suppose claims that that was an honest exercise of his powers. You will bear in mind that he did not voluntarily do that. When a subcontract got on file, under the subcontract law, the money that the subcontract called for had to be paid to the subcontractor, and therefore when Mr. Brady made an order for expedition in a case where a subcontract was on file he had to provide in his order how the money should be distributed. But, gentlemen, these parties took pretty good care not to have very many of these subcontracts on file. They made it, as we shall show you, a condition in a large number of cases where there were subcontractors, that they should not put their subcontracts on file, and for fear that the subcontractors might become acquainted with the character of the parties with whom they were dealing and violate their agreements and put their subcontracts on file, these defendants resorted to this little device: On a given route the post-office contract was with John R. Miner, on another route with John M. Peck, and on another route it was with John W. Dorsey. Well, what was done with these? John R. Miner on his route would make a subcontract with John W. Dorsey as a subcontractor, and would put that on file, and as the law did not allow but one subcontract on each route, if the subcontractor out in the locality sent his contract here, as some of them did, to have it filed they would be answered, "We cannot file it; there is another one on file." John W. Dorsey in turn on his route would make John R. Miner the subcontractor, and then John M. Peck on his route would make John W. Dorsey the subcontractor. Occasionally they would vary the matter by making their clerk, Montfort C. Rerdell, the subcontractor and file his subcontract. And after Stephen W. Dorsey got out of the Senate and he thought it was safe for him to throw off the cloak, then Stephen W. Dorsey would come in occasionally as subcontractor. Every one of these men were interested in some of these contracts and in this conspiracy; but no one of them was a mail contractor; no one of them ever carried the mail a mile. No one of them ever expected to be a subcontractor in fact, and as to many of these routes these bogus subcontracts were placed on file instead of the existing subcontracts with the men who were carrying the mails. When Dorsey became the subcontractor for Miner, or Miner for Peck, or John W. Dorsey for brother Stephen, they always made a subcontract by which they were to have the full amount awarded under the contract, including all that was to be given for expedition or increase of service. They were to have the whole thing. So that it was not necessary in these cases, when Brady came to make his order, to put in any specification how much of the amount

that he awarded for expedition was to go to the man who was to run the mail and how much to the man who sat here in Washington doing nothing, because Mr. Brady made his order that the whole amount should go to the subcontractor who was sitting here in Washington doing nothing, except making little arrangements, applying a little "grease," and doing what was necessary to get these things through the Post-Office Department. In that way the subcontract law was, in the ordinary language, "beat," and Mr. Brady was prevented from the necessity of making any undue exposure of his own corruption in his orders for expedition, because he had not to say in those cases that any money should go to the man who was not in form at least carrying the mail.

With reference to that let me call your attention to one of two instances. On the route from Julian to Colton Mr. Brady made the order for expedition, directing that \$17,964 should be allowed for the expedition, and that only \$10,500 of that should go to the man whom he knew was actually performing the service, and he directed that the remaining \$7,464 should go to the man whom he knew was not performing the service.

So, on the route from Rawlins to White River, the contractor got \$13,706.25, and the unfortunate subcontractor got \$5,100. There was a later stage in that case at which the contractor got \$31,000, giving \$23,000 to the subcontractor and kept \$8,000 to himself.

There are a series of those cases which I have here to which I shall have occasion to call your attention where Mr. Brady put it squarely into the order that they should get only those amounts, and in this connection it is well for me, perhaps without reference to his orders, to call your attention in connection with this subcontract law to another point of view.

On the route from Kearney to Kent the contractor received before expedition—the contractor, I think, was John W. Dorsey—\$868. He agreed to pay \$700 to the man who carried the mail—the subcontractor. He got it expedited so that he received \$4,302.65. He paid out to the man who was carrying the mail, \$1,587.40, and kept for himself \$2,715.25. The man who was doing the service got \$1,587, and the man who was sitting here in Washington got \$2,715, and that under Brady's orders for increase of service and expedition.

On the route from Pueblo to Rosita the contractor under Brady's orders got \$8,148. By a subcontract on file from the outset of the contract the service was performed for \$3,100. So that there was a case in which \$5,048 went into the contractor's pocket as appeared by the papers on file in Mr. Brady's office at the time he made his order, and this subcontractor who was getting \$3,100 had such a good thing of it at that price that he got somebody else to perform the service at \$2,600 and put \$500 in his own pocket. Thus the man who did the service was paid \$2,600, and the Government was paying for it under Brady's orders \$8,148.

On the route from Toquerville to Adairville the contractor got \$20,894.22. The subcontractor who did the service got \$8,444. The man who sat here in Washington therefore got for himself and his expenses \$12,450 without any cost. Gentlemen, right here let me call your attention to this fact: Under all the subcontracts that they made, if there was any deduction for not performing the service; if there was any fine for not arriving on time; if there was anything taken off by the Post-Office—and no man can run the mail service without exposing himself to some deductions—every dollar of fines and every dollar of

deductions was taken off from the pay of the subcontractor, while the contractors, Dorsey and company, sitting here in Washington, got their sum net. These conspirators, I ought to say, sitting here in Washington, got their sum net, for we do not believe you will think on the evidence we shall show you that Mr. Brady was foolish enough to let the contractors have all the money.

On the route from Ojo Caliente to Parrott City the contractor got eventually \$31,343.76, and the subcontractor got at one time \$6,200; at another time, \$7,300; and when the subcontractor wrote to Mr. Stephen W. Dorsey that to do the service for which he (Dorsey) was getting \$14,333, though the subcontractor did not know it, it would cost \$12,000, and therefore said, "I am not getting enough when you give me only \$6,200." Mr. Stephen W. Dorsey wrote him back in almost substantially this language: "You are a fool; don't talk so. It would not cost any such sum to carry the mail on that route." And yet the sum that this man said it would cost to carry the mail on that route which Dorsey said was nonsense was only \$12,000, and Mr. Brady was ordering paid from the Treasury to Mr. Dorsey at that very time \$14,300 for carrying that mail. Mr. Dorsey either lied to his subcontractor or Mr. Brady was an unfaithful officer.

The COURT. Adjourn the court.

At this point (4 o'clock p. m.) the court was adjourned until to-morrow morning at 11 o'clock.

FRIDAY, DECEMBER 15, 1882.

The court met at 11 o'clock.

Present, counsel for the Government and for the defendants.

Hon. GEORGE BLISS resumed his address to the jury, as follows:

At the adjournment yesterday, gentlemen, I had called your attention to the scheme of the laws as to advertising, to the provision for public competition and the letting to the lowest bidder, to the provision made for covering omissions and contingencies under the statute, to the fact that Brady had resorted to the exceptional power and provisions as to expedition and increase of service greatly in excess of anything that had ever been done before in the history of the department, but I failed in that connection, gentlemen, to state to you a most significant fact which I ought to have stated: that from the time Mr. Brady went out of office as Second Assistant Postmaster-General down to the present time, there has been no instance of a resort to expedition in the history of the Post-Office Department, and that the mails have been successfully carried, and without complaint, through the entire country at a saving, and that, therefore, Mr. Brady's large use of that power could not have arisen from any change of the circumstances, but that the condition of things was practically not changed from that which prevailed before he became Second Assistant Postmaster-General, when it was necessary to resort to these provisions only very rarely—twenty times in five years—and that while within the last year and a half it has been not necessary to resort to them once, yet Brady, in about four years and a half found it necessary, or claimed to find it necessary, to resort to them one hundred and twenty times. I called your attention also to the fact that Mr. Brady when he did make increases made them up to the extreme limit allowed, and how he made them on improper evi-

dence; how he accepted affidavits erased and altered; how he founded them on the statements of affiants, which contradicted themselves by other affidavits also before him at the same time, and how he sought no other affidavit; how the affidavits on the face of them showed that they were absurd, and that when they stated that so many horses and men were necessary they made a statement which showed that they assumed that each horse was to travel only from two to four miles a day; how he allowed increases greatly in excess of the proper amounts, and how it was shown by his own orders that this was so because he directed in his orders that only a portion of the sum should be paid to the men who were carrying the mails, and a very large portion, very frequently the largest proportion, to the men who sat here in Washington and did nothing towards carrying the mails.

But, gentlemen, I must follow this thing along further. We say that he paid for expedition where there were very great misstatements in the affidavits as to the number of men and horses either then required or which would be required. For instance, upon the route from Eugene City to Mitchell, No. 44140, up in Oregon, the oath is that for three trips on the then existing schedule it required four men and nine animals, and that on a fifty-hour schedule it would require ten men and thirty animals. In point of fact that affidavit did not greatly misstate the number of men and animals then actually employed. We shall show you, by the man who carried the mail after the increase, that instead of giving it correctly when they gave it, as requiring forty, in point of fact it required only twenty-six, and that therefore the increase originally was from four men and nine animals, a total of thirteen, to a total of twenty-six, when they made the statement that it would require forty, nearly double, the result of that being that by the application of the rule of three in that matter there was allowed under that order in that case for expedition nearly twice as much as should have been allowed had the affidavit truthfully stated the fact as to the number of men and horses which would be required; even taking twenty-six as the number which were actually used, it only required each horse to travel fourteen miles a day.

On the route from Pueblo to Greenhorn, 38135, the oath was that to make three trips a week required one man and one animal; that to make three trips on a less schedule, or seven hours, would require two men and four animals. In other words, it required two at that time, and it would require six to increase the schedule. That was the oath, and yet we shall show you that from the commencement of that service down to the present time, when it was on the long schedule and when it was on the short schedule, it has always been run by the same number of men, the same number of horses, and by identically the same horses, the only change being that sometimes one man became a carrier and sometimes another. We shall put before you those men who were successively the carriers upon that route, and they will tell you that fact, and you will see, gentlemen, that this was the result. Not only was Mr. Brady's allowance, based upon this affidavit from the interested contractor, an excessive allowance, but, under the statute, it was an allowance he had no right to make at all, because there was no right to make any allowance unless the result of an increase of speed was the necessity of using additional stock and carriers; and there were no additional stock and carriers rendered necessary in carrying it at the increased speed.

On the route from Vermillion to Sioux Falls Mr. Vaile swore that it would require three men and twelve horses to make three trips upon

the then existing schedule, which was a schedule of fifteen hours, I think; that to make the trips in ten hours would require five men and ten horses. In point of fact it required three men and twelve horses; and you will bear in mind, gentlemen, in that connection, that here, as everywhere, we propose to give you the men who actually did the work, not the evidence of somebody who has heard, never having been on the route, that such and such things occurred, but the men who did the work.

On the route from Pueblo to Rosita, Dorsey swore that on the then present schedule it would take three men and twelve horses in one of the oaths presented. In the other oath he presented he swore it would take two men and six horses. In point of fact to carry the mail alone we shall show you that it took only one man and three horses. When they came to increase to seven trips, Dorsey swore that on a ten hours' schedule it would take seven men and thirty-eight animals. Then he changed that to six men and eighteen animals. In point of fact we shall show you that it took two men and fourteen horses, making in all sixteen, while Dorsey said in one oath forty-five, and in the other twenty-four.

On the route from Silverton to Parrott City, No. 38156, Mr. Dorsey swore that on the then schedule of seven trips it would take three men and ten horses, and that was substantially correct as to the number of men and horses then in use. But he said to reduce it to a fifteen-hour schedule it would take six men and thirty horses, when in point of fact it took only four men and twelve horses, making sixteen against Mr. Dorsey's statement of thirty-six—more than double, and resulting therefore in a cost to the Government of nearly three times as much as it ought to have cost. There never were used beyond the four men and twelve horses in point of fact, and at times there were used only three men and nine horses. Four men and twelve horses was the outside limit with bad roads and everything of the kind.

Mr. Miner's oath on the Bismarck and Fort Keogh line, in which he swore that 150 men and 150 horses would be required, I have already had occasion to comment upon. It is sufficient to say that it cannot be established by any evidence, the most liberal allowance that can be made, that there were ever needed upon that route for carrying the mail over 75 horses, and that there were never needed for carrying the mail over thirty-five men instead of 150. I might go on, gentlemen, and give you other instances of the same thing, but it is unnecessary at present to worry you with them, and I pass on therefore to another feature of this case.

You will bear in mind, gentlemen, that I called your attention to the fact that the statute, in providing for the transportation of the mail, says that it is the duty of the Second Assistant Postmaster-General to have regard to productiveness, that being the only consideration actually specified. Now, what was the regard that was had for productiveness by Mr. Brady?

On the mail-route from Garland to Parrott City, 38145, the amount paid for carrying the mail was brought up by Brady to \$31,343.76 a year, and yet the average receipts of all the offices upon that route for the three years during which this order of Brady's continued were about \$1,200 a year, and excluding offices otherwise supplied \$194.96. Under Mr. Brady's order he made the Government pay \$31,343 for carrying a mail, while the post-offices supplied by that route produced but \$194.96. And here let me say, gentlemen, that of course we do not claim that each mail-route is to pay its way. We only claim this: that in the language of the statute "due regard" shall be "had

to productiveness." We understand perfectly well that the pioneer in the West, the miner, is entitled to his mail facilities, entitled to means of communicating with his friends at home and with the business world of the East, and we understand perfectly well that it is true economy on the part of the Government to give him those mail facilities. But we say in these allowances that Mr. Brady made upon mere local routes, in the way that I shall show you—he utterly disregarded every consideration of productiveness, and that the only consideration of productiveness that entered into his mind was how much the routes could be made to produce to the contractors and to himself. The productiveness of a given post-office, let me say, gentlemen, is ascertained in this way: It is the amount of stamps canceled on mail matter sent from that office, the theory being that the offices sending to a given office are to be credited with what they send. The office is to be credited with what it sends out, and that is treated fairly as the productiveness of the office. It is of course possible that in sending from an office there may be less mail matter going from it than to it; but in the long run the things must be just about equal, and that is the only way in which productiveness is arrived at.

On the route from Tres Alamos to Clifton the original pay was \$1,568. Mr. Brady carried up the amount to \$27,913.59. The net revenues on that route, including every office located on the route, were in the first year \$403.42, in the second year \$513.41, and finally \$789.12, so that on that route, originally contracted for at \$1,568, the average of the receipts did not exceed between \$500 and \$600, and Mr. Brady by his order made the Government pay for carrying the mail over it \$27,913.69.

On the route from Mineral Park to Pioche the original contract price was \$2,982. Mr. Brady carried it up by his orders at one time to \$52,033.38. The average revenue on that route was \$670.68 a year. All the offices on that route were supplied by other mail routes, and yet I have credited, in making up the \$670 to this route, every dollar of the revenues of all the offices upon the route. The service cost \$52,000. The Government received \$570. The year after Mr. Brady made his order carrying it up, the revenues of the office, instead of increasing, ran from \$761 down to \$597, so that increase of speed reduced the revenue of the Government; and that was an order of Mr. Brady's, made under a statute which required him to have due regard to productiveness.

On the route from Silverton to Parrott City the original contract price was \$1,488. Under Mr. Brady's order it was run to \$15,796, and the revenue there did get to something in four figures. The average revenue of that route was \$2,979.49, but it cost the Government to get that revenue about \$15,800.

On the route from Trinidad to Madison, 38140, the original price was \$338. Mr. Brady carried it up by his order to \$4,290, and the average revenue for the three years of the dependent offices was \$141.90.

On route 38135, from Saint Charles to Greenhorn, which was originally let at \$548; under Mr. Brady's order it was carried up to \$3,945.60 a year. The average income of all the offices on that route during the three years was \$102.72 a year.

On route 44140, from Eugene City to Bridge Creek, in Oregon, the original contract was \$2,468. Mr. Brady carried it up to \$21,460.89, and the average yearly income of the route was \$198.88.

On route 41119, from Toquerville to Adairville, in Utah, the original contract price was \$1,168 a year. Mr. Brady carried it up to \$20,894.22. The annual income was \$1,241, including all offices.

I think I have given you, gentlemen, a sufficient number of specimens showing how entirely, how absolutely, Mr. Brady disregarded productiveness, but perhaps I ought to call your attention a little in detail to one or two of these routes. They will at least present some amusing features which will while away the tediousness of your service.

On the route from Mineral Park to Pioche, less than six months after the service commenced, an order was made adding two trips to the service and reducing the time from 84 hours to 60 hours, and he added to the original compensation of \$2,982 the sum of \$19,318. On the 23d of July, 1879, six months later, four more trips were added, and the original compensation of \$2,982 was carried up by \$29,733.39 more. That route, gentlemen, is a route in Wyoming, between the Central Pacific and the Southern Pacific Railroads, and running north and south between them, or was so. It was urged that there ought to be an increase upon that route of mail service because it formed a connection between the two lines, and yet we shall put before you the postmaster at Mineral Park, who opened every mail-bag that passed over that route either way, and he will show to you that that mail constantly arrived there without a single thing in the bag. There was nothing in the bag—absolutely no mail matter; no postal-cards, no letters, no newspapers; nothing carried over that route, day in and day out, which was run up by Mr. Brady in this way from \$2,982 to \$52,000. The Post-Office Department introduced a system of what was known as mail bills, which were intended to show this. They were intended to show how many mail pouches started from a given place, the terminus of the route, and then show what time they got to the end of the route; otherwise it was possible for the post-office to be deceived in that a mail-bag delivered one day might have been the bag that ought to have been delivered on a previous day. For the purpose of timing the deliveries they introduced this system of what was called mail bills. The mail bills were a printed form sent to the postmaster, and they were intended to show simply the number of pouches, but not intended to show the number of letters. To be faithful to their duty, these postmasters went to work and put on those mail bills a detailed statement, each day, of the number of letters, postal cards, and newspapers in the mail, and we have those mail bills, and shall produce them to you, for some 30 days, between the 19th of November and 24th of December, 1879. You will bear in mind that that was after Mr. Brady's expedition had all been made. In 18 of the 39 days the mail started from Mineral Park to go to Pioche without a letter or a postal card in it. It arrived at the other end without a letter or a paper or a postal card. In 18 of the 39 days therefore the mail went over that entire route, starting with nothing, picking up nothing on the way, and arriving with nothing, and that was a route run up to \$52,000, with due regard to productiveness. In 21 of those 39 days there were carried over some portion of the route, going north, 9 postal cards and 29 letters, every one of those letters stopping at a way station and no one of them going through; the alleged inducement for making the increase being that it was a through route, connecting two railroads. There arrived at the other end, Pioche, during those 39 days, 133 letters, papers, and postal cards, and every one of those started from way stations. No one of them came from the terminus of the route.

On the route from Kearney to Kent, which was a route running north and south between two railroads which went east and west, the fact was that the mail going from Kearney towards Kent was always larger than the mail going the other way. It never was over 100 pounds in weight,

and of that 100 pounds all but 10 pounds were delivered before it got 30 miles away from Kearney, and the remaining mail going over that route did not exceed on an average 10 pounds. For the service upon that route, commencing originally with one trip at \$868 a year, Mr. Brady added first two trips and \$1,122.41, and then having given the three trips, he increased the speed 13 hours and added \$2,200 for that. And yet, excluding Kearney and Kent, both of which were on railroads, and both of which received their revenues and their mail from the east and west communication, and not to any extent from the north and south communication, the entire revenues averaged from \$227 to \$513.

On the Toquerville to Adairville route, in Utah, the mail started with 100 pounds. Leaving Toquerville, it dwindled down to 10 pounds, then sometimes, at a way station, went up as high as 25 pounds, though after it got 30 miles away from its original starting point it rarely exceeded an average of between 5 and 10 pounds. And yet upon that route \$12,718.22 was paid to reduce the time from 60 to 33 hours, and \$7,000 was paid to add 5 trips to the original one, which cost \$1,168; so that that route which originally started with \$1,168 was run up to \$19,311, and the revenues, deducting the offices which were on other routes, averaged from \$386 50 in one year to \$767 in another year, and uniformly decreasing as expedition and the sums paid by the Government increased.

On the route from Dalles to Baker City, in Oregon, the largest mail ever carried, which was composed chiefly of public documents, was five or six hundred pounds. That was carried, starting from Dalles and going east towards Canyon City. At the outside, between Baker City and Canyon City, the other half of the route, the largest amount was 200 pounds, the smallest 30 to 40 pounds, and the average certainly not over 50 pounds. One witness will state the average, I think, as not being over 20 pounds. And yet on that route from Dalles to Baker City, which started at a compensation of \$8,288, it was run up to \$72,520, and it was not only not a through route, but it was so slow a route that matter starting from the east end of the route and intended to go to the west end of the route was never sent over the route, but was sent by a longer and quicker route; and in the same way, matter starting from the west end of the line, and intended to go to the east end, was never sent over it, but sent around this way [illustrating]. And not only that, gentlemen, but the two stations east and west from the terminal stations—that is to say, the station which was about 12 or 15 miles west of the eastern end, and the station which was about 10 or 12 miles east of the western end—sent their mail matter east and west, roundabout, around by the other way in preference to going over this route, because it went more rapidly. And yet that route, so thoroughly local and so thoroughly without any necessity for any such rate of speed or compensation, was carried up by Brady to \$72,520.

On the route from Pueblo to Rosita, which was down in Colorado, the contract price starting originally at \$338 was run up to \$8,148. The mail matter that went from Pueblo, about half way, weighed from 40 to 60 pounds, and, in the language of the witness in reply to a question, "beyond that the mail was light." He seemed to think that a mail that weighed from 40 to 60 pounds was a heavy one. The through mail did not consist usually of more than three or four letters, because the terminal points were getting their mails by other routes more satisfactorily, and the only considerable intermediate place had another communication also, by which it got a considerable portion of its mail matter. The entire revenues of offices dependent on that route were \$2,179; but

after Mr. Brady had put on these large increases the revenues ran down to \$1,572.

On the route from Trinidad to Madison the original pay was \$338. It was run up to \$4,290.30, and in the letter of John W. Dorsey asking for expedition, he states to Mr. Brady, and Mr. Brady accepted it as true, though his own record showed him it was not true, that the mails were heavy, and that heavy mail was an average of 20 pounds, and that 20 pounds was sufficient to take in the way of expedition, through Brady's kindness, \$2,758 a year out of the Treasury.

On the route from Rawlins to White River, out in Wyoming, almost precisely the same condition of things existed. I will not go over those in detail. The same is true of other routes, Vermillion to Sioux Falls, Canyon City to Fort McDermitt, and others which I have here on my memorandum, but I forbear to trouble you with them.

Now, gentlemen, there was another condition of things. Mr. Brady made orders for expedition and paid large sums for expedition where he got nothing for it and where his own record should have shown him that he got nothing for it. On a route in California, from Redding to Alturas, the original contract price was \$5,988; Brady ran it up to \$41,916.66. Let me say in passing here that I sometimes say Brady ran a thing up. You will find occasionally that the formal order is actually signed by Brady's chief clerk; but I hold Brady responsible for all of these increases, and I think that I shall be able to show you that I properly do so. Now, he ran that up to \$41,916.66. He did it in this way: Within five months after the contract went into effect he added two trips and reduced the schedule time from 108 hours to 72 hours, and added to the existing pay of \$8,982 the sum of \$29,940.60, making a total of \$38,922, of which sum \$17,964 was paid for the alleged increase of speed. The nominal result of the order in that case, looking at it on the paper, was to increase the speed from 1.65 to 2.58 miles an hour. And yet, gentlemen, it is an indisputable fact that that mail, when Brady made his order to pay \$17,964 for reducing the time to 72 hours, was in point of fact being carried over that route in somewhere about 40 hours. The Government was paying \$8,000 and the mail was being carried in from 41 to 44 hours in summer and 65 hours in winter. The Government was paying \$8,000 for getting its mail carried in that way. The nominal time was 120 hours. But Mr. Brady stepped in, and with the liberality that he exercised with other people's money, he paid \$17,964 under the pretense that it was for getting the mails carried in 80 hours, when, in fact, they were already being carried in from 40 to 44 hours in summer and 65 hours in winter. The parties themselves were not carrying the mail at that time, and they had a sub-contract with people owning a line of stages, and those people, from their interest in carrying passengers and carrying express matter, were required to go over that route in from 41 to 44 hours, and they had to take the mail at that rate. But Mr. Brady stepped in and with great liberality paid seventeen thousand and odd hundred dollars, when they were entirely satisfied with their \$8,000 for that. I am speaking of the sub-contractors. I shall have occasion to call your attention to the fact that of this seventeen thousand and odd hundred dollars which Mr. Brady was paying for getting the mails in thirty-odd hours longer than that they were being carried in, the larger portion went into the pockets of the parties here in Washington who got the expedition, and only an inconsiderable portion into the hands of the men who were actually carrying the mail. Brady at a later day added \$5,988 more.

There were other cases where the mail was expedited, and large

sums paid for it, only to have it arrive at its terminus where it was to connect with another route, just too late to go out, and where all the time of expedition was lost by lying over waiting for another and connecting route, where really, in point of fact, nothing was gained save what might have been gained at the little local post-offices along the route. Nothing was gained in any manner practically. There are a series of those cases. I will not stop to call your attention to them in detail now. You will be presented with the evidence as to them as it comes along.

There are other cases, gentlemen, where Mr. Brady made orders requiring the mail to be carried in an impossible time—a time that the postmasters, the contractors, and everybody on the route represented to him it was impossible to carry it in—and Mr. Brady, in spite of remonstrances, insisted upon that being the schedule time. He sent to the postmasters directions to make a schedule of departures and arrivals which should come within the time he fixed, and they kept sending them back, putting the schedule days longer than he fixed, and telling him it was impossible to do it in the time he said. He repeated right over that it must be done in that time; and, finally, one witness said he got so disgusted with Mr. Brady's sending him schedules to fix it within impossible time, that when he used to get these schedules, postmaster as he was, and disrespectful as the conduct was, "I took the thing and threw it into the waste-paper basket, and paid no attention to it." The result was that the mail could not be carried in time. It then became necessary to impose fines for not carrying the mail in time, and to a considerable extent fines were imposed; but the result was that the unfortunate sub-contractor who had made a sub-contract with Mr. Dorsey to carry the mail had to pay all the fines and Mr. Dorsey sat here in Washington and received his money net, the result being that in one or two quarters the unfortunate contractor had to pay the United States practically something for the pleasure of carrying the mail, while Mr. Dorsey sat here in Washington and got several thousand dollars put into his pocket. I have mentioned one route, that is, a route in New Mexico. There is a route in Oregon where substantially the same thing was done; and as to that route Mr. Brady did wake up to the fact that it was impossible to carry the mail on the time he fixed, certainly in winter, and therefore he made a movable schedule, which he said was the same. In the first place, he paid a large sum for reducing the time for carrying the mail from sixty hours to forty hours. In the winter it was utterly impossible to carry it on that time. In the summer it might possibly have been carried. So he made an amendment of his order, and provided that in winter it should be fifty hours and in summer it should be thirty hours. He said that made an average of forty hours, and therefore he would pay the same amount as he paid before, and he assumed that it was the same thing to the people out there if they got their mail matter in the summer in thirty hours instead of forty, and in the winter in fifty hours instead of forty.

There is a single instance, possibly two instances, of another class of frauds upon the Government under Mr. Brady's action. There were two routes in Colorado as originally established, one coming from here [indicating on map] and running up to Lake City and then crossing over to Ouray. There was another which started from Lake City, went up to Barnum, and out to Los Pinos [indicating on map]. The route across the mountain was altered by an order so as to go around the mountain instead of across it. It probably was a wise order to make; but you will see that Mr. Brady was paying for carrying the

mail over that route before. That route was a six-times-a-week route. He transferred the other route over precisely the same track, the mail matter on both being carried by the same man, in the same wagon, or on the same horses. The postmasters along the route assumed that there was but one route there, and that, of course, the other had been discontinued, and therefore they only made returns on one route. Mr. Brady sent to them with some indignation to know why they did not make returns upon the other route. One of them sat down and wrote Mr. Brady a long and detailed statement, showing that the mails on the alleged two routes, which were identical in every way, were carried by the same man, upon the same horses, or with the same wagon, as the case might be, and that he could not believe it was possible that the department was going to do so absurd a thing as to pay a man twice over for doing one service. Those letters remained on the files, no attention being paid to them for months and years; the double payment continuing, until finally the scandal became so great that it was necessary to revoke the order and make only the single payment.

There were a large number of other orders, petty in their character, and yet significant as showing the spirit which prevailed in the Post-Office Department during the time that Mr. Brady was Second Assistant Postmaster-General. For instance, we find this condition of things: On the route from Vermillion to Sioux Falls, after there had been the contract made and everything of that sort, there came an order to add Brighton to the route and to give the contractor an additional sum for supplying it. It was a small sum originally, but applying the geometrical proportion resulting from expedition, it became at one time a considerable sum. But no matter about the size of the sum; the point is that the mail always went directly through Brighton, and it was no addition to the route to supply Brighton; yet they considered it an addition, and Brady directed that payment should be made for it. A little further on the post-office of Kidder was moved. The moving of that post-office reduced the route three miles. There never was any reduction for the saving thus made. If there was an alleged increase of two miles in the one case it was paid for; if there was an actual decrease of three miles in the other case it was not deducted.

On the route from Trinidad to Madison we find this condition of things: The route, as originally established, started from Madison and went here [indicating on the map], and then over to Trinidad, which is here [indicating]. Certain parties living up at Raton petitioned to have mail service given them from that route [indicating], a distance of about seven miles. Instead of making the order, Mr. Brady made an order that this route should be wrenched around and Raton supplied from it, making the additional distance about twenty-three miles, and he paid for twenty-three miles of service instead of paying for seven miles. He supplied the people less directly and less to their satisfaction, and by twisting the route around in that way he made it so long that at the existing rate of speed the mail did not get through in a day. So he had a good excuse for issuing an order for expedition and increasing the speed, and the result was that there was an allowance of two or three thousand dollars, and perhaps more, simply to get the mail through in the day time, when, if he had complied with the request of the petitioners and supplied that post-office from the other route, it would have gone through in the day time and the money would have been saved and the people better satisfied. In point of fact, when Mr. Brady went out, that service at Raton, which cost under him something over three

thousand dollars, was contracted for from the other route at something like two hundred and eighty dollars a year.

There was another case, in which a post-office called "Agate" was added to a route by a spur on it. They could not get the mail carried for the amount which the law authorized to be paid for carrying that distance, and there never was a single mail carried over that route. Mr. Brady's attention was called to the fact that there never was any mail carried over the route, that they could not get it there by any possibility; and yet, under a perversion of a provision in the law which requires that when you discontinue service you shall allow the contractor a month's pay for the discontinued service on the ground that you have thereby inflicted some injury upon him, Mr. Brady first ordered the service on, and left it on a couple of months, paying for the service, though there was none, and though the contractor never went over the route one trip. He then ordered it discontinued on the representations of the postmaster that there was no mail, and paid the contractor the month's extra pay for the injury that had been inflicted upon him by discontinuing a service which he never had performed.

There is another case on the route from Silverton to Parrott City. Animas City was alleged to be added to the route, and to extend the route some ten or twelve miles, and for that a very considerable sum was allowed to the contractor. It was a considerable sum originally, and was increased by expedition considerably more. Yet, in point of fact, the mail was all the time carried through Animas City, and the postmasters had notified Mr. Brady constantly that the mail came through Animas City. The official records of the department show that the mail passed from point to point—naming them—and one of those points was Animas City. Yet Mr. Brady, under some pretense, claimed that to include Animas City added ten or twelve miles, and on that account allowed a very considerable sum out of the Treasury.

There is another case on the route from Toquerville to Adairville, in Utah, where we have this extraordinary condition of things: The terminal post-office at Adairville was discontinued by the Post-Office Department, say, in August, and Mr. Brady was notified of that fact. That took off ten miles at one end of the route, and the mail after that time stopped at Pahreah. Now, what did Mr. Brady do? He wanted to expedite the speed upon that route, and to allow the contractor a very considerable sum for doing it. Therefore, he made an order expediting the service over the entire route, including the ten miles which was practically discontinued because the post-office was abolished, and of which he had notice. He directed that the order expediting the service take effect over the entire route, and paid for the expedited service. This order was, say, of the 1st of September. Then, four days afterward, he made an order cutting off the service from Pahreah to Adairville, which had, in point of fact, been cut off weeks before, as the records of his own department showed him. Then he allowed the contractor a month's extra pay, but reckoned it upon the increased allowance caused by the expedition, and not upon the original pay. If he had cut off that end of the route and allowed the month's extra pay before he made the expedition, he would have paid the contractor for the month's extra pay but one or two hundred dollars. He waited until he had made the expedition, though he had the evidence in his office that the route was to be shortened, and then allowed the month's extra pay, and the result was to carry the amount which was allowed the contractor as a bonus up to a thousand dollars, as I recollect it. There was in all these things, gentlemen, an utter disregard of the

interests of the Government. There never was a time, so far as I can see, and I think we shall satisfy you, when the interests of the government were considered under Mr. Brady when they came in conflict with the interest of these contractors. In that case every construction was given against the Government and every opportunity embraced to take money out of the Treasury for the benefit of these defendants.

There is another class of cases: The contractors, as I have said to you, bid very low; on many routes they bid so low that they could not afford to perform the service. So low, as I shall have occasion to show you, that they had to make contracts with others to carry the mail, and to pay more than they were getting from the government. Having made those contracts, they were bound to commence service on the 1st of July, 1878. If they did not commence service on a route they were liable to be declared failing contractors. A man who becomes a failing contractor upon one route is, under the law and practice of the department, a failing contractor upon all routes, and all the money due him upon any route or that may become due him on any route is taken to supply the deficiency, and he is debarred from any service under the department. Now, several of the routes upon which they bid so low they did not start on the 1st of July, nor for a long time afterward. There were all sorts of excuses. There were, to keep the records straight, threats from Brady that he would declare them failing contractors if they did not start it. In point of fact, we shall show to you, to your satisfaction, that Mr. Brady stood by and let these contractors fail to perform the service, while they were getting up petitions and all the paraphernalia needed to apparently justify Mr. Brady in making orders for expedition by which he could run up and transform a losing contract into a contract largely profitable; and yet in the mean time they did not perform the service, because it would have been a losing service. In those cases you will bear in mind also, when it comes to the affidavits for expedition, that inasmuch as the contractor had not done a minute's service on the route, his affidavit in which he swears to the number of men and horses then being used, is necessarily a false affidavit, because there was no number then being used, and Mr. Brady knew from the records of the department that there were none being used.

Now, gentlemen of the jury, I will pass all this class of frauds, and direct your attention to some other kinds of misconduct which prevailed in connection with this mail service. I wish to avoid repetition as much as possible, but I must do a good deal of it. To seemingly justify Mr. Brady in doing this sort of thing there had to be something as a pretense and as an excuse for it. What was the excuse, gentlemen? Petitions! petitions from alleged people living along the routes; petitions gotten up by the contractors; petitions known by Brady to be so gotten up; petitions transmitted in some cases by Dorsey, the United States Senator. He was not interested on the record in the matter, but sent a man out himself, with his own letters, to get up petitions and everything of that kind. The work was done, the petitions were obtained, and they were sent to Stephen W. Dorsey, the United States Senator, and Mr. Stephen W. Dorsey, this disinterested man, forwarded them to the Second Assistant Postmaster General, with a letter on United States Senate paper, as a disinterested man looking after the interests of some people who were not even his constituents, and saying that these were petitions which had come into his hands and which seemed to make a strong case for expedition, and he hoped it would be granted. Now, as to these petitions, of course we recog-

nize two things: the first is that everybody has a right to petition, and the next is that almost everybody will sign any petition that is thrust in their face. Certainly everybody along any mail route will sign any petition which looks to the idea of an increase of mail service, provided it is not to be done at their expense, but at the expense of somebody else. We would all of us like mail service if we happened not to live in a city. We would like to have the mail come by our door at least two or three times a day, and would deem ourselves perfectly justified in honestly signing a petition urging the Second Assistant Postmaster-General to make arrangements of that kind. We understand perfectly well that the Second Assistant Postmaster-General, when one of those petitions comes to him, if he is an honest and efficient officer, will say: "This seems to me to represent the wishes of the people along the route. They state what they want entirely without regard to the claims of other localities upon the money which Congress has appropriated. Their statement is made without regard to the question as to who is to pay the expense. They are frequently, almost always, without any knowledge of what the increased expense will be. Now I, as an honest Second Assistant Postmaster-General, will look the field over. I have these petitions, which I assume to be genuine"—I shall show you directly that he had no business to assume that—"and to represent the wishes of the people. Now ought they to be granted? What is the productiveness of this route? What is its character? Through what part of the country does it run? What is the population there? What justification have I for taxing the people of the East to give daily mail service at a high rate of speed along a route in a Western Territory where twenty-one days out of thirty-nine there does not pass a letter over the route?" I shall show you such a case as this, gentlemen, and yet there were petitions in favor of expedition on that route. His duty, we submit to you, as an honest Second Assistant Postmaster-General, in view of these petitions, was to look the field over and to decide what ought fairly and properly to be done. He ought to have said with regard to the case I last mentioned, "This I cannot do; it is absurd to pay \$20,000 or \$30,000 for increase of either trips or speed when there is no mail matter going over the route; I cannot do it, it makes no difference who comes to me urging it." It will be contended, and it is undoubtedly a fact, that members of Congress and Senators signed papers urging an increase. They were representing their locality. They were representing the interests of their constituents. But we shall show to you that at least one United States Senator urging such increase was the paid agent of these defendants.

Mr. HENKLE. Who was that?

Mr. BLISS. I will show you if you dare to put him on the stand.

[Mr. Chandler made a remark in an undertone which was inaudible to the reporter.]

Mr. BLISS. [To Mr. Chandler.] What do you say?

Mr. HENKLE. He says you should give his name.

Mr. BLISS. I have not given the names of any witnesses so far, and I do not propose to pick him out and give his name. He will get notoriety enough when he comes, if he comes. I simply say we propose to show it. But I will further say that I do not believe he will come.

Mr. CHANDLER. Was he here before?

Mr. BLISS. I will not specify him. Senators would come and Members would come, or they would sign petitions or do something of that sort, and Mr. Brady—

Mr. CHANDLER. [Interposing.] If your honor please, I wish to ask

whether it is proper for Mr. Bliss to go on and argue the case now. We have listened here for at least twenty minutes to an argument pure and simple as distinct from a statement of the facts which he proposes to prove.

Mr. BLISS. Not at all.

The COURT. I understand this to be an anticipatory statement of the facts.

Mr. CHANDLER. No, your honor; it is an argument as to what is the duty of the Second Assistant Postmaster-General. It is not a statement of what Mr. Bliss is going to prove, but it is a statement of what he would do and how he would manage were he himself in this high office—if it should ever be his fortune to reach it.

Mr. BLISS. Misfortune.

Mr. CHANDLER. I do not think it is proper for him so to proceed. He is not upon facts.

The COURT. He is applying the facts which he expects to prove.

Mr. BLISS. [Resuming.] Then again on the other side, gentlemen, as to petitions, we shall claim to you that while these defendants had a perfect right to get up petitions they had not a right to resort to deception of Government officers in getting them up. They had not a right to direct petitions to be gotten up by one man but not to be in the same form, because that fact might show that it was a mere bogus piece of business. They had not the right to do that. They had a perfect right to represent the case to the Postmaster-General and to seek to get from him increase or expedition, looking out for their own interests as we all do. But they had not the right, unless they wanted to get themselves into trouble, to go into a system of deception in connection with these petitions. They had not the right to alter petitions or to present petitions with forged or altered names. Now let me tell you, as to the petitions, that we shall present to you a witness who will tell you of Mr. Brady's declaration that they were a mere sham and pretense, intended to cover and protect him, and that was all there was in them. Take for instance the route from Kearney to Kent. On that route we have this remarkable condition of affairs: The people desired an increase of trips. They did not care for an increase of speed. A petition was sent from here by one of these defendants, Miner, I think, for circulation to parties on the route, asking for an increase of trips. The petition was circulated a little, and then by a careless accident an inkstand was upset upon it which blotted it so badly that the party to whom it was sent would not return it. So he himself wrote, or got a friend to write, another petition, which was a precise copy of the first. That petition contained no word about an increase of speed. It contained only a request for an increase of trips. It was generally signed and sent here and there was obtained upon it the indorsement of a United States Senator. The petition was filed in the Post-Office Department, but before it was filed there was inserted in it in an entirely different handwriting, at the end of a paragraph where there was a blank space on the line, the words, "And thirteen hours," so as to make it a petition not only for an increase of trips, but for an increase of speed; yet that alteration would almost stare a blind man in the face, and was obvious to everybody. There was not another paper on file in the department which said anything about increase of speed except the affidavit of one of these defendants in favor of it and stating the number of men and horses. There was not a paper of any kind with reference to increase of speed in the department except the affidavit and this altered petition taken by Mr. Brady as his sole authority for ordering an increase of

speed, which took from the Treasury a large number of thousand dollars. We shall place before you the man to whom that petition was sent, the man who wrote the petition to take the place of the blotted paper, the man who returned it here. We will place before you some of the people who signed it. All will say to you that there never was on that petition, up to the time it was sent here to one of these defendants, a suggestion of any increase of speed—that the words were added here by one of these defendants. I think we shall be able to show you who added them. We shall be uncharitable enough, gentlemen, in that connection to ask you to believe that if the petition originally sent West had not been so destroyed by being blotted, but had come back here, the words "And thirteen hours," if added, would have been added in the handwriting of the petition and the ear-marks of the fraud would not be so obvious.

There are other routes upon which the same sort of business was done. There are petitions where the words "faster time" are interlined and various things of that sort more or less obvious upon them, all either over erasures or in different and easily distinguishable handwriting. In one case we shall show you this: There were two routes, one from Mineral Park to Pioche, the route over which there were no letters passing, as I have already told you, and the other from Mineral Park to Ehrenberg. Both routes terminated at Mineral Park. Mr. Brady ordered expedition on both of those routes, and he ordered it upon petitions which bear on their face the evidence that they were not prepared for use as applicable to those routes. The terminus of the route and the territory in which it is situated are altered on each of those petitions and the signatures to the petitions are the same. The petitioners state that they get mail matter along that route. The names are identical. And yet the fifty or sixty names I believe you will be satisfied from inspection were all written by not exceeding six or seven persons. The same names are on both petitions, both petitions are altered, and both petitions are so altered that the most casual examination will indicate that they could not have been intended to apply to the route to which they are made to apply. Mr. Brady used both of those petitions as his basis for making orders which took from the Treasury large sums of money for expedition. And that, gentlemen, ought to dispose of the subject of petitions. Why, there is not "cover" enough in them to protect Brady in an indictment for indecent exposure.

As to these petitions, there are some other things that I desire to call to your attention. The route from Bismarck to Tongue River runs through the region where General Custer was killed. It was 301 miles long, and over the whole length there was not a person living; there was not a cabin. The Indians roamed over it so freely that after Mr. Miner had entered into a contract to run the route for \$2,350 a year, which was very much less than the work could be done for, he came in and filed all sorts of petitions to show that it was impossible to run the mail over the route without a company of soldiers to protect the mail carrier from Indians; that there was no mail matter and no necessity for the route anyway; yet, within sixty days afterwards, this same Mr. Miner was coming in with affidavits alleging that the country was so full of people, that they were so intelligent, and that they wanted mail facilities so much that there was great need for expedition and increase; and I think before he got through he ran the original sum of \$2,350 a year up to \$70,000 a year. When they commenced on that route they had to send a party out to build their stations. They employed a man whom we shall place before you, a sturdy, respectable,

and well-to-do contractor of considerable means and large experience, to go over the route with a party of twelve or fifteen men and build a station every seventeen miles. They sent there to superintend the business at different times John W. Dorsey and Mr. Rerdell. Mr. Rerdell, as the representative of these parties, went to the contractor, Mr. Pennell, and said to him, "I want you to take your gang of men and have them sign a petition stating that they are residents of a town or settlement which is some forty or fifty miles north of our line, and that they want mail service from their residence down to our line, and recommend that one of your gang be made the postmaster at this supposititious place, and we will get an order to have the service put on and will get pay for it." The contractor was too honest a man to do anything of that kind, but the proposition shows what these parties were doing and how they were getting up petitions.

We shall show to you, gentlemen, on one route a petition for an increase of service in Oregon, which petition occupies half a sheet of foolscap paper, coming down to within three or four lines of the end of the paper. There are then some three or four names, and then there are pasted on to it several sheets of signatures of people. We shall show to you that every one of those signers lived in Utah, more than a thousand miles from this route, and had no connection with it in any way, but that the names pasted on to that petition were signed for an entirely different purpose, and being in the petition mill of these contractors they were undoubtedly taken from the heading where they were originally placed, attached to this piece of paper, and made to do service as a petition of citizens living along the Oregon route, recommending expedition and increase of service, when in point of fact none of the men lived within a thousand miles of the route. I doubt whether any of the signers ever heard of either terminus or of any post-office on the route.

We shall show you another case where the petition that came here was a petition asking for a reduction to thirty-six hours as the schedule time, and yet that the affidavit of the contractor is an affidavit, looking to a reduction to twenty-six hours; and we shall show you that Mr. Brady promptly made the order reducing the time to twenty-six hours, and providing for the paying of a large sum of money into the contractor's pocket by the reduction. When the order got out into the locality the postmasters, contractors, and everybody said "this cannot be intended; we do not want a twenty-six-hour schedule; it is an absurdity; we have not asked for it; it does not improve our connections or benefit us at all; there must have been some mistake of a copyist or something of that sort." So they performed the service in thirty-six hours for weeks, thinking they were doing everything they ought to do, but they finally found out that Mr. Brady, in the beneficence of his generosity, had chosen to reduce the service over the route ten hours less than any petition had asked for, and that the only man who ever mentioned the time of twenty-six hours as desired upon that route was the contractor here in Washington, who made affidavits as to the number of men and horses that would be needed to carry the mail in twenty-six hours, and yet who had no knowledge on the subject. I may say in passing that the affidavit was a gross misstatement.

Now, Mr. Brady did not do these things ignorantly. He did them after remonstrance in many cases. For instance, on the route from Pueblo to Rosita Mr. Brady was informed by a Mr. Magrue on the 30th of August, 1878, that a petition was being circulated for three trips; that the mail did not go over that Rosita route, and that it went by railroad. On the following 17th of March the postmaster at Green-

wood, the only intermediate station, advised the discontinuance of the service on the route, on the ground that the mail could be carried quicker and better in another way. Yet, on the 8th of July, 1879, three months after the remonstrance of the postmaster, Mr. Brady, in disregard of this notice, and disregarding the suggestion that the route be abandoned entirely, increased the trips from one to six times a week, and reduced the time from fifteen hours to ten hours, increasing the pay, which was originally \$388, to \$8,148. That is the route on which I told you that the subcontractor, by his contract on file, was to perform the service for \$3,100, for which Mr. Brady, in spite of the remonstrance of the postmaster, had agreed to pay \$8,148, and the subcontractor had so good a thing of it that he let it out to somebody else for \$2,600. Mr. Brady insisted on paying the contractors on this route about \$6,000 for doing nothing.

On the 8th of May, 1880, the postmaster at Greenwood, by this time another man—there had been a change in the office—advised the discontinuance of the service on that route, and stated that in so advising he had the concurrence of the postmasters at Rosita and at Pueblo, which offices were all the offices upon the line, and that the route be supplied in a different way. Mr. Brady not only paid no attention to that advice, but I think he went on and made a further increase upon the route.

On route 38135, from Saint Charles to Greenhorn, the postmaster at Pueblo called attention to the fact that the route as advertised ended at a pump; that there was no town and no reason for its ending where it did; and that the proper terminus of the route should be Pueblo. Mr. Brady's attention was called to that fact before the contract was let; was called to it by one of his own post-office inspectors. He went on and let the contract to Saint Charles, and then there was a temporary arrangement made by which they got the mail from Pueblo to Saint Charles. Then Mr. Brady extended the service to Pueblo; but after he had extended it the route was just as long as it was advertised at. He had not lengthened it a particle. The mistake had been made in the advertisement. By some mistake or other they had inserted Saint Charles when they should have inserted Pueblo, though they gave the correct distance to Pueblo. Yet Mr. Brady added twelve miles, I think it was—an alleged twelve miles, a fictitious twelve miles—to that route from Saint Charles to Pueblo, gave the contractor for carrying the mail an increased allowance on that twelve miles, made that increased allowance largely more than his own records showed the mail was being carried for over those twelve miles under a temporary service. And then having done that, and having got his route well extended to Pueblo and got it in good shape for expedition, he made an order for expedition and gave to the contractor a large sum of money for making expedition, and then arranged a schedule by which the mails arrived at Pueblo (Pueblo being a large railroad station) just after the trains left, and they laid over there a good many more hours than he had saved time by his pretended expedition.

On the route from Ojo Caliente to Parrott City I have already called your attention to the fact that Mr. Brady insisted upon having a schedule of impossible time when his postmasters told him it could not be done in that time. He insisted upon having it done.

On the route from Rawlins to White River, in Wyoming, the postmaster at White River, on the 22d of January, 1879, wrote to him saying that the time of five days ought to be made 66 hours in winter and 56 hours in summer. Yet on the 1st of May, 1879, four or five months after-

wards, Mr. Brady, in the face of the recommendation of the postmaster at the principal office, reduced the time to 45 hours, less than two days, though the postmaster had written him that the existing time ought to be lengthened to six days in winter and five days in summer.

On the route from Vermillion to Sioux Falls this thing occurred. The route had been let as fifty miles long when, in fact, it was seventy-five miles long. That was a mistake. The original schedule was fourteen hours. Mr. Brady reduced it to ten hours and allowed \$3,680 in consequence of the reduction. That made ten hours in which to go seventy-five miles, and there being ten post-offices on the route, and each postmaster being entitled to detain the carrier seven minutes, the result was that they were obliged to make seventy-five miles in less than nine hours, which is pretty good time as we should all think. On the 15th of December, 1879, every postmaster on the route advised that the time should be extended to sixteen hours. They sent that petition to Judge Bennett, the representative of the Territory in Congress, the man who stood in the position which it will be urged to you was all-powerful with Brady—a Congressman or a Senator; and it will be claimed that their recommendation was conclusive. Judge Bennett sent that remonstrance of the postmasters, requesting that it be made sixteen hours, to the Post-Office Department, and Mr. Brady indorsed upon it in his own handwriting—

“WRITE JUDGE B. IT CANNOT BE DONE.”

That was the sole answer he gave to the representations of the people out there—

“WRITE JUDGE B. IT CANNOT BE DONE.”

Except that he added—

“It would be unjust to the other bidders.”

What that injustice might be I cannot understand. That it would be unjust to anybody I cannot see, unless there might have been a little injustice in taking from the contractors an increased sum which they were receiving for expedition when they had already expended a large portion of that sum in paying the necessary expenses in the Post-Office Department for getting the expedition. There might have been in a certain sense a little injustice there, but it was not an injustice which concerned the public.

On the route from Toquerville to Adairville, in Utah, the original schedule of sixty hours was, by an order made the 8th of July, reduced to thirty-three hours. All the petitions asked for forty-eight hours. No one of them asked for thirty-three hours. There is no evidence of thirty-three hours being desired by anybody, except in the affidavit of the contractor. There is not a syllable in any petition asking for thirty-three hours. The postmaster at one of the chief towns on the route, on the 21st of December, 1879, advised a return to sixty hours, and in the following March all the postmasters on the route advised a return to sixty hours, and Mr. Brady paid no attention whatever to it, but continued on with this service not desired by the people in the locality. That, gentlemen, by the way, was the route on which, as I told you, he insisted upon making his order for expedition just before he made his order cutting off ten miles from the end of the route in order to give the contractor the extra sum.

There are other cases. I think I have already referred to a case where in spite of the law, which says that no order for increased service shall be antedated so as to take effect before it is made, Mr. Brady, in direct opposition to that, made an order which was antedated and took large sums of money from the Treasury. Moreover, the petitions

asked for an increase of service or expedition only upon a portion of that route, and they defined that portion. The petitions asked for an increase on a portion of the route, and they gave good reasons why they wanted it only on a portion. In the progress of time a railroad had been built, so that if they could have an increase over the portion of the route simply between the station of the railroad and a prominent place beyond they would save time and gain a good deal in the reception of their mail matter. The petitions asked only an increase on that portion of the route. Mr. Brady used those petitions as his alleged authority for ordering an increase on the whole route. He ordered an increase on the whole route, I think, nearly two hundred miles long, when the petitions asked for an increase only upon about sixty or seventy miles.

Now, gentlemen of the jury, all this class of frauds which I have stated to you we expect to prove, and prove by witnesses who will not and cannot be contradicted. We also propose to call your attention, gentlemen of the jury, to some facts in connection with those things which will show to you that this business was a prearranged matter; that it was not an accidental thing. We shall show to you on route after route that when these parties went out onto the route at the commencement of the service, they stated to parties with whom they were arranging for subcontracts, and so forth, that the trips would be increased, that the speed would be increased. They specified precisely what would be done. They told how many trips would be added. They told how much the speed would be increased, and they told within what time it would be increased, and the result showed that they told correctly. We shall show to you this: That affidavits for increase were made which referred to the precise time which was subsequently allowed by Mr. Brady's order, and those affidavits upon their face were sworn to months before there was ever a petition started or ever any suggestion made of an increase upon the route, when the idea of an increase rested only in the minds of these parties. They armed themselves with affidavits, and in those affidavits they were able to fix the precise time which, when petitions came to Brady subsequently, upon the alleged faith of which he acted, he ordered to be put into practice. Even when the petitions asked for thirty-six hours, the affidavit made beforehand, dated beforehand, asked for twenty-six hours, they were able then, way back before this thing had been stirred, in some way or other to say, that Mr. Brady would like to know how many men and horses would be necessary to carry the mail in twenty-six hours, and they made their affidavits stating how many would be necessary to make that time. We shall ask you, gentlemen, from that condition of things and some others of that sort to draw the inference, from which there does not seem to be any escape, that this whole matter was prearranged.

We shall show to you, gentlemen of the jury, that on many of these routes they paid at the outset more than they got from the Government, and we do not suppose it will be claimed that these defendants were such patriotic citizens, that the humble mechanic from Vermont came down here and went into the mail service for the purpose of paying out to some subcontractor more money than he got from the Government, and that he did it for the purpose of relieving the Government from the burdens under which it was laboring. We shall show to you, for instance, that on the route from Pueblo to Rosita they got only \$388. They originally made a contract with the subcontractor by which they were compelled to pay him \$700 for carrying the mail, and yet they were rewarded for their bread cast upon

the waters. For Mr. Brady promptly came to their assistance and carried the original sum of \$388 up to \$8,148, and thus transformed a losing contract into one which was largely profitable. On the route from Silverton to Parrott City we shall show to you that Mr. John W. Dorsey received from the United States for carrying the mail \$1,488; that he made a contract by which he agreed to pay \$2,280 to somebody else for doing that thing for him, and that he was therefore losing money at a pretty fair rate for a man not a very heavy capitalist; but he got himself even very soon, for Mr. Brady proceeded to run up his \$1,488 to \$14,870.01. And you will bear in mind that in no case does it appear, I think, that a subcontractor performing the service ever got more than about 65 per cent. of the increased sum allowed for expedition. So that this increase which Mr. Brady made, carrying it up from \$1,488 to \$14,870.01, redounded largely to the benefit of the contractor, Mr. Dorsey. There is the route from Eugene City to Bridge Creek, in Oregon. Mr. Peck, Mr. Dorsey's brother-in-law, was the contractor there. He was not quite so liberal. He got from the Government \$2,468, and he agreed to pay \$2,700 for carrying the mail, and was therefore at a loss of about \$250. But Mr. Brady promptly came to his assistance and carried up the sum which the Government paid to Peck from \$2,468 to \$21,460.89. The route from Mineral Park to Pioche was let at \$2,982. John W. Dorsey went out there and made an arrangement by which he agreed to pay \$4,700 for doing what the Government paid him only \$2,982 for doing. But he made at the same time a contract with the subcontractor by which, on an increase, the subcontractor who was to do all the service was to get \$12,600, but Mr. Dorsey was to get on the increase \$9,700 net. The subcontractor was to pay all the fines and deductions, and Mr. Dorsey was to get \$9,700 net, and after he got away from Wyoming, I think it was, he wrote a letter to his subcontractor in which, in going over the terms, he told him what a good thing he would have on an increase, and said to him that it was "the most liberal trade that he had made with any subcontractor since he left home." A trade by which he got \$9,700 net for doing nothing, where the contractor was to get \$12,600 for carrying the mails, and a trade on a route where at the time the contractor was being paid \$4,700 and Mr. Dorsey was getting from the Government only \$2,900. On the route from Rawlins to White River the contractor got from the Government \$1,700. He arranged to pay the subcontractor \$2,500—a net loss of \$800, but he promptly covered himself, for he got from Mr. Brady orders for expedition and increase under which he, the contractor, got \$8,600 for doing nothing, and the subcontractor \$5,100 for doing the service; and by and by there came a further increase, so that the Government was paying for a service which started at \$1,700 a year no less than \$31,981.25 a year. I shall ask you to infer, gentlemen, that these contractors did not go into this business of carrying these mails with the intention of being at a loss, and that they had some understanding or arrangement by which they knew that after they got the contracts well made, in some cases before the service was commenced, they could get an expedition or an increase of service which would run up the sums coming to them largely, and it would convert what was a small, losing contract into a large, profitable one.

On the route from Bismarck to Fort Keogh, as showing the absolute necessity of belief that they had some prearrangement, we shall show you this condition of things: Mr. Miner's contract gave him from the Government for the aggregate of the four years during which the contract was to continue, \$9,500. To perform the service on the original

schedule time there had to be stations built for changing horses and stabling horses once in thirty-five miles. The route was 301 miles long. They set to work and at the very outset made a contract with a man whom we shall place before you, under which they arranged to have stations for changing horses every seventeen miles. They built their stations there, and when asked why they did it, said that when they came to increase the service they should have to change horses every seventeen miles, and that they were going to have an increase of service and wanted to arrange for it; and they built those stations at every seventeen miles. When the service first commenced they used only every other station. In building stations, and for things other than the horses used on the route, they spent \$6,000, though the aggregate amount that they were to receive under the contract in the whole four years was only \$9,500, and this was a trackless prairie. They spent \$6,000 for building their stations, but their faith was rewarded, for their \$2,350 was shortly carried up by Brady to \$70,000. That route, gentlemen, is the route upon which they proposed to the contractor, Mr. Pennell, to get up this bogus petition to be signed by his party of people. I have a memorandum here of something else in connection with that route, to which I desire to call your attention.

On that route John W. Dorsey, the same man who made those inconsistent oaths sworn to on the same day, to which I have already called your attention, went out there and got the route in operation when the pay was only \$2,350. John R. Miner was the contractor. John W. Dorsey went out there to set the route in operation. M. C. Rerdell, another of the defendants, went with him or joined him there. He wanted Mr. Pennell, the contractor, whom we shall place before you, to become a partner on that route and to take a half interest in it. Early in July, 1878, he made him that proposition, and he told Mr. Pennell that there would be an increase of not less than \$25,000; that he had a brother in Washington who would help it through; that there would surely be two increases inside of a year; that the second increase would be to six or seven trips a week, and that the time would be reduced to sixty-five hours. That conversation, gentlemen, occurred early in July, 1878, and on the 4th of October, 1878, there was an increase of trips, and the time was reduced to precisely the time that John W. Dorsey said it would be—sixty-five hours—and there was allowed for that \$27,950. He told Pennell that there would be an increase of at least \$25,000. Brady saw it, and went him \$3,000 better. He wanted Pennell to go into partnership with him, furnish the money, and run the route, and he mentioned as the reason why he should do so that there would be this increase, and that what would be obviously a losing route would become a paying route. Mr. Pennell did not believe this condition of things, or if he did believe it he did not want to have anything to do with a matter which on its face seemed of such doubtful propriety, and he did not go into it. He was told there would be two orders in the year and \$25,000 increase. One of the orders was made on the 24th of October, 1878, within three months after, making the increase to two trips, and reducing it to the precise time to which Mr. Dorsey said it would be reduced. But Mr. Dorsey did not quite come to time on his second order. He was going to have his two orders within a year. The conversation occurred early in July, 1878, and it was not until the 2d of August, 1879, that Mr. Dorsey came round with his second order. But he got these two orders; he got just the increase that he said he was going to get, and he got them from Mr. Brady. That conversation occurred in July, 1878, at the very time when John

W. Dorsey and M. C. Rerdell were out there making arrangements for putting on the service. Mr. Miner was, by his agents here, putting into the Post-Office Department affidavits to show that there was no ground for any mail service at all upon that route; that there were no post-offices, no inhabitants except the Indians, and that no mail could be run over that route unless every carrier was accompanied by a company of soldiers. That conversation occurred out there with John W. Dorsey at about the same time that Miner at this end of the route was making that kind of a statement. The fact is shown that they had taken that route at greatly less than it could be run. They had got to get rid of a loss in one way or the other. They could not get rid of it by getting it discontinued. They could then get Pennell or some man out there to be fool enough to go into it with them, or they could go in and get expedition; and when they had to run the route, owing to the insistence and urgency of the Delegate from Dakota, there was no remedy for them to save themselves and to make their profits except by getting these two increases that Dorsey said they would get, and getting this reduction that Dorsey said he would have.

At this point (1 o'clock p. m.) the court took a recess for half an hour

AFTER RECESS.

Mr. BLISS. [Resuming.] I was calling your attention, gentlemen, at the adjournment, to some of the evidence which we should present to you, showing pre-arrangement in this matter, and I had called your attention to the circumstances connected with the route from Bismarek to Fort Keogh. I now pass for the moment to the route from Kearney to Kent. That is the route upon which the petition, altered to thirteen hours, was presented. But it is to another phase of it that I desire now to direct your attention. The earliest papers on that route that reached the department, looking either to increase of trips or increase of speed, reached there on the 30th of April, 1879. All the other papers in the case got there in May. As early as the first day of February, 1879, Mr. Peck, the contractor, out in New Mexico, had somehow or other found out that thirteen hours was to be the precise time to which the schedule was to be reduced, and he had made his affidavit of the number of men and horses that would be required on a time of thirteen hours. In other words he knew, before any paper came to the department, and there never was any paper in the department relating to thirteen hours, except that altered petition, and that altered petition was not sent here until the 13th of April, 1879—and yet on the first day of February, 1879, in New Mexico, Mr. Peck knew that thirteen hours was the time that Mr. Brady was going to order.

On route 44140 from Eugene City to Bridge Creek, the same Peck, on the 22d of January, 1879, made his oath referring to a schedule of fifty hours three times a week. He transmitted it in a proposal which referred to a schedule of sixty hours. That paper did not get on file till into April, and in April for the first time did any paper looking to expedition appear on file. Those were papers asking for 100 hours; no one of them referred to fifty or sixty hours; and though Mr. Peck's oath, made on the 22d of January, speaks of fifty hours, and though fifty hours was the time fixed by Brady in his order dated the 22d of June, 1879, there was not a paper on file in the department, either before or after Mr.

Peck made his oath way back in January, which looked to any such period of time. But Mr. Brady made his order that fitted Peck's affidavit made in the preceding January.

On the route from Toquerville to Adairville, Peck made his oath on the 22d of January, 1879, asking for seven trips and thirty-three hours. The petitions asking for expedition were not received until the 25th of June. The order was made on the 8th of July. The petitions asked for forty-eight hours. There is not a paper that asks for anything smaller than forty-eight hours. Mr. Peck's oath, made the 22d of January, looked to thirty-three hours, and Mr. Brady's order, made on the 8th of July, is an order for thirty-three hours.

On route 38156, from Silverton to Parrott City, Mr. John W. Dorsey made his oath on the 21st of April, 1879. He transmitted it on the 5th of May, 1879. It refers to a schedule of fifteen hours and seven trips. Of the papers on file, a letter dated April 24, three days after the date of Dorsey's oath, says, "a daily service and fast time." One of the 5th of May says, "daily service and faster time." One on the 25th of April says, "three trips and faster time." One on the 26th of April says, "daily and faster time;" there being, as you will perceive, in these papers no reference to any particular time. Three trips is mentioned, but usually only "faster time" or "fast time." Dorsey, on the 5th of May, 1879, made his affidavit for fifteen hours and seven trips. Dorsey having made his affidavit on the 5th of May, 1879, for fifteen hours, on the 12th of June, 1879, Brady makes his order for a fifteen-hour schedule, when there is not a paper on file that specifies fifteen hours in any manner. How did Dorsey happen to hit upon the figure of fifteen hours? The then existing schedule was thirty-three hours. Brady reduced the thirty-seven hours to fifteen hours on the 12th of June, 1879, and that was the precise figure that John W. Dorsey had selected from the whole schedule of thirty-seven hours down, on the 21st of April, 1879, as that to which the reduction was to be made.

On route 44155, from Dalles to Baker City, Peck made the oath on the 15th of December, 1878, and specified seventy-two hours. The schedule then was 120 hours. The order was made on the 29th of October following, and was for seventy-two hours. The petitions naming that time are dated at the end of September. They did not reach the department until the 20th or 23d of October. On the 23d of October the order was made, and yet those petitions and the orders specified the precise time, seventy-two hours, which Mr. Peck had in his affidavit fixed way back in December, 1878, nearly ten months previously.

On route 38113, from Rawlins to White River, Mr. M. C. Rerdell, one of these defendants, wrote on the 8th of February, 1881:

I can get the increase to six or seven trips if you will send me petitions so as to have them here before the 4th of March.

You will bear in mind that General Garfield was to come into office on the 4th of March, and Mr. Brady's tenure of office as Second Assistant Postmaster-General was not likely to be very permanent after that time.

I can get the increase to six or seven trips if you will send petitions so as to have them here before the 4th of March.

They did not get here quite on time. I shall show you how they were got up. They got here on the 5th of March, and on the 8th of March, Mr. Brady being still Second Assistant Postmaster-General, but Thomas L. James having become Postmaster-General, Mr. Brady made an

order for an increase to seven trips, precisely what Mr. Rerdell said he could get if he got the petitions. They were filed on the 5th, and, as I say, on the 8th Brady made the order. That order was entered upon the journal of the department as all proceedings of the department are. At the end of the day the journal is brought to the Postmaster-General for signature. The last order of the day put on there was this order that Mr. Brady had made, that the trips should be increased to seven and a large allowance made for it. Mr. James saw it. He directed that that order should be revoked. The clerk to whom he gave the direction conveyed that information to Mr. Brady. Mr. Brady came to Mr. James and wanted to know if that was to be the policy of his administration of the Post-Office Department. Mr. James told him it was. Mr. Brady left. Mr. James supposed that that order had been revoked, and it was not until way down in August, after Mr. Brady had been compelled to leave the Post-Office Department, that it was by accident discovered that Mr. Brady had left that order unrevoked, and that there had been drawn from the Treasury thousands of dollars on the basis of that order which Mr. Brady had thus made upon petitions which Mr. Rerdell said he must have here before Mr. James could become Postmaster-General, and which Mr. Brady had made, and which Mr. Brady had taken care not to revoke.

On the route from Ojo Caliente in New Mexico to Animas City, just prior to the 30th of April, 1879, an order was made increasing the service to three trips. Mr. S. W. Dorsey on that day wrote to the contractor saying that he expected to get it made daily as early as July, giving a further increase of trips. He did not succeed quite in his anticipations, but in the following February he succeeded in getting it made daily; and in that same connection the firm of Miner, Peck & Co., composed of Mr. Miner, Mr. Peck, and more or less of these other parties who were interested in the contract, wrote a letter, which we shall show to you, in which in a somewhat significant way they say they do not make any boast of "being solid" with anybody, but they can get what is reasonable. Mr. John W. Dorsey told one of the subcontractors out in Utah that he had influence in Washington by which they could get done what they wanted, and he specified various people, including some of these defendants.

On route 38140, from Trinidad to Madison, the only paper on file, when Mr. Brady made his order for expedition, which asked anything, was a paper written by a gentleman in New York who had formerly been prominent in Colorado. It asked only for faster time and three times a week; but yet there was there the same foreknowledge of the contractor, because long before that time and before Brady made his order the contractor made an affidavit for precisely the same time that Mr. Brady subsequently ordered.

Another class of evidence showing the understanding that must have existed we will show to you in the form of subcontract which they had printed. These defendants had printed a form of subcontract which was the first of that form that people concerned in the post office business and of large experience in post-office business had ever seen. They put into it an express provision providing for cases of expedition and increase of service that might subsequently be made. They arranged with the subcontractor to carry the mail for so much. They put into their contracts a provision as to how much he was to have for increased service and how much he was to have for increased speed. So far, I think, as relates to increased service that clause in the subcontract was not unusual. So far as it relates to a provision for expedition that

clause was unusual, never having been known by any of the people concerned in the post-office business. And you will see that that must have been the case when I remind you that during nearly five years of the postal service preceding Mr. Brady's entrance upon the business there never had been, all told, over twenty cases of expedition, and therefore it was not likely that there should be put into any printed form of sub-contract any provision upon the subject. But when, on the 1st of July, 1878, these parties took these contracts and set about carrying out their scheme the first thing they did was to prepare and print a sub-contract which contains this provision as to future expedition.

Now, as to another feature of this thing. These parties bid expressly, as we say, with reference to routes which could be expedited. They bid upon routes which were advertised at a low rate of speed, so that there was room for expedition. They bid upon routes with only a small number of trips a week, so that there was room for an increase of trips; and then having got contracts on such bids as those, they went in and got the expedition and the increase of trips. Leaving out, for the moment, the matter of their bids, and taking only the contracts which they got, of 134 routes upon which they got contracts, 98 were routes upon which the service advertised for was only one trip a week; 24 were routes upon which contracts were advertised for at two trips, and 12 were contracts at three trips per week. They obtained 134 contracts, and on these 134 contracts their trips were increased, or speed was increased, in 68 different cases. Upon 29 of the routes it is true that at some period of time there were slight reductions made by cutting off some portion of the route; but while the aggregate increase on the 68 routes amounted to \$750,000 on a bidding of \$41,000, the aggregate decrease amounted only to \$2,452. That took place upon 29 routes, and upon those 29 routes, while there was a decrease in that amount of \$2,452, there was either preceding it or succeeding it an increase of a good deal more than the decrease. The result is that on 20 of their contracts which remained diminished in a sum amounting in the aggregate to less than \$20,000, it was a diminution simply by cutting off some portion of the route usually, because railroads had come in and put an end to star service. But they gained on 69 routes \$750,000. I have stated, now, what the condition of things was as to the routes which were awarded to them. In their bidding they bid on 281 routes where the service was once a week; on 159 routes where the service was twice a week; on 121 routes on which the service was three times a week; on 22 on which it was six times a week, and 1 on which it was seven times a week. They did not get any of the service upon the routes where the trips were frequent, undoubtedly, because upon those routes where there was no room for increase of trips or expedition they bid higher than other bidders. On the routes which they did get they got them because they were the lowest bidders, and they bid lowest, as we shall ask you to believe from the evidence, because they had a prearrangement, an understanding, by which their low bids were to be run up to a profitable sum.

Mr. Brady made, or there were made—and I think in this statement all of them were made by Mr. Brady, but it is possible that in that respect some of them were made by his chief clerk—as applicable to their 134 contracts during the year 1878 alone (the contracts did not take effect until the 1st of July, 1878), 66 separate orders increasing the pay of these defendants. In the year 1879 there were made 72 more orders increasing the pay of these defendants. Those are the two first years, or the first year and a half, of their contracts.

There are, gentlemen, one or two other things to which I may as well call your attention before I pass from this branch of the case, as indicating acts of these defendants showing that they were engaged in some disreputable proceedings in connection with the department.

On route 44160, from Canyon City to Fort McDermott: On the 15th of April, 1881, John R. Miner, one of these defendants, wrote a letter, which letter was upon the paper of "The Northern Overland Mail Company," or something of that sort, which described another of these defendants, Mr. Vaile, as the president, and Mr. Miner as its secretary; which letter, in substance, says that "he finds out by accident that one S. H. Abbott, "who was postmaster at a little place on that route called Alvord," has written to the department that you do not pay your bills, and that there is no use of having a weekly mail." Now that was on the route where they ran it up from one trip a week at \$2,888, and it went to six trips a week at \$50,166, and here was this postmaster writing that there was no necessity for anything more than a mail once a week. That letter, Miner says, was sent by the postmaster at Alvord to the department. Miner knew of that letter. That letter has disappeared from the files of the department. There is no evidence in the department that the letter ever was there. Our only knowledge of it is from the letter of Miner, which we shall put before you. What does Mr. Miner say? "I want to have you see this man and pay him. Give him what is necessary to shut his mouth. We do not want him to write any more such letters to the department. We have got \$50,000 on a route which we bid for at \$2,800, and we don't want any postmaster out there writing that it is not necessary. It is an inconvenient document to have on the files of the department. Somebody may find it." This is the substance of the letter. I cannot read the letter at this stage.

Mr. HENKLE. Do you pretend to say that is the substance of the letter?

Mr. BLISS. I pretend to say that is the purport of the letter. I will read the letter if you have no objection to my reading it.

Mr. HENKLE. I have no objection to that.

Mr. BLISS. [Reading:]

I wish you would see this man at once, and satisfy him. Pay him whatever is reasonable, and report to R. C. Williamson at The Dalles.

R. C. Williamson was the superintendent of Vaile, Miner & Company.

I suppose that is what he is after. He knows nothing of the through mail——

Of course he did not know anything about that. The evidence was that only ten or twelve pounds went over that route, and there was no through mail.

and probably a weekly is all he needs; but more likely he wants some money. He complained once before to the department that he had to make a special trip to Camp McDermott to make his returns.

They did not perform the service, and in order to make his quarterly returns to the department, which he ought to have been able to put in the mail at his own office and send to the department, he had to make a journey to Fort McDermott to get his own official letter in the mail.

He complained once before to the department that he had to make a special trip to Camp McDermott to make his returns, and I sent him \$30, and it was all right. Now I suppose he wants a little more money.

Here was this postmaster writing that a weekly mail was all that was needed. What harm was he doing to them? Why was it necessary to do anything with him to make it "all right," if it was not the desire to

shut up his mouth? That was all there was to it and all there could be to it.

But that transaction does not stand alone, gentlemen. There was a Mr. Johnson, who was a subcontractor out in Utah. We shall place him before you, and you will believe every word that he says. He carries honesty and truth upon his face. There had been a change made on a route, running the speed up beyond what the people in the locality and Mr. Johnson, the subcontractor, thought was necessary. He wrote to the department complaining, and thereupon one of these defendants wrote him that they had concluded voluntarily to increase his pay something like \$2,000 a year, but that they wanted him to stop writing to the department; that he had been complaining to the department about the matter, and that they wanted him to stop, and wanted him also to write to his Delegate in Congress and beg the Delegate to withdraw certain papers he had placed on file. They wrote two letters to Mr. Johnson to that effect. Mr. Johnson got his \$2,000, and somehow or other those papers, which it appears of record the Delegate had placed upon the files of the department, have disappeared from those files.

This being the condition of things, what do we find in another point of view? I desire now to refer to a subject which I have already touched upon to some extent. It may be supposed, or it may be claimed, perhaps, that although Brady made these excessive allowances to which I have called your attention, yet the money was appropriated to carry the mail, and that it was paid for carrying the mail, and so there ought not to be any particular objection to it. We shall show you upon the Kearney and Kent route that while the contractor got \$2,715.08 for sitting in Washington and doing nothing, the subcontractor, who did the service, got only \$1,587.40; that on the Pueblo and Rosita route the contractor who sat still in Washington got \$5,048, the subcontractor got \$3,100, and he had so good a thing of it that he got somebody else to carry the mail at \$2,600. You will bear in mind in all cases that the contractor here in Washington got his money net and clear, and that it was the subcontractor who had to pay all fines and deductions, and that the sole interest of these contractors here in Washington, so far as the question of fines and deductions is concerned, was that the fines and deductions should not be so great as to more than exhaust the money that went to the subcontractor. We shall show you in one case a feeling remonstrance from Mr. S. W. Dorsey to a subcontractor that if he did not look out he would subject himself to so many fines that he would not only lose all his money, but actually affect the money coming to the contractors here in Washington, and that would be an outrage that ought not to be endured for a moment!

On the route from Saint Charles to Greenhorn, Mr. John R. Miner, as contractor here in Washington, got \$3,945.60. He made a contract with a Mr. Farrish to carry the mail for \$840. When Mr. Farrish gave it up he made another contract with Mr. McDaniel to carry it for \$900, and he performed all the service for \$900, and Miner got \$3,045 net. On the Toquerville and Adairville route—which, by the way, is the route as to which Mr. John W. Dorsey writing to the subcontractor with reference to the arrangement he had made with him, told him that that was nearer *pro rata* than any trade he had made since he left Washington—the contractor got \$12,450.22 for doing nothing, and the subcontractor who did the work got only \$8,444. On route 38140, from Trinidad to Madison, the contractor got \$2,402.25 for doing nothing, and the subcontractor got \$1,550 for carrying the mail—not out of

the \$2,400. You will bear in mind that the sums received by the contractors are over and above what they paid to the subcontractors.

On route 38156, from Silverton to Parrott City, the subcontractor who did the work got \$9,400, and the contractor here in Washington got \$7,112.20. On route 38145, from Garland to Parrott City, at one time the contractor got \$5,438.08, and the subcontractor who did the work got \$8,000. At another time the subcontractor got only \$6,200. Subsequently the contractor got \$7,244.08 net, and was kind enough to allow the subcontractor \$10,666.64. In that case the whole record is set out in Mr. Brady's order. It is there recited that the United States Government ought to pay a certain additional amount for carrying the mail, and then he followed it up, as he had to follow it up—for the subcontract was on file—by saying he would pay only about one-half of the amount to the man who actually carried the mail. The balance, he said, was necessary for payment to a man who sat here in Washington and did not do anything—for this was the effect of his declaration.

On the route from Rawlings to White River, No. 38113, the contractor at one time got \$13,706.25 net, and the subcontractor, who did the work, got only \$5,100. The contractor got an excess of \$8,606.25 for doing nothing. At a later stage the subcontractor got \$10,000 out of \$13,706.25, and he will tell you that that \$10,000 paid him handsomely for carrying the mail. At a later stage, on the same route, \$31,981.25 was paid by the Government, of which the subcontractor got \$22,333.37, and the contractor, who did nothing, \$8,647.92. Mr. Rerdell, in communicating to that subcontractor the fact that he was to be allowed \$23,333, while the defendants kept \$8,600 additional, wound up his letter by a suggestion that the subcontractor had got a good thing, and he wanted him to understand that he, Rerdell, had obtained it for him, and insinuated that if anybody was to be compensated, he wanted the subcontractor to remember that the credit was due to him. Mr. Rerdell carefully avoided saying anything about the fact that he and the other people whom he represented here in Washington were making out of the contract \$8,647.92. On the route from The Dalles to Baker City the contractor at one time got \$21,460, and the subcontractor got \$7,400, leaving the contractor an excess of \$14,060. On route 44160 the subcontractors got \$10,000, and the contractor got \$40,166.66. The subcontractors got \$10,000, to be divided between two, or \$5,000 apiece. Vaile, who was the contractor, got \$50,166.66, giving them \$10,000. Where did the odd \$40,000 go? On the route from Redding to Alturas, the contractor got \$17,964, and the subcontractor \$10,500 of that. I think that was done under an order not signed by Mr. Brady, but signed by his chief clerk.

Now, gentlemen, what was the result to the Government and to these defendants of all this series of orders made by Brady for their benefit? There were, at the end of 1880, 9,225 star routes in the country. They had an aggregate length of 215,480 miles. They cost \$6,401,000.84 to the Government annually. This was the service upon which Brady operated with his orders for increase of trips and increase of speed. From January 1st, 1872, to June 30, 1875, under Routt, as Second Assistant Postmaster-General, three years and six months, I have already called your attention to the fact that there were only fifteen orders for expedition. The amount allowed under those fifteen orders was \$144,729.83. Under Tyner, in a year—from June 30, 1875, to June 30, 1876—there were five orders for expedition, and an aggregate allowance of \$12,620.60. Brady came into office on the 23d of July, 1876, and down to the year ending June 30, 1877, twenty-three days

less than a year, he made thirteen orders for expedition, covering \$158,418.59, being nearly \$15,000 more than Routt had ordered in his entire three years and a half. For the year ending June 30, 1878, Mr. Brady's second year, he ordered expedition to the extent of only \$27,923. For the year ending June 30, 1879, Mr. Brady had seventy cases of expedition, and made orders which took from the Treasury annually \$905,912.91, and those orders were made with reference to routes as to which the existing pay before he commenced to operate upon them was only \$588,150.13. In other words, to \$588,000 he added over \$900,000. For the year ending June 30, 1880, Mr. Brady made twenty-five orders for expedition, and by those orders he added to the money taken from the Treasury of the United States \$307,426.84 a year, and added it upon routes upon which the existing pay was only \$107,974.22 to April 30, 1881. The balance of the year before he went out, being two months less than a year, he made nine orders for expedition, which cover only \$13,749.46. You will perceive, gentlemen, that by that time the material upon which orders for expedition could fairly operate was pretty well worked out. The contracts in the Pacific section—and it is in that section I ought to say that all the orders for expedition were made, except a single one on a route in North Carolina—had been exhausted by the prior orders for expedition. The routes were let in July, 1878, and the contracts were to expire in June, 1882, and there was very little room for further expedition. So we find that when Mr. Brady's career was cut off on the 30th of April, 1881, he had only been able in the last ten months to make nine cases of expedition, and those for the trivial sum, according to his idea, of \$13,749.46. Brady, in four years nine months and seven days, made one hundred and twenty orders of expedition, by which he added to contracts made after public bidding, which called for \$907,780.45, the sum of \$2,321,211.25. By public bidding, bidders said they would carry the mail over those routes for \$907,780.45, and Mr. Brady, by secret arrangements made in his office, gave to those bidders \$2,321,211.25 in one year.

Mr. WILSON. May it please your honor, I desire to inquire whether it is proper, in the opening statement of this case to the jury, to make statements with reference to matters that are in no way whatever connected with this indictment, not mentioned in the indictment, and not competent as evidence on the trial of this case. I make the inquiry at this stage of the case in order that there may be no misapprehension as to the character of the opening that may be made on behalf of the defendants. I do not want to have it transpire in this case, as it did in the other trial, that when the defense come to state the facts, and come to point out to the jury the misrepresentation of the facts, that we shall be interrupted by anybody by saying, in the way of objection, that we are stating matters not pertinent to the case. I make the point right here, if your honor please, because the counsel for the Government is now stating to this jury matters that are absolutely disconnected with this case, matters which have not the slightest relation to this case, and as to every one of which, if they were before the court, we would have an opportunity to make answer. Mr. Bliss is going wholly outside of this indictment, and stating that which I say, on my own responsibility, is a misrepresentation of the truth of this matter. I want now not to stop him, but I do not want the court to stop us when our time comes to tell this jury the truth about this case. Now the court, thus having had its attention called to the matter—

The COURT. [Interposing.] What particular part of the opening of Mr. Bliss do you object to?

Mr. BLISS. Your honor will bear in mind that Mr. Wilson did this precise thing on the previous trial in almost the same language at this point in my opening.

Mr. WILSON. I have the floor for the present. Mr. Bliss is stating as to expeditions and increases of service that were made during the administration of the office of Second Assistant Postmaster-General, by General Brady, with reference to routes that are in no way connected with this transaction. Now if they are in issue in this case let him go on; but do not stop us when we come to reply to them. And if your honor please, if it comes to that, we shall claim the right in the progress of this case to take up every one of these routes that was expedited or increased during the time that General Brady was in office, and we shall claim the right to show to this court and to this jury that in not a single one of them did he ever make an increase or an expedition that was not clamored for by the best men in this country. Now, if it is proper to state this to the jury, it is proper to answer it. If it is proper to state it to the jury, it is proper for them to prove it. If it is proper for them to prove it, it is proper for us to meet it with counter-proof. If it has no relation to the case, so be it. I am not asking to have it stopped, but I do want to notify the court that if he goes into this thing we shall claim the right to meet it if it takes until the 1st of January a year hence.

The COURT. Then I do not understand you to object.

Mr. WILSON. I am simply giving the court notice that he is going beyond the case and has been doing so, as my associate says, for some time. I have not been here. I happened to come in just now and heard him stating these things to the jury, which are as foreign to this case as the south to the north pole.

The COURT. I accept your notice.

Mr. WILSON. Very well; that is enough.

Mr. BLISS. Your honor, I presume it is necessary that this trial should proceed in the same way that the other did.

Mr. WILSON. No, sir.

The COURT. I do not mean to adopt that rule.

Mr. BLISS. I simply want to say that at just about this stage in my opening before, Mr. Wilson gave, nominally for the benefit of the court, but really for the benefit of the jury, precisely the same notice. We will accept it and I will proceed.

Mr. CHANDLER. If your honor please, I do formally object to any statement of expedition on any route not mentioned in this indictment. Mr. Bliss is going over what he calls a hundred and twenty expeditions and increases of service. There are only nineteen mentioned in the indictment, and I now formally object to his saying anything—

The COURT. [Interrupting.] I do not understand him to be going over them *seriatim*.

Mr. CHANDLER. But he is charging official perfidy and corruption concerning the whole hundred and twenty. They are brought in here for some purpose. They are either to be investigated, or they are brought here to prejudice the minds of the jury touching the nineteen at issue. Is that the proper way? Has he a right to undertake to bring matters in for this purpose if he does not expect to offer any proof about them?

Mr. BLISS. I do expect to offer proof about them.

Mr. CHANDLER. About routes not mentioned in the indictment?

Mr. BLISS. If you will allow me, I will state that I expect to offer proof to this extent: It may be claimed that Mr. Brady, in making these

orders for expedition, simply followed the current practice of the department and went on in that way. I propose to ask the court to let me show this jury that Mr. Brady was not following the practice of the department, but was introducing a new and exceptional system.

Mr. WILSON. If your honor please, I want to say a word in reply to that. Mr. Bliss has been talking to this jury about all these expeditions. If the court permits this to go on, I shall claim the right, in behalf of the defendants, not only to talk of it to the jury but to prove the fact. I shall claim the right to prove that one of these very routes that he is talking about here; the largest, not only in this country, but in the world; a route fifteen hundred miles long, was expedited by the Postmaster-General himself, over the opposition of General Brady. I shall claim the right not only to state to the jury, but to prove, that what General Brady did was done after consultation with the Postmaster-General—

Mr. BLISS. [Interposing.] I submit, your honor, that that is not proper.

Mr. WILSON. I beg your pardon. I have the floor.

Mr. BLISS. I have a right to object.

The COURT. Yes.

Mr. BLISS. I submit that it is not proper for Mr. Wilson, in making an objection, to interject a speech of this kind.

The COURT. [To Mr. Wilson.] I think you and Colonel Bliss are about square now. You have given notice.

Mr. BLISS. That is what I think.

Mr. WILSON. But, your honor—

Mr. BLISS. [Interposing.] Your honor, Mr. Wilson wants to make an argument in my place.

Mr. WILSON. I do not want to do so.

The COURT. In making an objection you have no right to make an argument against his opening. You may object to any particular part of his opening, and the court will rule upon the objection. Unless there is a specific objection, however, the court will take no notice of it. I understood you as merely giving notice that you would claim the same extent of privilege that he has claimed.

Mr. WILSON. Yes, but—

The COURT. [Interposing.] And that you waive all objection to the character of the opening now being made.

Mr. WILSON. But if your honor will pardon me—

The COURT. [Interposing.] I cannot permit an argument here.

Mr. WILSON. I will not make one, your honor.

The COURT. You may make a specific objection if you choose to do so.

Mr. WILSON. I will simply say this: that after I had given this notice Colonel Bliss stated to the court, as I understood it, that he would offer to prove these things in a general way.

The COURT. If you make that formal objection to his opening I shall sustain it. But there is a class of evidence in regard to crime that partakes of a fraudulent character which, although not particularly pointed to in the indictment, is yet admissible to show the corrupt purposes of the defendant. And this evidence may relate to other acts of the defendants than those specified in the indictment. There is a class of evidence of that kind, and I understood the opening of Mr. Bliss so far to refer to cases of that kind. Now, whether the court will admit evidence of that kind when it comes to be offered, the court does not wish to prejudice and will not prejudice. But counsel have their own theory

in regard to their case, and they have a right to present it to the jury and state the evidence upon which they expect to sustain it.

Mr. WILSON. I quite agree with the court—

The COURT. [Interposing.] The court cannot permit the discussion of the admissibility of evidence to take place on an interruption of an opening.

Mr. WILSON. I agree with your honor entirely that this is not the time to settle what is competent or what is incompetent evidence. But there is another class of evidence that is likewise admissible, if your honor please, and that is evidence to show the motive of the party who is accused, as in this case. That evidence would be such evidence as would show that the head of the department was—

Mr. BLISS. [Interposing.] I object, your honor, to the introduction here of an argument in that direction.

The COURT. Very well. You can go on, Mr. Bliss, in your own way. I cannot pass upon the question of the admissibility of the evidence at this point.

Mr. WILSON. So that he can go on without restriction and the same privilege is accorded to us.

The COURT. I do not say without restriction at all.

Mr. DAVIDGE. I simply wish to ask the court's ruling. I object to anything in the opening as to any route not mentioned in the indictment.

The COURT. I shall overrule that objection.

Mr. HENKLE. I understood your honor to say at the former interruption of my colleague, that the theory entertained by the counsel may be presented without reference to any rulings made by the court at the former trial.

The COURT. Why, certainly; and if the court should be convinced in the course of this trial that there were any errors committed on the former trial one way or the other it is not going to be bound by the rules laid down in the other case from any sense of pride.

Mr. HENKLE. Then, in our theory of the case we may be permitted to state outside without regard to any ruling of the court in the former trial.

The COURT. I have repeatedly said that. I do not wish to be restricted at all to the rulings made on the former trial.

Mr. BLISS. With reference to these constant references to the former trial I respectfully submit that they are all improper and that there are cases where what has been done on a former trial being referred to was held to vitiate what is done at the next one; we have refrained carefully from stating anything as to the former trial. A reference to that has not passed my lips, I think, in this case.

The COURT. I understand the reference to the rulings made on the former trial to be made merely to the rulings of the court, and for the purpose of ascertaining the ruling of the court upon the rulings in point; and in answer to that I am prepared to follow the lights I may have in this case. The court cannot forget the rulings in the former case; but it will not follow those rulings, simply because they are rulings, or have been rulings, but will follow them if they are deemed in this case to be proper, and will not follow them if it thinks they ought not to be followed.

Mr. BLISS. [Resuming.] Taking, gentlemen, the star service west of the Mississippi River, Mr. Brady came into office on the 23d of July, 1876. On the 1st of July, 1878, after he had been nearly two years in office—and I start from that period simply because it happens to be a little more convenient for me in getting the figures, and the defendants

then began these contracts—after he had during those two years prior to July, 1878, added about \$800,000 to the expense of the star-route service west of the Mississippi, either by increase of trips or by expedition, the aggregate cost of that star-route service west of the Mississippi, on the 1st of July, 1878, was about \$2,000,000. On the 1st of July, 1879, under Mr. Brady, that cost had been increased to \$3,706,977. To an aggregate cost of two millions he had in the brief period of a year added \$1,700,000; and the preceding Congress having appropriated every dollar that was asked for in the estimates of the Post-Office Department, which estimates were made by Mr. Brady, having however cut down all other appropriations, but made all the appropriations that Mr. Brady asked for, for the star service, Mr. Brady was compelled to go to Congress and ask Congress to make an additional appropriation of \$2,000,000 to meet the deficiency over and above his own estimates, which he had created by his career of extravagance and corruption during that brief year. He got from Congress \$1,250,000, and it may in the course of this trial incidentally come in play to show you some features of the manner in which he got it.

Mr. DAVIDGE. Well, now, I do not like to interrupt the opening of counsel, but is there any human being on earth who will pretend that a statement of that sort is pertinent?

Mr. BLISS. What do you mean; about Congress?

Mr. DAVIDGE. I mean the remark that you may have occasion to point out some of the means whereby he obtained an appropriation of Congress. Now, is not that a plain, patent abuse?

The COURT. I do not know. I cannot tell what he is going to say.

Mr. BLISS. Let me remind your honor that on the last trial a witness on the stand—

Mr. DAVIDGE. [Interposing.] I thought you had not referred to that trial.

Mr. BLISS. I have not previously; I said I had not. There was a witness who referred to a conversation with Mr. Brady, which your honor directly ruled in as applicable to this case. That was what I meant might come in play.

Mr. DAVIDGE. I want to say a very words, your honor, and I think you will concur with me. I know that astute and adroit men can do a great many things under the guise of opening a case which ought not to be done. I know that the subject is one of extreme delicacy on the part of the court, as you have intimated to-day. It is not for you to say what theory may be entertained in respect of any trial over which you may preside, and hence a very wide range must in the nature of things be allowed to counsel. Now, personally, I have no particular objection to the ruling, if it may be so called, that fell from your honor a little while ago. All that we ask is that you will pay especial attention to the range of the opening on the part of the Government, and to the fact that repeatedly, a score of times, this opening has been devoted not to the statement of what the Government expects to prove at all, but to an argument upon what it is anticipated will be proved on that side and any defense that is anticipated on the other side. In other words, it is obnoxious and objectionable, both as to its range and as to its being argumentative. All that I have to say therefore is that I ask that your honor's attention be directed to the wide range in respect of what the Government undertakes to prove and in respect of the argument, and that you will allow the same liberality to the counsel for the defense, as I feel sure you will do and must do.

The COURT. Oh, well, the court cannot make any promises.

Mr. DAVIDGE. I do not want any promise except the promise that is implied from the fact that your honor is listening to the character of the opening on the part of the Government.

The COURT. I am listening.

Mr. DAVIDGE. It very often happens, as your honor is aware, that the opening is left exclusively to the counsel, and the judge afterwards says that if his attention had been drawn to it he would have stopped the counsel. We at least ask the attention of your honor to the point and to appreciate its character.

The COURT. I am listening.

Mr. BLISS. One of their difficulties in this case is that other people than counsel are listening.

[Resuming.] On the 1st of January, 1880, the aggregate cost of the star service of the country was \$7,264,832. Mr. Brady ceased to be Second Assistant Postmaster-General on the 30th of April, 1881. On the 30th of June, 1882, the cost of that service had been reduced to \$5,553,849. On the 1st of July there came the new letting of that service which had expired on the 30th of June, 1882, being the Pacific section upon which it had chiefly operated, and then the service was still further reduced to \$4,486,755, a service which under Brady had cost \$7,204,832 was reduced on the 1st of July to \$4,486,755. One million seven hundred and seventy-eight thousand dollars was saved—

Mr. WILSON. One moment. I want to interrupt you. I wish now to understand whether or not it is proper in this case to institute a comparison between one contract term and another contract term. That is to say, I wish to know whether it is proper for counsel to be stating to the jury a matter of that sort when the star routes are continually changing, when hundreds and hundreds of miles of service are taken out of the star service and become railroad service? Therefore, as between one contract term and another contract term, there can be no possible similarity. I wish to know whether that is a proper matter to be stated to the jury. If the court thinks it is, all right. And I wish to know, in addition to that, whether or not it is proper to compare the expenses of routes, because if it is, then we want to have the privilege of stating to the jury the exact facts in regard to these cases. Now, if it is proper to go into this wide range and to cover the whole country we want to know it. If the court says that I may go on—

The COURT. [Interposing.] Do you make an objection?

Mr. WILSON. I renew the objection made by Mr. Chandler that the counsel is not confining himself to the case that is made by this indictment. I make the objection because he is making a statement that can have no other effect or purpose than to mislead this jury. I make that objection now, if your honor please, so that when we come to reply to that there may be no objection to the reply. And I make it, if your honor please, for this reason: That while I was following right in the track of this same gentleman at the last term of the court I was repeatedly interrupted because I was not keeping myself within the limits of the case. Now, I do not propose hereafter that that kind of objection shall be urged against my associate who will open this case, so far as General Brady is concerned, without having laid the necessary foundation for overturning that objection when it is made.

The COURT. The court overrules your objection, but at the same time does not declare its opinion in regard to the competency of the evidence, for the simple reason that that is a question which the court will determine in its proper place. The Government thinks that that kind of evidence to which counsel is engaged in referring is competent to sus-

tain the issue on its behalf, the court on an objection to that kind of evidence made in the opening will not rule on the question of evidence at all, but will allow the counsel to open in his own way.

Mr. DAVIDGE. That ruling is for both sides?

The COURT. I would have no objection to answering that question anywhere but here, but here I reserve the decision of all questions until the proper time comes.

Mr. WILSON. Now, I entirely agree with the court, but—

The COURT. [Interposing.] If you agree with the court let us have no argument about it.

Mr. WILSON. Just one word, I beg your honor: If this were a case of larceny and the defendants were accused of stealing a horse and the prosecuting attorney should get up here and talk about stealing a steamship or committing piracy upon the high seas, you would not hesitate for a moment to stop him?

The COURT. I cannot answer that. I am not going to answer questions, except when they arise.

Mr. WILSON. I know your honor will give us just as wide range as you give them.

Mr. BLISS. Your honor, if I considered it consistent with my own self-respect to make personal charges of misrepresentation as broadly as the counsel does, I should claim to refer your honor to the record of the last trial as showing that the gentleman misstates what occurred when he was opening.

Mr. WILSON. Well, I should refer to the record to show that I have not misstated it.

Mr. BLISS. I have been reading it, sir. I have read it at recess, and I have read it since I sat here.

The COURT. Go on in your own way, and unless you commit some very great—

Mr. BLISS. [Interposing.] I will do so. I certainly shall do nothing that I do not think proper. I am going to meet squarely the objection of Mr. Wilson about the railway service. He argued it on the last trial. I propose to show the condition of things.

Now, I stated that the expense of the star service had been reduced from \$7,260,832 to \$4,486,755. One million seven hundred and seventy-eight thousand dollars of that saving was made by revoking the extravagant orders of Thomas J. Brady and his chief clerk. The cost per mile of the star service on the 1st of January, 1881, under Thomas J. Brady was \$16.99. The cost on the 1st of July, 1882, after Brady went out of office, was \$8.62 per mile. The star-route service west of the Mississippi River cost on the 1st of January, 1881, \$2,844.165. On the 1st of January, 1882, it cost only \$1,125,419. Between June 30, 1881, and July 1, 1882, there was a reduction of \$2,001,189 of the cost, being 79½ per cent. The cost per mile was reduced until to-day it is but \$7.82 per mile against \$16.99 under Mr. Brady.

On the 1st of July, 1882, new contracts went into operation in all the Pacific section. Under those contracts, gentlemen of the jury, the entire Territory of Dakota, with all its increased service, is supplied with the mails for \$9,500 only in excess of the amount which Brady gave to a single route in that Territory. The entire Territory of Wyoming is supplied with mails at one-half the amount of money which Brady wasted upon a single route in that Territory.

It is claimed here—you have just heard it claimed—that a saving in the star-route service was made because the railroads had come in and taken up the star-route service and rendered that service unnecessary.

Now, gentlemen, in the Pacific section, west of the Mississippi, and excluding the States of Missouri, Iowa, Arkansas, and Minnesota there has been saved on the star routes \$1,991,000. There has been added to the railway service in that region, even including the four omitted States, only \$294,513, and yet you are asked to believe that the reduction of the star-route service since Mr. Brady went out of office has been accomplished not by legitimate economy, but by transferring the expense from the star-route service to the railroad service. There has been \$1,990,000 saved in the Pacific section. There has been an addition to the railway mail-service of only \$294,513 in the Pacific section.

Under the new contracts, which took effect July 1, 1882, I propose to give you a few figures, confining them to cases where the number of trips per week is the same, where the distance is the same, and where the number of hours is the same, and let us see what Mr. Brady paid, and what is paid under open competition.

On one route he paid \$28,600. They now pay \$11,700. On another route he paid \$34,200. They now pay \$8,900. On another route he paid \$5,707. They now pay \$2,283. On another route he paid \$5,824. They now pay \$1,790. On another route he paid \$16,770.16. They now pay \$5,620. On another route he paid \$17,569.89. They now pay \$8,900. On another route he paid \$11,752.85. They now pay \$4,630. On another route Brady paid \$5,280. They now pay \$2,620. On another route, the Julian to Colton route referred to in this indictment, Mr. Brady carried the amount up to \$8,910. That is the route, gentlemen, on which, if I recollect aright, he made the increase for twenty-six hours when they only asked for thirty-six. I think that is the route. At any rate he paid \$8,910. The route is now run in the same time, the same number of trips, and in every way the same for \$3,488. I am wrong. On that route the time is a little longer. The time under Mr. Brady was twenty-six hours. The time now is thirty hours. On all the other routes that I have read to you, the time, the number of trips and everything is the same, differing only in the amount taken from the Treasury. On another route Mr. Brady paid \$19,359.99. Public competition gets it done for the Government for \$8,700. On another route Brady paid \$36,284.33. Public competition gets it done for \$21,000. On the route from Rawlins to Meeker, under the old contract as increased by Brady, the amount was \$31,981.25. On that route, as the amount was reduced after Mr. Brady went out of office by his successor, the sum allowed was \$5,100. On public competition the contract was awarded at \$7,320, being \$2,400 less than Mr. Brady paid, but \$2,100 more than was allowed by his successor. On the route from Pueblo to Greenhorn Mr. Brady paid \$3,945. His successor cut it down to \$1,315.20. There is now paid, after public competition, \$960. In these cases, gentlemen, there has been a charge in time or trips, or both. On the route from Trinidad to Madison Mr. Brady paid \$4,290. It was reduced by his successor to \$1,014, and on public competition it was let at \$960. On the route from Saguache to Barnum Mr. Brady paid \$7,166.40. It was reduced by his successor to \$1,454.55. Public competition got it done for \$920. On the route from Gardner to Rosita Mr. Brady paid \$3,926.67. His successor reduced it to \$1,916.33, and public competition got it at \$1,468.

I could go on and give you more of those routes; but the general result is this, gentlemen, and, I think, we shall show it to you beyond all question, that the extravagant amounts that Mr. Brady allowed having been reduced by his successor to the point which he thought was fair

and reasonable, when they came afterwards to be submitted to public bidding, the routes were let at somewhere near about 18 per cent. less than the amount to which Mr. Brady's successor reduced it, and they were let at not over one-sixth of the amount Brady paid.

Mr. DAVIDGE. Were they new contracts?

Mr. BLISS. They were new contracts made after public advertisement, to take effect after the 1st of July, 1882.

Mr. DAVIDGE. I did not hear you state that.

Mr. BLISS. I did state it.

Mr. HENKLE. Do you mean to say they were for the same service?

Mr. BLISS. I stated expressly that as to these routes I last mentioned there was a difference in time and in trips. But I was about to go on to say as an additional fact that while there had been the reduction of time and trips on various of these routes you will search the Post-Office records in vain to find half a dozen complaints coming from the localities affected. The present service is entirely adequate.

Mr. DAVIDGE. Who is at the head of the present service?

Mr. BLISS. Richard A. Elmer, who was put there by Thomas L. James, and was there during all these reductions after Mr. Brady was requested to resign.

Mr. DAVIDGE. Well, you have made a very good defense for him.

Mr. BLISS. Precisely.

Mr. DAVIDGE. Has anybody ever charged him with anything?

Mr. BLISS. I do not know whether they have or not. With the ability which counsel have to throw out insinuations against everybody I do not know but what they have done it against him.

Mr. DAVIDGE. You need not defend him until we attack him.

Mr. BLISS. I have not defended him. You are mistaken if you suppose it to be a defense of him. It is a showing up of your client, Thomas J. Brady.

Mr. DAVIDGE. By contracts made four years afterwards.

Mr. BLISS. If you choose to say so.

Now, thirteen of these routes in the indictment, which, under Mr. Brady, had been carried up to \$219,886.46 a year were reduced under the administration of Mr. James and Mr. Elmer to \$32,603.88, and at the recent letting they were let at \$31,012, being about \$1,500 less than the amount to which Mr. James and Mr. Elmer reduced them, and being about \$180,000 less than the amount that Mr. Brady paid. He paid \$218,000 for what at the public bidding was let at \$31,000.

Mr. HENKLE. Was that the same service?

Mr. BLISS. I have said distinctly it was not the same service. The routes were let for the number of trips and the rate of speed which the service called for, and that is all that ever should be done.

On route No. 38156, from Silverton to Parrott City, the time, trips, and distance are identical. Mr. Brady paid \$14,870.01, and at the recent letting it was let for \$4,240. On ten routes, where, so far as I can ascertain, the service is substantially identical, Mr. Brady paid \$174,369.31, and that service has recently been let at \$73,880.

Now, gentlemen of the jury, I think I have given you a sufficient dose of figures for the present. I desire to pause for a moment and survey the ground we have gone over. If we presented to you no other evidence than that to which I have now referred we should have shown to you that the practice of expedition was resorted to by Mr. Brady in excessive and unnecessary instances; that he made allowances for expedition and increase of pay to the very limit nominally allowed by the law when it was utterly unnecessary and unfair to do so; that he al-

lowed expeditions solely on the statements of the parties to be affected by them, and that those parties were allowed practically to say how much they would take from the Treasury of the United States; that he allowed expeditions upon affidavits where the records show there were contradicting affidavits by the same parties on file before him; that he allowed them on affidavits which showed such absurd results as that they assume that one horse could only travel two miles a day; that he allowed excessive sums even if he took the affidavits of the persons who made them; that he acted upon affidavits which were false; that he disregarded the law as to productiveness; that he paid large sums of money for expedition where nothing was gained; that he paid large sums for expedition and increase of trips where neither expedition nor increase of trips were needed; that he ordered impossible expedition; that he paid twice for the same service; that he made petty orders, adding to the money to be taken from the treasury when the facts upon which they were alleged to be based were untrue, alleging that there was an addition of distance when there was nothing of the kind, and similar cases; that he neglected to declare these parties failing contractors, and granted them the liberty to continue, leaving the service to be provided for by the Government in other ways until they got ready with their petitions and names for expedition, so as to make their losing contracts winning contracts; that he acted upon false petitions, petitions which upon their face were false, and petitions which did not even answer his alleged purpose of being a cover or protection for himself. We shall undertake, however, gentlemen, to show to you much more than this. We shall place before you a gentleman not a willing witness for the Government, but a witness whose testimony will have to be drawn from him, who will testify, we think, to substantially this condition of things: that he having made advances to parties concerned in the postal service, and those parties having failed to carry out their contracts, for the purpose of protecting himself and saving the advances which he had already made, became a contractor upon a route under an order made by Mr. Brady; that that relation brought him into connection with Mr. Brady, and that thereupon Mr. Brady, at various times, received from him loans of money under such circumstances that his evidence in that respect can be entirely corroborated; that after a time this gentleman being substantially broken up by his experience with the mail service, he called upon Mr. Brady for a settlement and a repayment of the money advanced, and that Mr. Brady refused to pay it, saying to him that that money was simply bribes which he had paid to him for favors which he alleged he had given him in connection with his mail service, and telling him also that he had done no more than all other contractors did; that they all had to pay him; that he did not suppose that the witness believed that he, Brady, made these orders for the fun of the thing; that he made them for the solid reason of getting an interest and percentage for making them, and that when this witness referred to his supposition that he made them on the basis of petitions which were filed, Mr. Brady scattered the idea to the winds, and told him he ought to know better than that. Said he, "You understand there were petitions filed in your behalf, but I did not pay any attention to them. They had no effect upon me. They were simply a cover giving me something to protect me in doing this thing." I have stated briefly the evidence of a witness who I feel confident will satisfy you that he is telling the truth. He can be supported in the statements by various corroborative evidence. He is not a swift witness in the service of the Government, but a man whom we can bring here under subpoena, and who will tell the truth upon the

stand because it is his duty to tell the truth. And if his character is attacked, we shall be prepared to show that it is beyond successful attack.

But, gentlemen, we shall go further. We shall show you that one of these defendants, Montfort C. Rerdell, in the spring of the year 1881, after Mr. Brady went out of office, and when this investigation in connection with the star-route service was first commenced, having been simply the clerk, the scribe, apparently with no direct pecuniary interest—I think he had an interest as to some of the routes—but at any rate being the humble servant and employé of these conspirators, found this investigation was getting near home, and said, “I propose to save myself, and I propose to save that one of the defendants, Stephen W. Dorsey, to whom I personally owe the most allegiance and for whom I have the most affection. He is the man who brought me from Arkansas here and who put me into one of the departments of the Government and who took me as his clerk to the Senate, who kept me in the position and who has paid me my salary. Now, I propose to make a clean breast of it and endeavor to save him and myself.” In following out that theory he met, on the street, Ex-Gov. Powell Clayton, of Arkansas. I presume he sought him from the fact that he knew that Governor Clayton had access to the then officials of the administration, and he possibly might have been influenced by the fact that he knew Ex-Governor Clayton had in the past not been friendly to Mr. Dorsey. He told him he wanted to be brought into communication with the Postmaster-General. Clayton told him he would arrange for the meeting. He went to the Postmaster-General, and an arrangement was made by which there was a meeting at the rooms of the Postmaster-General at the Arlington Hotel. Mr. Rerdell came there, and Mr. Rerdell then made a detailed statement of the facts which he stated existed within his own experience. Mr. James stated to him that he desired to have him see the Attorney-General. An appointment was made for a further interview, and at that interview Mr. Rerdell renewed the statements that he had originally made. The first interview was held in the presence of Mr. James, Governor Clayton, and Mr. Woodward, an inspector of the Post-Office Department. It took place early in June of last year. Mr. Rerdell stated that he had been Stephen W. Dorsey’s confidential clerk; that he had attended to the business of all these contractors; that it was perfectly well understood that they were dividing their profits with Mr. Brady; that there was a regular schedule on which the division was made; that for increase of speed, which was the large allowance, there was paid to Mr. Brady by the contractors a percentage of either 33 or 40 per cent. of the amount; that in case Mr. Brady remitted fines imposed upon contractors for failure to perform service, he was to have 50 per cent. of the amount; that at the time when Congress, in 1880, was investigating this business—Congress went into an investigation when Mr. Brady made the request for the large extra appropriation—it was believed that the books of Dorsey and Company would be called for, and that Mr. Rerdell would be the witness required to produce them; that he therefore shammed sickness while time was given to prepare a bogus set of books; that he did not prepare those books, but he gave instructions as to how they should be prepared, marking the entries in the original books which should be changed; that in the original books Mr. Brady appeared as Smith; and that a clerk in one of the departments appeared as Jones; that when the new set of books were made those items that went in in that way were transferred to other accounts, mostly, I think, “to profit and

loss;" that he, Rerdell, had on one occasion gone with Mr. Stephen W. Dorsey to the bank, and that \$7,000 had been drawn; that he had gone with Mr. Dorsey to the door, either of the Post-Office or of Mr. Brady's room at the Post-Office—I will not undertake to say which—Mr. Dorsey stating to him that he intended to pay that money to Mr. Brady, and that he, Dorsey, went in. Rerdell did not claim to have gone in and seen the money paid. He produced certain abstracts, which he said were abstracts from the books or the results of the accounts. He said that he went before the committee finally, but that they did not send for the books, and that therefore that labor was labor wasted; that he had been remonstrated with by the defendants after his examination by the committee, on the ground that he had told too much, and that he replied that he had told nothing he could help telling, and that his testimony was as guarded as it could be without incurring the danger of instant exposure if they went to the records and discovered its error. There was a good deal more of the same nature. Mr. Rerdell then desired to see Mr. MacVeagh, and an arrangement was made to have him see Mr. MacVeagh on a subsequent evening. It was arranged that he should communicate with Mr. Woodward, the Post-Office inspector, under an assumed name. Mr. Woodward having ascertained as he believed that Mr. MacVeagh would not be in town on the night fixed for Mr. Rerdell to go to his house sent Rerdell, through the post-office, a notice to that effect; but in order to make sure, Mr. Woodward went to the Attorney-General's house, and as he got to the steps he found Rerdell in front of him, having just rung the bell, and having with him certain books. On going in it appeared Mr. MacVeagh had returned. Mr. Rerdell repeated substantially the statement which I have made to you. He said that these books which he produced were the letter-books of the concern, and contained some letters written by him and some written by Stephen W. Dorsey, and he showed to the gentlemen certain press copies of letters which were identical with letters which had been shortly before that discovered to have been sent to Oregon by S. W. Dorsey, and the originals of which were at that time accessible. There were one or two other interviews upon that subject, and Mr. Rerdell said that the tell-tale books were in New York, and he would go there and get them, and would bring them, with other papers which he could find as confirmatory of his statement, and leave them with the Attorney-General. A few days afterwards Mr. James was on the cars going to New York, and he found Mr. Rerdell upon the same train. Mr. Rerdell told him he was going over to carry out his arrangement as to the production of the books. They arrived in New York early in the morning. That afternoon at 3.30 Mr. James left to come back, and to his surprise found Mr. Rerdell upon the train. Mr. Rerdell told him he did not want to have much conversation with him there, because there was upon the train somebody interested in the star-route business; but pointing to a bundle which he had, told him he had those books with him. When they got to either Trenton or Philadelphia the conductor came into the parlor car and called out the name of Mr. Rerdell, saying that he had two dispatches for him. Rerdell took the dispatches and read them, and subsequently as Mr. James was passing showed him those dispatches, which were dispatches signed with the name of Stephen W. Dorsey. One of them expressed regret that they had parted in anger and begged him to come back, and the other beseeched him to pause in the course upon which he had entered as it would result in the ruin of Dorsey's family. Mr. Rerdell came back to the city with the dispatches in his possession, stating that he was

determined to carry out his agreement with the Attorney-General. When he got here he fell into the hands of somebody, and from that time on he lost all desire to protect himself and to clear his conscience, but passed altogether under the influence of these defendants. Their ranks were closed up and he stands before you now as one of the defendants, whose testimony against himself will be accepted by the court and by you as absolutely conclusive, and whose testimony will throw a lurid light upon this conspiracy and the relations of the different parties to it.

Your honor, I am about to begin upon new matter. Perhaps this is a good time to adjourn. I hoped to get through to-day, and should, I think, have been able to do so if it had not been for the interruptions.

The COURT. Adjourn the court.

At this point (3 o'clock and 55 minutes p. m.) the court adjourned until Monday morning next at 11 o'clock.

MONDAY, DECEMBER 18, 1882.

The court met at 11 o'clock.

Present, counsel for the Government and for the defendants.

Mr. BLISS resumed as follows :

May it please the court and you, gentlemen of the jury, on looking over my memorandum I perceive that I stated somewhat inadequately the evidence which we propose to offer as to the conversation of the contractor Walsh with Mr. Brady, and it is perhaps right that I should amplify that a little. I stated that the contractor after having loaned as he claimed money to Mr. Brady, and having come into a position where he desired his money returned, called upon Mr. Brady to return it to him and made an appointment to meet him at a given place. They there met. That he called upon Mr. Brady to return him the money and gave him the amounts; that a discussion was opened as to the amount of interest that was to be paid, the question as to interest having been left unsettled, and that he was then met by the statement of Mr. Brady that he, Brady, owed him nothing; that in fact the contractor, Walsh, rather owed him; that Brady alleged that he had benefited him very largely; that he had given him a remunerative contract, and that he did not think that he, Brady, was under any obligation to Walsh, and that when asked for an explanation, Brady said he did not think any explanation was needed, that he thought Walsh knew enough, had seen enough to understand what the usual arrangements were. Walsh, professing ignorance, called for an explanation. Brady then recited that Walsh's route had been expedited, the service increased, and he must not suppose that he, Brady, did these things just for amusement. Whereupon Walsh replied that he thought or supposed he did it because of the petitions from people in the locality, &c., as to the needs of the service, to which Brady replied that petitions had nothing to do with it; that there was no use in arguing the matter, and that if he, Walsh, professed ignorance of what the real arrangements were that was mere affectation, and he then told him that as a rule 20 per cent. per annum was paid to him, Brady, on the amount of all expeditions that he ordered; and he then went into figures as to what would result to Walsh on the application of that to the contract which he had had. There was also a statement of some other sums, credits that Mr. Brady claimed he was entitled to; and that brings me to a

matter which I have not referred to heretofore, and that is the question of remissions of fines and penalties. It is in the power of the Second Assistant Postmaster-General when any contractor has been fined for not performing the service at all, or not performing it in the requisite time, for losing one trip or twenty trips, or being behind time on one trip or twenty trips, it is in the power and it is the duty of the Postmaster-General to impose fines upon the party, that he shall not receive money for service which he has not performed. Those fines it is in the power of the Second Assistant Postmaster-General to remit, and to remit substantially at his own will, it being assumed under the law and the regulations of course that the Second Assistant Postmaster-General will be a man of honesty and discretion. In this discussion between Walsh and Brady there came up the question of remissions of fines and penalties, or fines and forfeitures as spoken of sometimes, which really are penalties, and Mr. Brady told Walsh that he, Brady, was entitled to and he always got 50 per cent. of all fines and penalties which he remitted. Mr. Brady told Mr. Walsh that these arrangements were the general arrangements made with all contractors for whom he made orders benefiting them by expedition of service, or increase of service, or the remission of their fines, and insisted that he, Walsh, must recognize that system which prevailed. Mr. Walsh declined to recognize that system which prevailed, and claimed that he was in entire ignorance of it.

The money was undoubtedly paid by Walsh to Brady. There can be no question of that. We shall prove to you, beyond all question, by the account of the banker in New York to whom the payment was made, the payment made by Walsh to Brady on the precise day when Walsh says it was made, and that money that Brady had of Walsh Mr. Walsh says was money that he lent to him. Mr. Brady claims to retain it under some undefined condition other than that. I mean he claims it in court, but claims to Mr. Walsh, as Mr. Walsh states, that he had a right to retain it because it was the usual percentage which he received from everybody for whom he expedited or increased the service, and that on the figures made in detail Mr. Walsh still owed him some money instead of Mr. Brady owing Walsh for money loaned.

I have spoken, gentlemen of the jury, thus far almost solely of Mr. Brady among these defendants. I have done that designedly, and, in a great measure, from the necessities of the case. Mr. Brady was the Second Assistant Postmaster-General. Dorsey might conceive the scheme. He might bring into it his brother, his brother-in-law, his business associate; he might do all these things, and, unless there was some arrangement by which orders were to be got from Mr. Brady which would put money into the pocket of the contractors represented by Dorsey and his associates, money in excess of the fair needs of the service, money in excess of any return which they made to the Government therefor, the conspiracy would be a useless and futile thing, and therefore I have spoken of Mr. Brady so far, because it was his acts which became necessary to carry out the conspiracy, to give it any effect whatever in defrauding the United States. There might be a conspiracy to defraud the United States and do some act in pursuance of it which would bring the parties within the statute which I read to you at the opening of my remarks, but at the same time it would be an act which would not result in any actual loss to the Government, unless Mr. Brady made the orders sought at his hands. In this connection, I may perhaps as well call your attention to the fact that a conspiracy is a thing to be proved from the very

nature of the case from an aggregation of apparently isolated facts. People when going into a conspiracy to defraud the Government or to defraud individuals do not sit down and enter into a contract under seal and put it on record somewhere or distribute it around among those that they think will go to work and do this thing to defraud A, B, C, or the Government, but they make an informal verbal agreement which is necessarily secret, made among themselves, and which is intended to be kept secret, and the knowledge of which can only be acquired by the parties injured either by its results, and the drawing of the inferences which you will be asked to draw from a large number of facts which will be presented to you, or, in some cases, from the confession of some of the parties concerned. For such a conspiracy, as the court will tell you, to come within the law there must be two persons. Two must conspire, and if either one of them does any act in pursuance of the conspiracy then both are guilty. If there are more than two it is not necessary that all should have come into the conspiracy at the same time. It is not necessary that all should have continued with the conspiracy through its whole continuance. Two people may have formed a conspiracy, and finding that they needed somebody else to come into it may bring in the third. They may bring in a fourth or any indefinite number. In the same way parties who have entered into a conspiracy may go along for a certain time and certain portions of them withdraw from it, and in those cases I assume that the parties who withdraw from the conspiracy are not to be chargeable with any act done after they withdraw, but still remain liable for the acts done while they were in it. On the other hand, parties who come into a conspiracy after it has commenced, and come into it in pursuance of the conspiracy are chargeable, as I understand, for all the acts done, even before they come in. That view is, so far as this case is concerned, a theoretical question which will not trouble you, gentlemen. I have spoken as I said of Brady chiefly, because of his necessity to the conspiracy to make it effectual in defrauding the Government. I have spoken of him moreover, gentlemen, as the foremost, because, if guilty, we regard him as the most guilty person of these defendants before you, from the fact that he was, while making these orders, an officer of the United States, and was faithless to the trust which was imposed upon him.

As to the other defendants, who were they? There was Stephen W. Dorsey, a Senator of the United States from the State of Arkansas down to the 4th of March, 1879. These contracts took effect on the 1st of July, 1878. The bids were awarded, I think, in February, 1878. By a statute of the United States, Mr. Dorsey, while a Senator, could not be interested in any contract with the Government, directly or indirectly. Mr. Dorsey, while Senator, was, I think, chairman of the Committee on Post-Offices, and chairman of the subcommittee in charge of all the appropriations. That brought him of course directly into connection with the Post-Office Department and its officials, and gave him, as we all understand necessarily from the nature of the case, the possession of some exceptional power over officials of the department—greater power than a Senator would have when occupying some other position. Mr. John W. Dorsey was the brother of Stephen W. Dorsey, and was the resident of a little town in Vermont—Middlebury, I think it was—and he there carried on the trade of a tinsmith. Mr. John M. Peck was the brother-in-law of Mr. Stephen W. Dorsey, residing at or near a ranch of Mr. Dorsey's in New Mexico, in so bad health that, so far as we know, he took little active participation in the conspiracy—I mean active in the sense

of moving about, though he signed an abundance of papers, and authorized others to sign an abundance of papers in connection with the matter. Mr. John R. Miner had been for years a resident of Sandusky, Ohio. He had been there the business associate and friend of Senator Dorsey. Mr. Rerdell was from Arkansas, brought here by Senator Dorsey, and placed by Senator Dorsey in a position under the District government, transferred from that, or performing in connection with that, I think, the duties of a secretary to Senator Dorsey, and after Senator Dorsey ceased to be Senator Mr. Rerdell at some time passed into the position of clerk to him and manager, so to speak, of the mail service which was obtained—manager on the Washington end, of the business of these several defendants in connection with these contracts to which I have referred.

Mr. Vaile's relations to this conspiracy were different from those of the others. All of these parties whom I have already mentioned to you, you will notice, had no relation to the mail business. They apparently knew nothing about it. In fact we shall show you that they knew nothing about it. Mr. Vaile, however, was a large mail contractor engaged in the business, not a speculator in mail contracts like these other parties. He lived in Missouri. He came into the conspiracy, as we claim, at some time after the contracts were obtained, certainly before all the routes were put in operation, and as we think before the time came for any to be put into operation, and he took active charge, became the subcontractor, taking charge of the routes—I think of all of the routes in the State of Oregon which were awarded to these parties, and perhaps some others.

We think, gentlemen, that we shall be able to show you that as to this conspiracy it had its origin in the brain of Stephen W. Dorsey; that from his position as United States Senator and a member of the Committee on Post-Offices he acquired knowledge which led him to think that there was a chance to make money. Then at a very early stage in the case he brought into the service of the conspirators—I do not say into the conspiracy—one Albert E. Boone, who had been a clerk in one of the departments, and who going out of that had become a contractor for carrying the mails, and who undoubtedly possessed both brain and knowledge, and both of those were useful to Mr. Dorsey so far as related to the mail service. Mr. Boone, so far as we know, commenced the business by having been approached by Mr. Dorsey, and invited to come to his house, and when he got there to take charge of the business of preparing the bids for the contracts which Dorsey was seeking to obtain. They put in a thousand or more bids. A part of those bids were put in in the name of John M. Peck, part in the name of John W. Dorsey, part in the name of John R. Miner—none of them, of course, in Stephen W. Dorsey's name, not many certainly in the name of Rerdell, and I think none. The bids were prepared in Mr. Dorsey's house in a third-story room. They were prepared there under the supervision of Mr. Boone, Mr. Miner, I think, having a good deal to do with it, Mr. John W. Dorsey little, or comparatively little, Mr. John M. Peck having very little to do with it except that his name appears to a large number of the bids. We think we shall be able to show you who placed that name there. Prior to any putting in of the bids and the preparation of them, Mr. Boone had attracted the attention of the post-office inspectors so much that they had made a detailed examination of the facts and had made a report though not knowing to what the preparations which were going on were intended to lead up. They found that Mr. Boone was sending out circulars to postmasters all

over the country asking them for information as to the nature of the mail service, the nature of the route, the expenses for horse feed, and all the details of that kind, and he was directing the information to be returned to the firm to a particular box, which was box No. 714 in the post-office, and that lock-box 714 you will find will play an important part in connection with this conspiracy. That a large number of the papers which we shall have occasion to present to you came to box 714 after this conspiracy got well under way. The answers of the postmasters were to be sent to James H. Keitner & Company at lock-box 714. James H. Keitner was the step-son of Boone, a boy about 15 or 16 years of age. The inducement which Mr. Boone furnished to the postmasters to take the trouble to give him this information was his promise that he would do for them any business that they had with the department, and every postmaster does have business with the department in the settlement of his accounts and various things as to which it is desirable to have a Washington agent. In all that Boone did in that way there was nothing that could fairly be styled objectionable. At the same time it was a gathering of information which was intended to be used by these speculators in mail contracts and which attracted the attention of Government officers.

The next step that appeared in that thing was this: The Post-Office Department furnishes blank forms of proposals to bidders for the purpose of having the law complied with, and having everything in form and proper, instead of leaving every man to prepare his own proposal, which is found in experience to result in great trouble arising from the question whether a proposal is in accordance with the law or not, which lead to competition between conflicting claims of bidders. The Post-Office prepare and furnish to contractors or parties intending to become contractors blank forms of bids. There is no obligation upon the parties to take them. There is no obligation upon them to use them, but that is the practice. It is done in that way. For the purpose of being sure that they are properly filled up, the Post-Office Department places upon those contracts or those bids certain directions, among others, directions that proposals altered by erasure or interlineations will not be considered, directions as to before whom the oath of officers should be taken. Then there comes in the important question in connection with the sureties. By the law, no man can bid for a post-office contract for carrying the mail unless he accompanies his bid with a bond of sureties, which sureties have to swear before a postmaster that they are worth a given sum, adequate to the amount named in the bid, and on each route the Post-Office Department in its advertisement fixes the security to be given. Any bid to be given must have sureties, and those sureties are required to become responsible, first, that the bidder will enter into the formal contract with the Government, and second, that the bidder having entered into the formal contract with the Government, will carry it out faithfully during the four years of its term. It is a bid which, therefore, imposes heavy responsibility upon the sureties, or may impose heavy responsibility upon the sureties, and which, when parties are going into the business of putting in bids for, say a thousand routes, imposes a very heavy liability upon the sureties, and if they are furnished in good faith and in accordance with the spirit of the law, certainly makes it a very difficult thing for parties situated in that way to get adequate bonds, because the amount becomes enormous. It is a provision, I may say in passing, which seems to me a foolish and unnecessary provision in so far as it extends the liability of a surety on a bid beyond the time when the formal contract has been entered into.

But it is the law. Now, the Post-Office Department, anxious to get the bids all right, places upon the forms of proposals which it issues a provision of this kind :

Sureties are liable during the whole of the contract term. Postmasters will observe that the improper approval of the bond or the certificate of the sufficiency of the sureties thereon exposes them not only to dismissal, but to fine and imprisonment. Certificates must not be signed until the proposal is complete and a bond signed. Postmasters must not divulge the amount of any proposal certified by them under penalty of removal.

Mr. Boone went to the firm of Darby & Duval, in this city, early in December, 1877, after he had been employed by Dorsey, and he ordered a large quantity of these proposals printed, and he directed to be left off of these proposals the clause I have read to you, the directions of the Post-Office Department placed upon them as to the way in which the bonds were to be executed and the cautions to the postmasters that they must not certify to any bond until executed by the parties. And, gentlemen of the jury, you will see very clearly the importance of that, because if a surety is to become responsible for somebody, if he acknowledges it in a blank bond, the moment the name is inserted after that it is an altered bond and he gets a defense. If the name or amount is not there on the bond he becomes responsible for something he knows nothing of; he has become responsible for a contract on a route he knows nothing of, and at any rate the changing of it makes an alteration in the bond and discharges the surety. Now, in that condition of things, having got these bids and bonds printed, various postmasters in the State of Arkansas received early in December, 1877, and in January, 1878, large packages of these bonds and bids sent to them in blank with directions or with the request to obtain sureties upon the bonds and to have them signed. Those bids and bonds thus in blank were sent to several of these postmasters by Stephen W. Dorsey with letters desiring that they should be executed. They were postmasters whom Mr. Dorsey had been influential in securing the appointment of to office. They were sent with letters requesting to have sureties secured and to fill up the bonds and return to him, and emphasizing the statement of the letter that they must, under no circumstances, let anybody know that these papers came from him; that his connection with the case must be kept entirely secret. Such bonds as that were sent to various postmasters, whom he obviously thought he could rely upon. But human nature was better than he thought, and various of these postmasters either disregarded his requests and passed them by in silence or remonstrated with him. Among others was a postmaster at Fort Smith, Mr. Clendenuing, who wrote Mr. Dorsey, calling his attention to the fact that it could not be that he remembered the provisions of law and that he desired him to go on and do this thing which he had requested in view of the law, and in requesting it, let me say, he had sent in his own handwriting little pieces of paper giving directions in detail how the whole thing was to be done; what was to be written in by the sureties and everything of that sort, and all these bids that he sent there were absolute blanks. He requested them to be filled up by the sureties in direct violation of law, and in that connection it is significant that this direction from the Post-Office Department to the postmasters that they must not fill up a bond unless the bid attached to it was completed was omitted on the form of blanks which Dorsey sent out. The postmaster at Fort Smith, among others, remonstrated and declined to comply with Mr. Dorsey's request, and it led to a rather animated correspondence. We shall put that cor-

respondence before you, gentlemen. We shall put before you the original paper sent by Mr. Dorsey. We shall put the postmaster before you, and he will show you the whole condition of that matter.

As to all this, gentlemen, bear in mind the statute which forbade a Senator to be interested in any contract. Mr. Dorsey was careful to say that he was acting for a friend; that he was doing a friend a kindness, and had no interest in it; but he was very particular that nobody should even know he was doing that friend a kindness. He was not going to let his right hand know what his left hand was doing. These bids having been prepared in Dorsey's house, we find this condition of things. Save in the single State of Kansas, Mr. Peck, John W. Dorsey, and Miner never in bidding, I think—there may be exceptional instances—came in conflict with each other. They put in in the aggregate a thousand or more bids. Any two of them never bid upon the same route. There may be, and I think there are, one or two exceptional cases where there apparently is a reason for it; but that is the rule. So that they did not come into conflict with each other, and there is no question upon that. They got under those bids one hundred and thirty-four contracts. The contracts took effect on the 1st of July, 1878. Mr. Stephen W. Dorsey will be shown to you as constantly interested, constantly intervening on behalf of these parties, and of course the claim, I presume, will be made that he was doing a brotherly act merely, but as soon as Mr. Dorsey went out of the Senate, on the 4th of March, 1879, within, I think, less than thirty days after that time, Mr. Stephen W. Dorsey appears publicly as interested in all or a certain portion of these contracts which had been obtained. I called your attention to the fact, gentlemen, that in bidding for these contracts they bid only on the routes, as a general thing, which were of slow time, where expedition could be obtained, or where the service was infrequent—one, two, or three trips a week—where an increase of trips could be obtained. In passing let me say that Mr. Vaile, whenever he did come into the conspiracy, probably as early as July, 1878, seems to have protected himself in a measure by taking a large number of subcontracts, and so far as the files of the department show, he appears as being as early as that the subcontractor on some fifty or sixty of the one hundred and thirty-four routes which these parties obtained, being the subcontractor of record, but not necessarily or generally the subcontractor who was performing the service, but his subcontract was filed with the effect certainly of protecting the subcontractor who was performing the service from having any recognition from the Government, or the terms of a real subcontract from ever becoming known to the Government.

I have said that these contracts were obtained, and that Stephen W. Dorsey became openly interested in them as early as April, 1879. At some time after that there seems to have been in form or in fact something in the nature of a division. They seem to have cut up their routes in a measure. Miner seems to have taken certain routes, Stephen W. Dorsey seems to have taken certain routes, and Peck seems to have taken certain routes, but they also seem to have at once "pooled their issues" in a measure. Miner and Vaile certainly acted from that time together in all matters, and the parties continued apparently to take an active interest even in the routes which had been in form assigned to one of the others, and Mr. Brady recognized their authority so to do. For instance, on the route from Pueblo to Rosita, Mr. John W. Dorsey nominally stating himself to be the subcontractor, made the affidavit upon which the expedition was obtained. He was not subcontractor, he was not contractor. He was not in any manner connected

with the route except as a fellow member of the conspiracy, a coconspirator; knowledge of that was not a knowledge of course of record at the Post-Office, but was a knowledge which was obtained of an illegitimate relation, and yet the position was recognized by Brady as sufficient to enable him to make the affidavit which the regulation, which is a law, required to be made by the contractor, and he recognized John W. Dorsey's authority to make it upon that route. On the route from Trinidad to Madison, Mr. John W. Dorsey did precisely the same thing, and yet had no relation to it. Miner was the contractor, and Stephen W. Dorsey was the subcontractor by a contract not then filed, but John W. Dorsey was the man who was recognized by Mr. Brady as being sufficient to make the affidavit on which the expedition was based.

On route 38145, from Ojo Caliente to Parrott City, John R. Miner writes a letter, which he says he does at the request of Stephen W. Dorsey, then in the Senate. He makes the request in consequence of the absence of John W. Dorsey, who was out in the Territories in connection with some of these other routes. Miner wrote at the request of Stephen W. Dorsey, and on behalf of John W. Dorsey, to a personal friend and acquaintance of Stephen's to take the subcontract, and carry the mail upon that route.

On the route from Vermillion to Sioux Falls Mr. Harvey M. Vaile makes the affidavit, though he was not the contractor. He was the nominal subcontractor, so far as the records of the department show, while in point of fact the service was being performed by an entirely different person, whom we shall place before you.

On the route from Eugene City to Bridge Creek John M. Peck was the contractor, and yet Mr. Stephen W. Dorsey appears in connection with that route in a somewhat manifold capacity, which I will not stop here to detail to you.

On the route from Mineral Park to Pioche Mr. John W. Dorsey was the contractor. Mr. John M. Peck, in a letter written by John R. Miner, requests the Post-Office Department to authorize him to sublet that contract. Under the law no contract can be sublet without the consent of the Post-Office Department. John W. Dorsey being the contractor, John M. Peck, a man who, on the record, certainly had no connection with the route, writes to Brady asking permission to sublet that contract. Mr. Brady authorizes him to sublet the contract and recognizes the contract which was made in pursuance of that provision. And yet Peck, in whose name the letter was written, and Miner, who wrote it, were equally strangers, so far as the Post-Office Department knew, to the contract, and had no relation to it. They had a series of firms and they were as miscellaneous as possible. There was Miner, Peck & Co.; there was Miner, Vaile & Co.; there was Miner, Dorsey & Co.; there was J. W. Dorsey & Co., and the "babies were interchanged" generally. There was no danger of their getting lost, however, because the parties were all mutually interested. Subsequent to that time, and at various periods as we go along, you will find Mr. Stephen W. Dorsey engaged in getting up petitions, writing to his old friends, and calling upon them to help him in getting up petitions and in writing letters to aid in advancing these contracts and the interests of these contractors. He did so at first with an entire concealment of his own interest in the matter. But after he ceased to be United States Senator, and the statute upon that subject ceased to apply to him, he threw off the mask, and did the business more openly if not more generally. We think we shall be able to show you, gentlemen, from these and other facts which I will not stop to repeat, that all these parties were inter-

ested in those routes, and that they continued interested in the routes after the nominal division; but whether they did or did not continue their actual interest is a matter of very little importance, if they entered into the conspiracy and got from the Government certain contracts which were their capital in business, which they were going to use in defrauding the Government. It made very little difference whether they took their profits by taking a portion of the joint profits of all of the routes or whether they divided, so to speak, their capital, and each one took all the profits on a particular block of the route. The loss to the Government was the same, the fraud and injury was the same.

This being the relation of these parties to the conspiracy we then find the actors all placed ready to perform their parts, and the question is now what in detail did they do so far as concerns the different routes? Therefore, gentlemen, I propose very briefly to take up the evidence which we shall submit to you in connection with each one of the routes named in this indictment.

On route 34149, from Kearney to Kent, the contract was let basing it on the advertisement as a hundred and twenty-five miles, for service once a week. John M. Peck became the contractor at \$868 a year. On the 24th of September, 1878, there was made one of those little additions of a town called Fitzalon, which was alleged to add fifteen miles, more or less, to the route. That matter is a little complicated, arising from a change of the route. We claim that the order was entirely unauthorized. Primarily a small sum of a hundred and odd dollars resulted as an emolument to the contractor, but after it was counted in the problem in connection with expedition the amount was added to very greatly. On the 10th of July, 1879, a year after the contract was let, two trips were added over a portion of the route, that from Kearney to Loup City. In consequence of the addition of those two trips there was added to the original pay of \$868, \$1,122.41. At the same time that the three trips were added the time was reduced to thirteen hours, and there was added in consequence of that \$2,200 to the contractor's pay. That carried the whole amount up to \$4,302.65. The post-offices on that route produced an average of \$394 to the Government. The terminal post-offices were situated upon railroads running east and west, and the receipts of Kearney are not counted in this statement, as they came from mail carried on the railroad. I have already called your attention to the fact that the mail-matter, after it got out a few miles on the route, amounted only to twenty or thirty pounds. Now, on that route where they got originally \$868, one French became the subcontractor at \$700. So that at the outset Peck, who was the nominal contractor, had a profit of \$168. When the contract was increased in July, 1879, to three trips French received \$1,587.40 in all, and did all the service, and Peck received \$2,715.08, and did no service. Mr. French will be on the stand before you, and will testify as to the proper amount to be allowed for the service and the condition of things there. Mr. French made a contract, and we shall produce to you the letters passing between him and John W. Dorsey in connection with that contract in which there was a stipulation that he was to have 65 per cent. of the amount allowed for expedition. When expedition came for which \$2,200 was allowed Mr. French received no portion of that sum, though he knew that the schedule had been changed. It had been changed so little that it made little, if any, difference in the time which he took in going over the route. He was already going over the route in about the expedited time. They corresponded with him and Miner, Peck & Co. remitted him his quarterly pay, and left him in entire ignorance that

there had been any payment by the department for expedition, although he was entitled to 65 per cent. of the \$2,200. Mr. French jogged over that route with his horses day in and day out, and performed all the service that was ever performed; earned all the money that was ever earned and never learned that the department was paying \$2,200 for expedited time which he, if anybody, was making, but which, in point of fact, did not change the time made to any serious extent, until after this investigation was set on foot, when a post-office inspector going out on his route conveyed, by accident, to Mr. French the first knowledge that he had that there had ever been any expedition, and that he was entitled to the 65 per cent. of \$2,200 under his contract. Now that was simply a private fraud upon Mr. French of which you cannot take any cognizance. I only mention it in connection with this route as showing the conduct of these parties, and showing how unnecessary it was to pay money for expedition when the man who rendered the service was to get none of it. That, gentlemen of the jury, is the same route on which the other branch of fraud took place, to which I referred, Mr. Peck having as early as February, and away out in New Mexico, found out by some intuition that Mr. Brady was going to want to know just how many horses would be required to make that service in thirteen hours. So he made his affidavit in February to that effect, and there was never any petition or paper of any kind on file asking for thirteen hours, excepting the altered petition into which thirteen hours was boldly inserted in a different handwriting after it was received here by John R. Miner. I think we shall be able to show by whom it was inserted. That was the route on which the forged petition was. That forged petition was the only paper, and it was used as the basis of an order for expedition which took \$2,200 a year out of the Treasury to pay not to the man who rendered the service, but to the men who sat here in Washington and did nothing.

Route 38135, from Saint Charles to Greenhorn, was originally let as thirty-five miles long, at a schedule time of twelve and a half hours. In point of fact the distance from Saint Charles to Greenhorn was only twenty-three miles. It ought originally to have been advertised as from Pueblo to Greenhorn, because Saint Charles was merely a water-tank. There was no village there at all. The tank was three or four miles from the traveled road and on the railroad. At that water-tank the trains did not generally stop. The advertisement was persisted in by Brady, though his attention was called to it before the contract was let and though a post-office inspector reported upon the subject to him. The distance, as I said, to Saint Charles was only twenty-three miles. By and by Mr. Brady proceeded to increase the route by extending it from Saint Charles to Pueblo. This added twelve miles, and made it, in point of fact, thirty-five miles, which was just as advertised, but Mr. Brady treated it as a lengthening of the route and allowed for that twelve miles an additional compensation of \$328.80. My friend has drawn here substantially a sketch of the route. [Exhibiting sketch to jury.] The contract was let on that route at \$548 a year. When Brady extended it from Saint Charles to Pueblo he added \$328.80 to it so as to make the contract price \$868, or a little over that. At the very time that he ordered the additional pay there was on file in the department a temporary contract made by the postmaster out there for carrying the mail over the whole route for \$612. So that Mr. Brady paid \$868 while there was on file the contract of the subcontractor showing that he was willing to perform the service over the whole route for \$612, and also showing that the amount which Mr. Brady allowed for the added twelve miles—

§320—was greatly in excess of the amount which the subcontractor was actually getting for it, and that by a temporary contract made by his own postmaster. You will bear in mind that when anybody enters into such a temporary contract with the Post-Office Department they must necessarily expect to be paid more than a man does who enters into a contract to carry the mail for four years, because the temporary contract can be terminated at any time, subjecting the contractor to a loss. Now, the service having been carried by Brady up to \$868 a year, of which the subcontractor got \$612, it was increased by Brady on the 14th of July, 1879, one year after the contract went into effect, to \$3,945.60. The supposititious twelve miles between Saint Charles and Pueblo, which did not extend the advertised length of the route, and for which \$320 was paid, was made, when it came to expedition, to take from the Treasury \$1,479.60 a year, being nearly three times the amount of the original contract for the whole route. That contract continued in force in those terms, except that the route was at one time run up to \$4,314.50, during the entire time that Thomas J. Brady was Second Assistant Postmaster-General. If he had spent the money in giving to that route a daily service instead of this pretended expedited time he could have given daily service to all the people upon the route, although they did not need it much more than they needed the expedited time, for a considerable less amount of money than he chose to waste upon these contractors for performing the service three times a week upon that alleged expedited time. That expedition was obtained on the affidavit of John R. Miner, who swore on the 7th of April, 1879, that on the then existing schedule it took one man and two horses to perform the service and that when it was reduced to the time to which Mr. Brady reduced it, it would take four men and seven horses. In point of fact it took only one man and two horses to perform the original schedule, and in point of fact it took only one man and two horses to perform the increased service for which Mr. Brady paid two or three thousand dollars a year, and it took the same man and the same horses all the time. There was no change whatever. There was no authority under the law to pay a dollar out of the Treasury unless there was an increase of men and horses, yet we shall place before you the man who was performing that service and driving the horses, and he will testify that there was no addition to the stock or carriers in consequence of the expedition. Therefore the order of Mr. Brady for the benefit of these defendants was clearly illegal. There was a little steal on that route to which I may just as well call your attention in passing. I think I said something about it before. They added the town of Agate, which was on a little spur, and they allowed \$369.90 a year for it. Not one pound of mail ever went to Agate. The carrier never went to Agate. There never was a day's service performed or an hour's service. The postmaster so reported, and after a time Mr. Brady countermanded the order for service, after two or three months. He allowed for the service which had not been performed and which the postmaster told him had not been performed, and he also came in and allowed the month's extra pay which is allowed upon the discontinuance of service that is being performed. He allowed a month's extra pay there on service that was not being performed as the record of his own department shows, because he was rescinding the order for the service upon the express ground that it had not been performed. Here I ought to say that I told you that Mr. Rerdell's lock-box 714 would appear in various places in this case; it was to that box or to box 706 that by notice filed in the Post Office Department all communications were to be sent. This expedition, for which Brady

paid two or three thousand dollars, was granted on a petition which stated the necessity for communication with the outer world, with the East, where lived the friends and correspondents of the people of that section. It was not for the benefit of the population along the route, communicating between themselves, but was for correspondence passing beyond. Yet Mr. Brady having made this expedition at this expense, immediately proceeded to put in force a schedule so arranged that the mail arrived at Pueblo just after the mail east and west had both left, and therefore there was no possibility of communication either way. All the excuse, all the pretense for the order of expedition was simply that the mails might reach the East quickly, and yet this result was not reached because they laid over at Pueblo so many hours, Pueblo being an important railroad station. On that route there were but two intermediate offices, Greenhorn and Muddy Creek. Saint Charles was no office. The revenue of the Muddy Creek post-office was \$19.80; the revenue of the Greenhorn post-office was \$145; making an aggregate revenue on that route of \$164.80, and yet Brady paid \$3,945.60 for carrying the mail over it. Moreover the expedition was made upon that route upon petitions looking to "quicker time," not specifying any time in particular, upon petitions which are worded identically and are in the same handwriting, and were transmitted to the department by Miner, the contractor to be benefited, and his affidavit was, I think, taken and allowed to fix the amount which should be paid to himself. That affidavit was grossly incorrect. Several of the petitions upon that route were also interlined obviously after they were prepared, and they are interlined in the handwriting of Montfort C. Rerdell, one of these defendants.

Route 41119, from Toquerville to Adairville, was let as one hundred and thirty-two miles long. The schedule of time was sixty hours, the number of trips per week one, and John M. Peck, the contractor, was to receive from the Government \$1,168 a year. Before the service commenced notice was given that the address was to be lock-box 714, care of M. C. Rerdell. On the 8th of March, 1879, Harvey M. Vaile became subcontractor by a contract dated the 1st of April, 1878. It was after the contracts had been awarded, therefore, and before the contract term commenced by two months, and that shows Mr. Vaile's connection at least with that route as early as April, 1878, or else the subcontract is a lie. That subcontract was signed by John R. Miner, as attorney for John M. Peck. It was withdrawn on the 8th of May, 1879, after it had been on file two months, and a subcontract was put on file with M. C. Rerdell. That subcontract, like Vaile's subcontract, was also dated the 1st of April, 1878. There were successively placed on file two subcontracts in favor of two separate defendants, both of those subcontracts bearing date, and claiming to have been executed, on the 1st day of April, 1878, and each one being entitled to the whole amount of pay on the route. Rerdell's contract pretends to be dated on the 1st of April, 1878, and specifies that the pay of the route is \$3,504. Now, gentlemen, we have this extraordinary condition of things: The amount of pay on that route did not become \$3,504 until the 10th day of November, 1878, and yet this contract dated on the 1st of April, 1878, states the pay at that amount. Was the subcontract a fraud in its date, or did Miner, Rerdell & Co. then know that they had perfected an arrangement with Thomas J. Brady, by which the amount to be paid to the Government was to be run up to \$3,504.98? We are going to ask you to draw the latter inference from the facts. On the 8th of May, Rerdell having put his subcontract on file, and forgotten, appar-

ently, that he had already directed how he should be addressed, wrote to the Post-Office Department to be sure and address everything to him. On the 12th of April, 1879, before the original contract had been placed on file, and but a year after its date, Rerdell wrote as agent for the original contractor—assuming, apparently, that Peck had still some interest—to one Nephi Johnson, a subcontractor on the route, to get up petitions, have them numerously signed, giving the precise form in which the petitions were to be prepared. He said, “This is the general form. Do not use the precise language. Give as many reasons as you can for increasing the service and expediting the time. Get letters to the Postmaster-General. Get your Delegate stirred up, and generally do everything you can to manufacture public opinion.” On the 10th of July, 1879, Mr. John W. Dorsey turns up as having some kind of an interest in that route, and he writes to Johnson to the same effect and incloses a petition which he wants to have Johnson sign and then send it to Mr. Cannon, the Delegate from the Territory. On the 5th of May, 1879, after Rerdell had written his letter asking that the petition should be gotten up, and before the letter of John W. Dorsey, Mr. Stephen W. Dorsey, who had recently gone out of the Senate of the United States and could therefore openly appear, wrote to Johnson, urging him to keep on and guaranteeing him that he, Stephen W. Dorsey, would be responsible to him for the pay for the mail service, and everything of that kind. A little later Mr. John W. Dorsey went out there and had an interview with Mr. Johnson. He told Johnson that certain parties in Washington were members of the combination and that they had a great deal of influence in Washington. About the same period or a little earlier—for the dates and the different actors in this matter are somewhat mixed—on the 5th of May, 1879, Stephen W. Dorsey wrote to Johnson, inclosing a new contract, which was to be signed. He gave as an excuse for wanting a new contract signed, there having been one subcontract with him, that there had been a dissolution of the firm. He did not tell what the firm was, but it was some firm of which Stephen W. Dorsey had been a member, and which he had managed to become a member of certainly a considerable time prior to the 5th of May, 1879, for on that day it was dissolved. Mr. Dorsey was a member of it when it was dissolved, and he had not gone out of the Senate until the 4th of March, 1879. At any rate, he had got into the firm on the record and dissolved it, and then he sent out to have a new subcontract executed with Johnson, and that new subcontract contains some printed clauses which were nicely calculated to entrap Mr. Johnson, and which we shall have occasion to show to you.

On the 8th of July, 1879, a little later on, five trips were added to the route. Then there was an expedition, and as the result \$2,336 were first added to the compensation, and after that \$4,672 were added. The time was expedited from sixty hours to thirty-three hours, and they added \$12,718.22, the result being that the original contract of \$1,168 got up in a little over twelve months to \$20,890.22, and of that sum the subcontractor who did the work got \$7,444, and Stephen W. Dorsey and his associates got \$12,450. The increase of trips and expedition on this route commenced on the 1st of August, but on the June previous the terminal post-office had been discontinued and notice given to Brady. Therefore there was no mail to go over ten miles of the route, and no post-office to carry it to. Brady, on the 8th of July, made the order giving expedition and adding for it \$12,722. At that time he had had notice that over ten miles of the route there was and could be no service, and yet he made the order for expedition over the whole

route. Having made that order on the 8th of July, on the 14th of July, six days later, he made his order cutting off ten miles of service, and said the contractor should have a month's extra pay. That order, in effect, said, "By virtue of the order made on the 8th of July, long after I knew there was no service on that part of the route, I will yet pay for the ten miles a month's extra pay, and I will reckon the amount not on the compensation of \$1,168, but on the compensation of \$20,890.22." You do not need to be much of arithmeticians to see how nicely the Government was cheated by that little transaction; nor can you tell for whose benefit it was other than that of the contractors, unless it was for the benefit of Thomas J. Brady. By going a little more into detail on that route you will see that the expedition was obtained by an order made in June or July, on the affidavit of Peck, dated in the January previous. Peck then knew just what schedule would be required. He knew in January that Mr. Brady would want to know away down in July how many men and horses it would take to carry that mail in thirty-three hours. It might as well have been reduced to forty-eight hours, or to twenty hours, or any other number; but somehow or other in the previous January Mr. Peck knew that Mr. Brady would want to cut it down to thirty-three hours, and he swore that to perform the service in sixty hours would take three men and six horses, and in thirty-three hours five men and eight horses. In point of fact, on a sixty-hour schedule, it took about the number of men and horses he stated; it took four men and ten horses. But with the thirty-three-hour schedule it took seven men and fifteen horses. That expedition was ordered by Brady, as I have stated, in July, 1879. After it had been done, a postmaster on the route reported to Brady that the expedited time of thirty-three hours could not be made by any possibility; that the people along the route did not care for it, and he added, in the innocence of his heart, "if it costs the Government anything, I think you had better discontinue it."

It cost the Government the difference between \$1,100 and \$12,000. There had been a previous letter in which the same postmaster had given the same information. This is the route, gentlemen, upon which John W. Dorsey having been out there arranged that the subcontractor should get \$7,400, and that he and his associate should get \$12,450. Mr. John W. Dorsey wrote him that that "brought it nearer pro rata than any trade he had made since he left home." From that you can understand precisely what these defendants' ideas of pro rata were. The idea is that the man who does the service shall get \$7,500, and the man in Washington who arranges for getting the orders, \$12,400. That petition which I said was sent to Johnson by these defendants was duly signed, and it came back just before the order was made. It is on file in the department. We shall produce it to you, and we shall show you just how many persons whose names purport to be upon it lived along the route. And we shall show you, moreover, this extraordinary condition of things: That the people out there asked for a reduction to only forty-eight hours, and Brady made the order to reduce it to thirty-three hours. Peck, in the previous January, six months before, knew that Brady was going to make an order for thirty-three hours, and Brady made it, basing it upon a petition which in point of fact asked for forty-eight hours, and that only. Now, a little further on, in April, 1880, Mr. Johnson having previously sent to the Post-Office Department through the Delegate Cannon a remonstrance signed by all the postmasters on the route, stating that thirty-three hours' time was unnecessary if not impracticable, and recommending a restoration

to sixty hours, Mr. Cannon apparently did his duty and apparently put that paper on file, for we find that on the 3d of April, 1880, Mr. Rerdell writes to Mr. Johnson, "We have increased your pay \$1,500," a voluntary increase of pay. Did they wish him to suppose they were going into the general benevolence business? Then he goes on to say, "We make this allowance in order to have the service remain as it now exists. We understand you have been sending letters to your Delegate, asking to have the time restored according to the old schedule. We want you to write to him to withdraw the letters, as we shall lose money if the service is changed back to the old schedule. As it is we make a small profit," which means we get \$12,450 and you get \$8,400. "We make a small profit."

Rerdell wrote again on the 9th of May to Johnson, in which letter he wants Delegate Cannon to withdraw that remonstrance; and, gentlemen, when we came to search the files of the department a year ago, after Mr. Brady had gone out of office, that petition had disappeared from the files of the department, though there was no way in which it could legally or honestly, having been once filed there, disappear. But it has gone, and the request of Miner that Johnson should write to Cannon and withdraw the remonstrance was carried out, and Johnson did write to Cannon, because of this fifteen hundred and odd dollars a year which they gave him, to have just that thing done. We shall ask you to consider when you come to make up your verdict whether they were not right in withdrawing that kind of remonstrance coming from every postmaster along the route against their pay when Brady was paying them \$12,400 for doing nothing. There had got to be some pretense of keeping up appearances. That, gentlemen of the jury, ends all I have to say upon that route, and I suppose this is as good a time for relieving the jury for a brief period as any that will come.

At this point (1 o'clock and 45 minutes p. m.) the court took its usual recess.

AFTER RECESS.

Mr. BLISS. [Resuming.] On the last route, gentlemen, I ought to have called your attention to the fact that John W. Dorsey, when he was out in Utah upon that route, told Mr. Johnson that Peck, Miner & Co. were interested with him; that they had some two hundred contracts; that they had a great deal of influence in Washington; that Brady was a very fine man. And in his letter which he wrote him, sending him petitions to be circulated, he told them they must all work together or none of them would get along.

On the route from Garland to Parrott City, which was originally let at 288 miles, the time to be seven days, and to be one trip in the week, John W. Dorsey was the contractor, at \$2,745 a year. There, as elsewhere, lock box 714 was the place of address for letters. There were lock box 706 and lock box 714, which were used by these different parties, Rerdell, perhaps, using lock box 706 the most after his original experience with James H. Keitner & Co.

On the 1st of October, 1878, on this route, one J. H. Watts filed a subcontract by which he was to get fifty per cent. of all expedition, making a contract with the parties, therefore, as early as that looking to expedition. On the 1st of January, 1879, a subcontract was made with one Anthony Joseph, a gentleman whom we shall place before you, a senator of the Territorial legislature of New Mexico. I think that

contract was not filed, though made. His subcontract continued until about the 27th of September, 1879, when the contract of a man named Jaramillo was filed. That gentleman we shall also place before you. On the 30th of January, 1880, the subcontract of one Sanderson was filed. That is the history of the subcontracts.

On that route as early as the 10th of June, 1878, twenty days before the contract term commenced, Stephen W. Dorsey, being then still in the Senate, wrote asking that the service be made daily, it having been let at once a week. He asked that it be made three times a week and that it be given a fast schedule, and claimed that there was a mistake in the length of the route as advertised. On the 22d of December, 1878, to which I have called your attention in another connection, Mr. John R. Miner, at the request of Stephen W. Dorsey, who indicates his interest in this route, writes to Mr. Joseph that John W. Dorsey was the contractor and wants Joseph to stock and run the route. Senator Dorsey and Joseph were acquaintances, if not friends. Joseph went on and stocked and commenced running the route without any formal contract. Early in January, 1879, Mr. Berdell went out to New Mexico and saw Joseph and made a formal contract with him. In the following April Mr. Stephen W. Dorsey sent petitions to Joseph to be circulated to get expedition and get increase of pay, and giving him forms of them, and telling him that he had written to various people, and everything of that sort, and saying to Joseph that he guaranteed his pay for the service that he was performing prior to that time. Four days before the service commenced at all the route had been reduced, been cut off by the deduction of 116 miles at the east end of the route, and no service having been commenced whatever, the month's extra pay was allowed. That, I am bound to say, seems to have been in accordance with the practice of the department, though working somewhat inequitably to the Government. Eighteen miles were taken off at the other end, and Dorsey's pay was reduced to \$1,467.78. By the 23d of January, 1879, the route had been reduced to that point, the service was one trip a week, and the time, which was originally seven days, was reduced, as I recollect it, to between four and five. On the 24th of April, 1879, twenty miles were added, and the amount of pay was carried up correspondingly so as to become \$1,658. That was the condition in which the route was by the 1st of May, 1879. Then two trips were added over the whole route at an expense of \$3,316, and the time was reduced to fifty hours. Having been reduced to ninety hours by the cutting off of the route, it was further reduced to fifty hours, and by the expedition \$8,457.84 was added. It remained in that condition until January 1, 1881, when the trips having been, as I said before, carried up to three, were carried up to seven, and \$17,910.72 were added, making the total pay from the Government on that route \$31,343.76, where the original amount was only \$2,745, and where, by deducting pro rata for the portions of the route which were taken off, the amount would have been only \$1,467.78. There had been taken off by these reductions 134 miles of its length, leaving it 134 miles long. The record of productiveness was this: The average receipts of all the post-offices upon that route in that year were \$194.96. Of the amount which was allowed for expedition at a time when there were only three trips the subcontractor received \$6,200 and the contractor and his associates got \$7,200, the subcontractor bearing all the fines and deductions and the contractor getting his \$7,200 net. After the route was carried up to \$31,000 the result was—I speak with a little caution here; I am liable to make some slight errors, for though I am confident I am almost

absolutely correct on dates and figures, there is in connection with this route a peculiar sliding-scale arrangement at one point, and, therefore, I am more likely to err here than elsewhere—after it was so carried up the subcontractor at one time got \$10,666 and the contractor got in round numbers \$20,000. Mr. Joseph, the subcontractor, found he was running behindhand and that he could not perform his service for the money he was getting; so he wrote to the department protesting that he could not do the service for the price he was receiving, and suggesting that there ought to be some change in that respect. Thereupon Mr. Stephen W. Dorsey, in June, 1879, writes him a letter telling him not to write to the department, but to deal only with him (Dorsey). Joseph went on carrying the mail and was subjected to fines which substantially ate up his entire pay, so that he made nothing for doing the service. Then he was obliged to throw up the service, and these defendants, who had been getting \$20,000 net made a contract with one Jaramillo. Jaramillo went on for a considerable time performing the contract, and by and by he was so eaten up by fines and penalties in the endeavor to carry the mail in an impossible time that he was glad to get nothing for carrying the mail and to pay \$500 to the defendants for being let off from the contract. This was the route on which I called your attention to the fact that the postmasters repeatedly and constantly notified Mr. Brady that it was impossible to carry the mail on the time required by him. When he sent them schedules in blank on which they were to fix a time of departure and arrival from each end of the route and not to exceed the time named, they continually returned them with a schedule that was more than twice as long as he specified, and stating in express terms that they could not fix a shorter schedule, and that it was impossible to carry the mail in the time he named. Mr. Brady sent back schedule after schedule, insisting upon it that it should be made to correspond with his wishes, until finally one of the leading postmasters says that when he got those papers he used to throw them in the wastebasket. This is the route on which the contractor got \$20,000, and Joseph, the subcontractor, \$10,000, and when Joseph wrote to Mr. Dorsey, saying there ought to be \$12,000 allowed for carrying the mail, Mr. Dorsey wrote him back that he thought it nonsense; that it was perfectly absurd; that it was not worth any such sum. In that connection, Mr. Stephen W. Dorsey, as I recollect, wrote Mr. Joseph that he must be particularly careful or he would be fined; while it made very little difference if Mr. Joseph was to get so far behind that the fines would eat up all his compensation, yet he must look out and not go to the point where it would be necessary to fall back upon the contractor's profit and apply the fines upon that. That was a thing that could not be endured under any circumstances. On that route the affidavit was made by John W. Dorsey, stating the necessity for an increase of men and animals, and saying that there would be 170 per cent. more men and animals needed. The petition, however, on which it was alleged to have been based was a petition for seven trips over only a small portion of the route, a little less than half; but the order was made for an increase on the whole route. Moreover, one of the orders made on that route was on a petition which represented that a railroad had been built down here [indicating on map], and that if they could have a mail put on across here [indicating], and then have that portion of the route expedited, that they would gain a great deal of time. Mr. Brady not only ordered that, with expedition over the whole route, but he expressly provided that the order should take effect some six weeks before

it bore date, and, therefore, that the contractor should be allowed pay for six weeks before it bore date, though the law expressly said that no order should be made which gave pay prior to the day of its making. They attempt to meet that by saying that there was a telegraphic order which preceded the final order about three weeks. But allowing the telegraphic order as the correct order of date for the expedition, they are still, nevertheless, three or four weeks away from the time. It is even then an antedated order, in absolute disregard of the statute. Then, again, the order was an order extending over the whole route, though the petition was for expedition on less than half of the route, and the telegraphic order applied to only half of the route.

Mr. DAVIDGE. What route are you speaking of?

Mr. BLISS. Route 38145, from Ojo Caliente to Parrott City. It was originally from Garland to Parrott City, and was cut down at each end so that it became from Ojo Caliente to Animas City. I mentioned the fact that one of these contractors, Jaramillo, paid \$500 for being let off from his contract, besides having been fined all of his pay substantially. Of those fines which were imposed upon him, a considerable amount was remitted by Mr. Brady after Mr. Jaramillo had paid his \$500 to be released, and that amount so remitted, these contractors placed in their pockets, and left Mr. Jaramillo entirely without any interest in it.

The route from Saguache to Lake City is in the indictment, but I shall pass over it very briefly, because it need not be concealed from you, gentlemen, that a large portion, if not all of the money, that was derived from that route, passed into the pocket of a person not a defendant in this case. Therefore, so far as the actual fraud upon the United States is concerned, of which there was an abundance upon that route, and in the inception of which these defendants were engaged, inasmuch as the money did not go into their pockets, and inasmuch as there are so much stronger cases, I do not care to take your time, either now, or by the evidence to any great extent upon this route. It was ninety-five miles long, was let for thirty-six hours' time, and three times a week; Miner being the contractor at \$3,426. There was, as I have stated, a very considerable fraud upon that route, but it is not such that I care to take any great amount of time with it. There is one feature in connection with it, and another route to which I will call your attention. It is route 38150. This route started from Saguache, and ran through Barnum to Lake City. - There was another route starting from Garland and coming up to Lake City, and at that point going on to Barnum, and overlapping from Barnum to Lake City, some twenty-odd miles of this other route. At Barnum it turned west and went out to Los Pinos, a distance of about fifty miles. For this distance over the route the service was identical. It was performed by the same parties, and for a considerable period Mr. Brady paid the same parties twice for doing the single service. That money was not got back until after Mr. Brady had gone out of office, and the administration that succeeded him came into office. Then they compelled the subcontractor who had received that double pay to refund. [Illustrating on map.] This other route came up to Lake City and went on originally across the mountain to Ouray. It was a very difficult route across the mountains, and certain portions of the year was undoubtedly practically impassable. It was almost across the back-bone of the continent, the mountains being some twelve or thirteen thousand feet high. Therefore, after a time, that route which went across the mountain was changed so that it went over the other route, up to Barnum, making practically three routes for that distance; Lake City to Barnum, and then up to Los Pinos, making two routes for that

distance; and then down to Ouray, going on three sides of a square, as shorter in time and better than the one side, because the one side was directly across the mountain. On that change we make no criticism; but what I desire to call your attention to is this: that not only was there the double service along that portion of the route from Barnum to Lake City and the double payment, but there was also the double payment from Barnum to Los Pinos, while there was only a single service, the mail being carried by the same man on the same wagon and with the same horses. When this change was made the postmasters assumed, of course, that there was no intention to have double pay, and they ceased to report one of these routes on their quarterly reports as existing. They were called to account after a time by the Second Assistant Postmaster-General's Office to know why they did not report both, and thereupon one of the postmasters, a very intelligent gentleman, Dr. MacDonald, sat down and wrote Mr. Brady a long account of the whole thing, showing how the service was identical, how he considered it was not possible that there could be any necessity for reporting both routes, and how there could not be any propriety in paying for both. He was substantially told to mind his own business. The service went on, the Government paying for both of those routes for nearly two years after the remonstrance of Dr. MacDonald, and then, for some reason, as to which there is apparently no evidence, an order was made cutting off one of the routes, so that the contractor should get pay only upon one. All we can say as to the origin of that order is, as I recollect, that it was made about the time that public attention began to be directed to star-route matters, and not very far from the time when Mr. Brady had asked for an increase of appropriation, and there had been a Congressional investigation. It was, I think, somewhat later than that. It was not cut off until the summer of 1880, and the investigation took place in the preceding winter.

Mr. WILSON. The money was all received by Sanderson and recouped.

Mr. BLISS. As to who received the money, and whether the successors of Mr. Brady recouped it, is entirely unimportant in connection with this case. However, the facts show the amount of service that Mr. Brady put on and persisted in, in spite of the remonstrance of those whom he ought to have relied upon, and continued for months and years of time.

The route from Silverton to Parrott City, No. 38155, was let as sixty-nine miles long, and for service twice a week. The time was thirty-six hours and the amount paid \$1,488. There was originally a subcontract placed on file in October, 1878, by which John W. Dorsey, who was the contractor, and received \$1,488 from the Government, was to pay to the subcontractor \$2,280, about \$800 more than he got. That subcontract was made upon a printed blank, with the heading of Miner, Peck & Co. It was made by the firm of Miner, Peck & Co., or J. W. Dorsey & Co., I have forgotten which. On the 1st of October, 1879, Mr. Stephen W. Dorsey became the subcontractor on that route at the full amount. I have already mentioned to you that when any of these parties to the conspiracy became subcontractors they were always subcontractors at the full amount, so as to leave the contractors with no interest on the record. On the 21st of January, 1880, Mr. Dorsey's subcontract was withdrawn, and a subcontract of a Mr. Steineger was put on record for \$9,400. Before Mr. Steineger became a contractor the amount which the Government was to pay had been run up from \$1,458 a year to \$16,512.28 a year. There was upon

this route also a transaction of this kind, which took place as early as February, 1879. Ten miles were added to the route, which started from Silverton and passed down to Parrott City. At about this point [indicating on map], there was a trail that ran across over here [indicating], cutting off an angle. It was an old trail not ordinarily traveled, and in point of fact the mail was always carried by way of Animas City, which was a city of considerable size, and has now become one of the largest towns in Southern Colorado—Durango. Animas City is on one side of the river and Durango is on the other. Mr. Brady had sent circular after circular, calling upon the postmasters to give him the distances between the post-offices. Those circulars had been returned to him, each one of them specifying that Animas City was on the route, and giving the distance. The mail had always gone that way. There had always been a postmaster at Animas City, and he had always opened the mail and taken out letters to Animas City. Yet, on the 16th of February, 1879, ten miles were added for going to Animas City under the pretense that it added that distance because there was a possible trail over which not only had there never been any mail carried, but which Mr. Brady's own distance circular, sent him by his own postmasters, showed him was never traveled. Mr. Brady began by adding for this ten miles \$215.65, and when it came to be multiplied by the expedition which subsequently came, the result was, that the fictitious addition added \$2,090 to the amount which Mr. Brady directed to be taken from the Treasury. On the 1st of July, 1879, five trips were added, and the time was reduced from thirty-seven hours to fifteen hours. The allowances for this addition of trips and reduction of speed were fourteen thousand eight hundred and odd dollars, carrying the total up to \$16,512.28. There were changes on that route at different times by which the Government finally paid out the reduced sum of \$14,870. At the time when the Government was paying \$16,500 on this route the contractor got for doing nothing \$11,500, and the subcontractor got for carrying the mail \$5,400 and paid all the fines and deductions. When the amount was reduced a little the subcontractor did better. He then got \$9,400 and the contractor got only \$7,100. As for the expedition for which this large sum of \$10,500 was paid so far as getting the mail to a point to go beyond the terminal station at either end is concerned, it gained no time. The expedition from thirty-five hours to fifteen hours did gain time for the little way stations; but as to the forwarding of the mail from Animas City, which was on the railroad this way, or Silverton, at the other end, nothing was gained because the mail laid over night at both places. The result was, gentlemen, that while the original time was thirty-six hours and the expedited time was fifteen hours, after the expedition took place, a letter required thirty hours to go over the entire route. The expedited time was lost by the stoppage and failure at Durango and Silverton. On the 11th of November, 1880, all the postmasters united in recommending that the time be made at least twenty-four hours and in this all the citizens of Silverton joined. Silverton was the chief place upon the route and one of the liveliest towns in Colorado, as I am informed. That petition was transmitted by one of the Senators from Colorado, with a strong letter recommending that it be granted. Though you will hear, in the history of this case, that a Senator was apparently all-powerful whenever there was an increase to be made and money to be taken from the Treasury, and though you will find at least one order, if not two, taking an amount of money out of the Treasury, made avowedly in part because it was requested by this

very Senator, yet when that Senator, acting upon the petition of all the leading people in the chief place upon this route, recommended that the increased speed be dispensed with, his recommendation amounted to nothing, and Mr. Brady went out of office leaving this increased speed and this increased compensation for the benefit, not of the people of the locality, but for the benefit of these contractors.

Mr. WILSON. Will you be kind enough to tell the jury what case that was?

Mr. BLISS. That is Silverton to Parrott City.

Mr. WILSON. In this matter which you have just spoken about, be kind enough to tell the jury what case you refer to.

Mr. BLISS. It is on the Silverton and Parrott City route, as I understand it. That is my recollection of it. If I am incorrect about that, I will be glad to be corrected. That route is No. 38156. The Senator is Senator Hill, of Colorado. I do not think I am wrong as to the route, but at any rate, if I am wrong as to the route, I simply say that as to one of the routes in Colorado that transaction occurred. I do not think I am wrong as to the route.

I may say to you, perhaps this may be a convenient occasion to say, that the post-office routes are all numbered by a given thousand. For instance, you will find all routes beginning with 38000 were in the State of Colorado, each State having a thousand appropriated to it in that way, Oregon's being, I think, 44000, and California's 46000.

Now, on the route 38140, which is from Trinidad to Madison, in Southern Colorado, Trinidad is here [illustrating on map]. The route as originally run was from Trinidad over here to Barela, from Barela to a place called Grinnell, and then down to Madison, which is on a river in New Mexico—the Cimarron. That route was let as forty-five miles long; one trip was to be made a week; John R. Miner was the contractor, at thirteen hours. Before the service was commenced, instead of being allowed to run across from there to there [indicating on map], the route was bent around so as to go out here to Raton, and then come around there. The result was that, in consequence of that addition, the original thirteen hours of time was extended to nineteen and three-quarter hours, I think. Now, Raton was put on there under these circumstances. Here is a river valley going down there [indicating on map]. There was mail service out here to a place called Pulaski, and I think also to Greenwood. At any rate Raton was situated in that same valley, and was within eight or ten miles of mail service. The people petitioned to have mail service from this direction [indicating on map], coming down to Raton as meeting all their convenience. and that also, if I remember, was recommended by a United States Senator. Instead of getting that service, which could have been put on at the rate of two or three hundred dollars a year, this route here was bent around. There was added to it some 23 miles of distance; the time was extended 6 hours, so as to carry it up from 13 hours to 19 $\frac{3}{4}$ hours. Instead of two or three hundred dollars, which could have been paid for that, you will see directly how the Government was made to suffer by this twisting around, not in accordance with the petition presented and not in accordance with the convenience of the people.

Before I follow up the money matter, going a little into the history of the route, we find this condition of things: Mr. Miner was the original contractor; he wants all letters sent to lock-box 706; the original address was lock-box 714; when sent to lock-box 714 they were to be addressed to the care of M. C. Rerdell. On the 7th of December, 1880, a subcontract of S. W. Dorsey's, which had been filed on the 11th of November,

1879, and was dated on the 1st of April, 1879, was withdrawn. That was on the 7th of December, 1880, though on the preceding 3d of April Rerdell had directed that all communications should be sent to him. On the 4th of June, 1881, Mr. Rerdell writes to one of the subcontractors out there referring to the delays and difficulties "we are under in consequence of a change in the administration," and overhauling the post-office officials. Mr. Brady had gone out of office a month previously. However, Mr. Rerdell had good trust. He assured him that "this investigation now being made by the Post-Office Department will come to nothing; it is simply a repetition of that which was made by Congress a year ago." I think, gentlemen, I shall not be drawing too largely upon you when I ask you to draw the inference at least that Mr. Rerdell has since changed his mind about this investigation. He thinks it a little different from the investigation that Congress was making "a year ago." Mr. Rerdell, however, at that time felt so confident that when by and by the new administration cut off some portion of the expedition he notified the subcontractor that he must continue to carry the mail on the old rate of speed, for "we are going to contest in the courts the legality of their expedition." They did not voluntarily go to work to make that contest of legality, but we are in a certain form giving them that opportunity. This distance that was added for Raton that I have spoken of was put in as if 28 miles had been added. We shall show you in detail that in fact it added only 23 miles; that the evidence was in the department distinctly to show that it added only 23. But they recited that it added 28 miles and paid on the basis of an addition of 28 miles; and moreover they paid for carrying that mail by Raton from the 1st of July, 1878, though in point of fact no mail was ever carried over that route until the 17th of January, 1879. Six months and seventeen days did they pay for carrying the mail over that route, so wrenched around as to add 28 miles to the distance, before any mail was carried there. But finally they had got it to suit themselves, and on the 1st of May, 1879, there were added two trips, and then Mr. Brady put the thing back to where it was before he wrenched it around and added on Raton. The original schedule time having been thirteen hours, which, by the addition of Raton, he extended to nineteen hours, he now, on the first of May, 1879, reduced the speed to twelve hours, so that over that route the mail matter was carried in twelve hours instead of thirteen hours that the original schedule required. But under the original schedule the Government was to pay \$338. Under the schedule with the decreased time the Government was made by Mr. Brady to pay \$4,290.30 for carrying the mail over the same route. He could have supplied Raton at not exceeding \$300. He chose to supply it in this way, and the result was to get that route to the same time before he put Raton on with the introduction of the two extra trips, and he carried the expense to the Government up from \$338 to \$4,290.30. Of that amount of \$4,290.30 the contractor who was carrying the mail received \$1,550, and Dorsey & Company, for not doing anything, received \$2,402.30. The expedition was obtained upon the affidavit of John W. Dorsey, sworn to on the 26th of April, 1879. The order was made five days later, on the 1st of May. Dorsey swore that to carry the mail in nineteen and three-fourth hours three times a week took one man and four animals, and to carry it in twelve hours would take three men and eleven animals. In point of fact the man who carried the mail says that it took, to carry it in twelve hours, three trips a week on the expedited schedule, two men and six horses, and three

of those were horses that he kept in reserve in case those in actual use broke down. So, two men and six horses were actually used, making a factor of eight, while John W. Dorsey swore that three men and eleven horses were needed, making a factor of fourteen, and I need not remind you how large a difference that would make in the amount taken from the Treasury under the rule of expedition applied to it.

The route from Pueblo to Rosita, No. 38134, was advertised as forty-nine miles long. It was let to John R. Miner at \$388. The time was fifteen hours, and there was to be one trip a week. The subcontractor was first to pay \$700, while getting from the Government only \$388 I think. In July, 1879, five trips were added, and for that \$2,328 was added. Then the time was reduced to ten hours from fifteen, and \$5,432 was added. So that a route commencing at \$388 was carried up to \$8,148. The annual income of all the offices on that route was \$1,464. On the 22d of October, 1879, there was filed the subcontract of one Hanson, by which he got \$3,100. Mind you, that was on file, and that left to the contractor net \$5,048 for doing nothing. But the subcontractor Hanson had so good a thing of it in carrying the mail at \$3,100 and paying all fines and deductions that he turned around and found a responsible contractor who carried the mail for him for \$2,600. So that while the Government was paying \$8,148, under Brady's orders for carrying the mail, the man who was actually doing it was getting only \$2,600.

Now that route from Pueblo to Rosita starts from Pueblo here [indicating on map] and comes down here to Rosita; the only intermediate post-office was at Greenwood here [indicating]. Here was a railroad running out here [indicating]. Greenwood gets its principal mail quicker by getting it from another mail route here, that being rail and this a stage route [indicating on map]. The result was that practically that route was only intended to supply Rosita and places beyond it. And yet the mail came to Rosita by coming out here down this way, that being all rail, quicker than it could from Pueblo. So that, in point of fact, there was really no ground for the existence of this route at all [indicating]. The intermediate station got its mail quite as well from Florence, running out by the railroad quicker than down there, and substantially no mail ever came to Rosita over that route. All the mail matter that came from east of Rosita was put into the mail bags on the cars and passed out here and came down here [indicating on map]. It was not transferred at Pueblo at all. The only mail that came from Pueblo to Rosita was practically such local matter as got into the mail at a time after the mail going this way [indicating] had closed and before another mail going the same way was about to start. There were a few hours in the day when mail matter going to Rosita was put into the bag to go over this route. That was all there was on that route which was run up to \$8,148. There was a certain time when for a little while there was a post-office called Wetmore on the route, but it was a trivial thing, and, as I recollect, it was discontinued. The productiveness on that route, leaving out Pueblo, was something less than a hundred dollars a year.

As to that route, Mr. Brady had been notified as early as the 30th of August, 1878, long before he made any of his orders, by one of the postmasters, that tri-weekly service was not needed. In the face of that he went on and ordered six times a week's service. Again, on the 8th of May, 1880, he was notified by the postmasters that the service was not needed. That notice was given after he had made his order increasing it, but he did not pay any attention to the notice of the postmasters. He left that service, which the postmasters certified to him

was not needed, in force until his successors came into office, when one of their first acts was to cut it off.

The affidavit for increase on that route was made by John W. Dorsey, who had no honest connection with the route—no connection other than being a co-conspirator with the others. John R. Miner was the contractor. Eli Hanson was the subcontractor by a contract on file. Yet Brady took the affidavit of John W. Dorsey, swearing that he was the subcontractor. Dorsey swore that to carry the mail 7 times a week on a 15-hour schedule took 2 men and 6 animals, making 8, and on a 10-hour schedule 6 men and 18 animals, making 24. The man who carried the mails says he never ran 7 times a week on 15 hours. His estimate is that for 7 times a week and 15 hours it would take 7 men and 12 animals, though Dorsey, when his object was to make it as little as possible, swore that it would take only 2 men and 6 animals, making an aggregate of 8 against what the contractor says would have been 19. Then the carrier says the amount as likely to be needed for the increased speed was probably about correctly stated by Mr. Dorsey. It is a little difficult on that route to get at those figures precisely, owing to the circumstance that at one time it became an important passenger route. The mail was carried upon four-horse coaches, and it is impossible, therefore, to say with any accuracy how many men and horses were needed to carry the mail when they were also carrying a large number of passengers and a large quantity of express matter. Therefore, as to the discrepancy between the affidavit and the fact, it is a little less certain, perhaps, than as to some of the others as to which I called your attention, or shall call your attention.

Route 40113, from Tres Alamos by way of Clifton, in Arizona, was let to John W. Dorsey as 197 miles long, the trips to be made once a week. Eighty-four hours were allowed for doing it, being a little over two miles an hour. The contract price was \$1,568. You will find that as we go along through large portions of this correspondence in connection with these routes, Rerdell's hand and Rerdell's brain were being used, and being used in a subordinate capacity, while he was representing the other men, Dorsey and others, who were putting in their pockets the profits of the transaction and giving to Rerdell a portion of them which we are unable to define. On the 10th of May, 1879, Rerdell, writing in the name of John W. Dorsey, transmitted petitions to the West to have them circulated for increase of trips and speed, and in less than a month after, on the 2d of June, 1879, two trips were added and \$3,136 was allowed for them, and the time was reduced from eighty-four hours to forty hours, and an allowance made for that of \$9,408, thereby carrying up the original pay of \$1,568 to \$14,112.

Mr. Stephen W. Dorsey's subcontract was filed on that route in October, 1879, and withdrawn in January, 1881. On the 2d of February, 1881, by one of the last orders, which fortunately for The Government Mr. Brady was able to make, in about the last month of his official time, he added four trips and allowed therefor \$15,950.62. So that the aggregate expense of that route which originally cost \$1,568 was carried up to \$27,913.59, and that too after owing to a striking off of a portion of the route there had been a deduction of \$2,149. What cost originally \$1,568, as awarded by public, open bidding was, by Mr. Brady's orders, under the pretense of expedition and increase out in that desert region in Arizona, the character of which we shall show you by witnesses from the spot, carried up to nearly \$28,000 a year.

Turning for the moment to Oregon, let us take route 44140, which is the route from Eugene City to Bridge Creek. That was let as 207

miles long on a schedule of 130 hours once a week. John M. Peck was the contractor at \$2,468. He first made a subcontract with a man named Wycoff, by which he was to pay him \$2,700 for that service for which he, Peck, was getting from The Government only \$2,468. But that subcontract looked to the idea of an increase first of three trips, and then to six or seven trips, and provided for all the contingencies as to how much should be allowed with reference to each possible increase. Rerdell and box 706 turned up as the proper address for the papers connected with that contract; and in that route we shall be able to show you, I think, that Mr. Stephen W. Dorsey took great interest; that he sent petitions there to be prepared; that he sent agents there to work up public opinion; and that he was generally engaged in the benevolent business of taking money out of the Treasury.

As early as the 26th of June, 1879, less than a year after the contract term commenced, and a good deal less than a year after service was commenced, as I recollect it, two trips were added, and the time was reduced from 121 hours to 50 hours, the result of which was, that a route which was let at \$2,468 was run up to \$21,460.89. But while, under the original contracts, Mr. Peck was paying \$232 more than he got, he was now getting, under the expedited contract, \$14,060.89 more than he paid out himself, receiving that sum net, and giving to the subcontractor \$7,400 for performing the service, and the subcontractor bearing the fines and penalties. After that came a series of petitions from that route, and, as to those petitions, there is this fact, to which I desire to call your attention. I mentioned to you that when Rerdell came to Mr. MacVeagh and to Mr. James, and, under the effect of fear or a quickened conscience, undertook to tell the whole story, so far as he was concerned, and endeavored to procure protection for himself and his patron, Mr. Stephen W. Dorsey, he produced a letter-book containing the press copies of letters, some of which were written by him, and some of which purported to be written by, and were stated by him to be written by, Stephen W. Dorsey. Those letters, gentlemen, related to this route. They were letters written to an old acquaintance in Arkansas, who had moved to Oregon, and were letters employing him at a salary to go to work to get up petitions, and the forms of petitions were inclosed to him, and directions given to him as to everything that he was to do in the way of working up public opinion. Mr. Dorsey's relations to this gentleman were such that he addressed him as "My Dear Frank," and he went on and did his work faithfully. He is directed to get up letters. He is directed to see that there are a proper number of Democrats: "Write to the Democratic Senators"; and he is to see to getting articles in the newspapers, and, generally, he is to work this thing up ingeniously and pervasively; and he did it. I think Dorsey all this time was in the United States Senate; that it was not after Dorsey went out of the Senate. Wilcox transmitted these letters, so far as he got them, to Mr. Dorsey, and Mr. Dorsey sent them to the Postmaster-General, never pretending in any manner that he had any possible relations to anybody connected with these routes; but he, as a public official in the United States Senate, had received these letters from people out there, who, under the stress of their own needs and the necessity of having more mail service, had, among others, written to him, perhaps, as chairman of the Committee on Post-Offices, and he transmitted them to the Second Assistant Postmaster-General, and the Second Assistant Postmaster-General continued the benevolence by promptly proceeding to make orders upon them. The total revenue of the route, the expense of which was carried up to

\$21,460.89, was \$639.82. That route is in Oregon and runs east and west through an unsettled country for forty miles. It is literally true that there is not and never has been a soul residing there. For seventy miles it is literally true there was not even a road. One village through which it passes has six houses, another two, another fourteen, and another four. It so happens that on one day we can show you the amount of mail matter that passed over that route. It consisted of one letter, one postal card, and one mail bill, which was a government record showing what was in the bag. That route was not a through route. It was a local route, and that was the way in which Mr. Brady treated it and the way in which he had "due regard to productiveness."

Route 44160, also in Oregon, from Canyon City to Fort McDermott, runs north and south. I am not sure whether it connects with the Union Pacific Railroad or not, but I think so. That was let as 243 miles long. The time allowed was 130 hours. Peck was the contractor at \$2,888. The service was to have commenced on that route on the 1st of July, 1878. In point of fact it did not commence until long after that time. The postmaster at the only intermediate post-office, Camp Harney, reported that the mail commenced first on the 9th of December, 1878. The postmaster at Fort McDermott reports that it began on the 4th of January. On the 23d of December, twelve days before the service had actually begun—bearing in mind the distance of Oregon from here—before any knowledge of that service on any portion of the route could have been received here, Mr. Brady made an order for the addition of two trips, and reduced the time from 130 hours to 96 hours, when there never had been a mail over the route, and allowed on that route, where the original pay was \$2,888, from the Treasury of the Government \$21,500. He did this before a pound of mail had been carried by these contractors over that route. Of the sum which he so allowed \$10,000 went to the contractors who were carrying the mail, and \$11,500 went into the pockets of the parties here, or some of the parties here. On the 1st of August, 1880, four more trips were added, and the result was that a route which had cost originally on the public bidding \$2,888 was run up to \$50,166.66, of which the subcontractor got only \$20,000 or \$21,000. Where the other \$30,000 went other than the pocket of Vaile, he being the contractor of record, and some of his associates, we cannot say, unless you count Thomas J. Brady in as one of those associates. The net revenue of that entire route was \$114.50. Not a pound of through mail went over the route. There was but one way post-office on the route. The letters and papers, all told, would not average three pounds a day. Sometimes they did not exceed half a pound, and save at Fort Harney, the single station I pointed out to you, there was not over all the balance of the 243 miles a hut or a cabin. As late as September or October, 1878, the officers at Fort Harney wrote Mr. Brady saying that they could not get any mail matter; that passengers arrived there, that packages came there, but they could not get their mail. You will see, I think, in the course of time, that there will be some attempt to say that Indians were interfering with it. These officers say that passengers could come easily and mails could come easily, and that they sent their messengers regularly to Canyon City. They said, "Won't you make some arrangement by which we can send up there and get our mail ourselves, or do something of that kind, if you will not have the contractor bring us our mail?" That letter got on to the files of the Post-Office Department and was put into the jacket which I described to you as one of these envelopes on the back of which Mr. Brady makes orders for expe-

dition and increase of trips. That letter was used as one of the vouchers upon which Mr. Brady made an increase of trips and speed. The complaint of these officers, that they could not get the existing mail though passengers and baggage could come there, is made one of the vouchers on which Brady proceeds to order more mail and more trips and to pay more money. He expedites and increases the number of trips on a route which, so far as the people at Fort Harney were concerned, never ran there.

Upon that route the petition business was used, and in connection with it is rather a peculiar development—I think I mentioned it to you. In one of these petitions the written matter comes down to within four lines of the bottom of a sheet of foolscap; then there are, I think, four names signed there. The petition itself is, as we think, in a disguised handwriting, which we think we shall satisfy you is that of John R. Miner. The first name purporting to be signed to that petition is that of a postmaster at Cañon City, who will tell you that his name there is a forgery; that he never saw it, and never would have put it there if he had seen it. The question who put his name there is a matter that we are going to take some trouble to prove to you. I believe we shall show that it was put there by John R. Miner. There are three other names on that piece of paper. There is in that region a man named M. D. Elfresh, or some such name as that. There is signed to the paper the name of D. M. Elfresh. No such man is known in that region, or along that route. The other two names are, as I understand it, equally unknown along the route. Now, having reached the bottom of the paper, you find pasted on to it three or four sheets full of names. There are fifty or sixty names, apparently signed by different people, and all having the appearance of genuineness; and yet we shall show to you that those names on that paper, pasted on, are not the names of persons who live in or who ever saw Oregon, but they are all the names of people—I will not speak as to all, but they are scattered through in such a way as to indicate that they are all the names of people who live away down in Southern Utah, hundreds of miles further east and more than a thousand miles further south than the starting-point of this route. They are people who never saw the route, never had anything to do with it, and who did not sign any such petition. They are people who signed some other petition for increase of some route in Utah, or something of that sort, and the names have been detached, as we shall ask you to believe from the evidence, from the proper petition and pasted on to this one with these three or four forged names upon it. This petition has been used by Mr. Brady as one of the pretended vouchers under which he ran up this route from about \$2,880 a year to \$50,166 a year.

Mr. HENKLE. Will you say that that petition does not state that the signers are citizens living along the route?

Mr. BLISS. I will give you the benefit of that. The petition does not state they are citizens of Oregon. It does not state that they live on that route, and, unlike some of the other lying petitions that were used, it does not state that they get their mail matter over the route. But what business had Mr. Brady to use as a voucher for taking \$49,000 a year, or any sum, out of the Treasury of the United States, a petition signed by persons who did not live within thousands of miles of a route which produced only about \$150 a year? And what business had your client, John R. Miner, to forge that petition, as forge it he did, when he transferred that sheet of names from the place where the signers put them, to the other heading.

Mr. WILSON. Now, will you not be frank enough to tell to the jury that that petition—

Mr. BLISS. [Interposing.] I will give you gentlemen a chance to tell the jury anything you want to. I say that was one of the vouchers on which Mr. Brady acted. I do not say it was the only voucher on which he acted.

Mr. WILSON. It was put on file after he made the order.

Mr. HENKLE. You want to tell the whole truth, do you not?

Mr. BLISS. I think I shall state it truly. It was not on file when some of the orders were made. It was on file before others of them were made, if I am not incorrect in my recollection. The evidence will show. I think it was on file, but even if it was not it does not help Judge Henkle's client any. If he put an unnecessary forgery on the files of the Post-Office Department did he do it because he was in the daily habit of so doing, or why? He put it there for some reason. It may have been intended as an *ex post facto* voucher. I do not care what it was. It was a square, bold, bare-faced forgery either to get money out of the Treasury or to back up the act of Thomas J. Brady in having already ordered money to be taken out of the Treasury. Twenty-eight thousand six hundred and sixty-six dollars of that \$50,000 was ordered to be paid out after the petition was filed. That is the route, gentlemen of the jury, in which we have the transaction with the postmaster at Alvord. Mr. Miner wrote to his agent out there, Mr. Williamson, "I find that Mr. S. H. Abbott, postmaster at Alvord, is writing here, saying you do not need any weekly mail. Go and buy him up. Shut him up. Get rid of him. We cannot afford this sort of thing." That is the meaning of the letter, as we shall ask you to infer. John R. Miner knew that Mr. Abbott was writing to the department. John R. Miner had so written to Mr. Williamson. That letter, when we came to make an investigation after Mr. Brady had gone out of office, had disappeared from the files of the department, and there is no evidence on file there that it ever existed. We have only the word of John R. Miner that it ever did exist there. But this is one of the rare cases when we shall ask you to take the word of Mr. Miner. Mr. Williamson was told to go and shut the mouth of that man by paying him, and Mr. Williamson performed that duty, paid the money, and took a voucher for his payment. We shall have the pleasure of showing to you something about that.

Mr. HENKLE. That will be explained.

Mr. MERRICK. You cannot explain it.

Mr. BLISS. You cannot explain it. You bought the man off once for complaining of you because you had not run the mail, and he had at least to have a mail in which to put his quarterly report. He had to travel way up to Cañon City to get his quarterly report in the mail, and he complained to the department that it was pretty bad to have no mail but still worse to have to travel twenty-five or thirty miles at his own expense to put his quarterly report in the mail, and so they paid him for his expenses in doing that thing. It was that transaction that encouraged them to think they could go to work on the other one. They did it and carried it out faithfully. That was one of the cases where they paid right up.

Route 44155, from The Dalles to Baker City, was let as 275 miles on a schedule of 120 hours, or five days, and two trips a week. John M. Peck was the contractor, and he was to get from the Government \$8,288. Lock-box 714 was to be used as in the other cases. Service was not begun until the 2d of September, 1878, though the contract required

them to commence on the 1st of July, 1878. Indian difficulties on a portion of the route it is claimed existed. The service having been commenced on the 2d of September, 1878, on the 1st of October Mr. Vaile put his subcontract on file, and before the month of October had run out petitions began to come in, and in less than two months after the service was commenced it was increased by adding one trip and the time was reduced from 120 hours, or five days, to seventy-two hours, or three days. The result was that the pay was run up from \$8,288 to \$31,080. On that route there was a little liberality in the sense that Brady's allowance was less than pro rata. If you believe the oath of the contractor, then Mr. Brady allowed less than pro rata, and instead of carrying up the route \$31,080, as he did, adding the expedited pay to the original pay, he could, under the oath, have carried it up to some sixty odd thousand dollars, I think. That, however, was a little oversight, and it was, as I recollect, corrected, for at a later period in the progress of the contract it was carried up, if I am right, to \$72,520. Later than that there came off \$10,360 for the reduction of a single trip. The fact is, that in the spring of 1880 Mr. Brady directed one trip to be taken off from all the star routes in the country which were over one trip a week, and these contractors sent out a circular calling attention to it and saying that Congress having failed to make the extra appropriation asked, Mr. Brady, for the purpose of bringing the expenditures for the fiscal year ending the 30th of June within the amount of the appropriation, was compelled to cut off one trip all around. "We give you this notice, and we advise you to write to your member of Congress and others." Brady estimated for \$2,000,000 for the expense of the star-route service for that year. Congress gave him every dollar he estimated for, and yet he found himself obliged to go to Congress in the December following the summer of his estimate and ask for \$2,000,000 more, and when Congress hesitated to do it, and set on foot an investigation which seems to me to have gone just up to the verge of discovering these frauds and then to have stopped, Mr. Brady ordered one trip a week cut off from all the star-route service of the country. These contractors accompanied that notice with the intimation to everybody concerned in transporting the mail that they should bring pressure to bear upon their Congressmen to make the appropriation and restore the service. Mr. Brady, when he cut off one trip a week from all the star-route service of the country, which reduction was rendered necessary by his fraudulent extravagance, put into his order not only a direction that every contractor was to have a month's extra pay on all that service just dispensed with, but they received this thirty days' pay for service which they did not perform, and which Brady told them they could not perform, because having estimated for \$2,000,000 he had spent \$4,000,000.

Mr. HENKLE. Was not that the law ?

Mr. BLISS. It was the law to give the month's extra pay. I grant you that. It was not the law for Mr. Brady to estimate for \$2,000,000, run it up to \$4,000,000 by these fraudulent orders such as I have called to your attention, and then intimate to the contractors to bring pressure upon Congress to get his extravagant appropriations and thus enable you gentlemen to come in here and undertake to say that Congress has condoned your offense. Now on that route the extra pay to the contractor for the month amounted to several thousand dollars, as I recollect it. Having been cut off in April, this trip was on the 16th of July restored. Brady had got in the mean time from Congress \$1,250,000, and he had also, which was of more importance, got into

a new fiscal year with a new star-route appropriation to operate upon for the whole country. Therefore he restored this trip, and the result was that the contractors were at most without the one trip for two months and they got pay for it for one of those months. Mr. Rerdell, I think it is, for he was a voluminous correspondent, suggests to the contractors, in one of the letters we shall produce to you, that it will probably be a beneficial thing for them to have the trip taken off for a month because they can fatten up their stock and get them in better condition.

On the 18th of September, 1879, going back a little, Peck swore it would take on the existing schedule eight men and ten horses to perform the service on that route. It was 270 miles long and they had to go over it each way twice in a week. They had therefore to travel 540 miles in a week. Mr. Brady accepted Mr. Peck's oath that to do that would take only ten horses. I will not say that ten horses could not have done it, but I do say that those ten horses would have to travel a good many times as many miles in a day as Mr. Brady said in his orders for expedition was a proper number of miles for a horse to travel. He said on one of the routes that two miles a day was all a horse ought to travel, or four miles in double team, and from two to six miles a day; that was about all he allowed. But he accepts this statement of Mr. Peck of the number of miles these horses ought to travel. Mr. Peck also swore that to reduce the speed from 120 hours to seventy-two hours would carry up the men from eight to twenty, and the horses from ten to sixty-six. To go over that route in five days, twice each way, you need but ten horses. To go over that route twice each way, in three days, you need sixty-six horses. That is the statement of the oath. As to that route we have this peculiarity: There is Baker City [indicating on the map] and here is The Dalles [indicating]; there was from Baker City another route passing up by Pendleton and down to The Dalles. Every pound of mail matter which came from the east bound to The Dalles, which is a large place in Oregon, went over this latter route even though it arrived at Baker City. It went from Baker City up around that way because it was quicker and more certain than to go by the other route. Every pound of mail matter that went from The Dalles to Baker City or farther east went around. Although longer, the route could be traveled quicker and more certainly. The first station out of this route this side of Baker City is Auburn, and a letter at Auburn which was intended to go to The Dalles did not go over this route [indicating], but went the other way east, and then around, and came west to The Dalles. A letter from Auburn intended to go to the first station the other way from this end of the route went first east, then north, then west, and then south. Not only did not the matter from the terminal stations pass over the route north; matter coming from beyond the terminal stations, but the matter which originated upon a portion of the route went around about out of its way to strike another route so as to get to its destination quicker and more certainly. That is the route which the facts show so clearly was not a through route. It was a route that produced \$2,300 a year, and Brady ran it up to \$72,520 a year. There were only three settlements on the entire 270 miles. Those settlements were all in one valley, within a compass of fifteen miles. They were all right in there [indicating on the map], in the valley known as John Day Valley, which was a valley to which an alleged discovery of gold had brought a certain number of people. In point of fact, gentlemen, though expedition was ordered in November, 1878, within two months after the service actually commenced, there was no expedition performed on that route

until November or December, 1879, and yet expedition was paid for all that time at the rate of \$72,000 a year. If it had got up to \$72,000 as early as that, it is possible that some of the increases did not begin so early. At any rate, expedition was paid for upon that route. I think we shall be able to show you that there were some curious devices to get the evidence of a terminal postmaster that the mail had been carried when it had not been carried at all. A petition upon which that expedition was granted was interlined in a way to indicate that there has been applied to it some of the peculiar abilities which are shown to have existed in connection with other petitions on other routes.

The route from Bismarck to Fort Keogh, 35051, was let at 250 miles long, on a schedule of eighty-four hours of time once a week. John R. Miner was the contractor. On the 2d of April, 1878, before the contract term commenced, when John R. Miner was the contractor, Stephen W. Dorsey, who was a Senator, writes to an engineer officer of the Northern Pacific Railroad—I think it was with reference to the length of the route—and he gets a reply, which he places on file, showing that in point of fact the route was 303 miles, instead of 250 miles, long. On the 23d of December, 1878, three trips were added, and \$4,700 allowed for those, being *pro rata*. Then the service was reduced from eighty-four hours to sixty-five hours, and \$27,950 was allowed for that, making a total of \$35,000; and on the 2d of August, 1879, three trips more were added, making \$70,000 on a route where the original contract price was \$2,350. Miner swore that three trips would take twelve men and thirteen animals on the then schedule; that to reduce it to sixty-five hours from eighty-four—twenty hours—would require one hundred and fifty men and one hundred and fifty animals. Is not John R. Miner the champion swearer of the universe, gentlemen? There is no pretense, there will not be any pretense, that that affidavit was correct. It was sworn to by a man who never saw the route. In that respect, however, he is just like all the rest of these defendants. There is not an affidavit on file from any one of these defendants who, at the time he made the affidavit, ever had seen the route, as I am informed. Miner swore that it would take three hundred men and animals to perform the service in sixty-five hours on a route in fact 303 miles long. It would, he said, take a man and an animal to every mile to perform that service. Now that statement was more than Brady could swallow. I am stating it pretty strong, gentlemen, I know, when I say that. But it was more than he could swallow, and therefore in that case he did not make expedition up to the limit. He made expedition considerably below the limit. But you will remember, gentlemen, that in another portion of my opening I called your attention to the fact that there appeared on file proof of another affidavit of the same John R. Miner, in which he made a statement entirely different as to the number of men and animals which would be required, only about a third of what is stated in that affidavit, and though Mr. Brady could not swallow this second affidavit of Miner's and make the allowance up to the limit called for by it, he compromised things by making an allowance somewhat in excess of the first affidavit of Mr. Miner.

Mr. HENKLE. How much?

Mr. BLISS. Somewhat in excess; about \$2,000 if I remember right; and when anybody gets within \$2,000 of Miner's figures he gets surprisingly near them.

Now that affidavit of Miner's, gentlemen, was made within two months after he had been putting petitions into the Post-Office Department de-

claring that that route ran through trackless prairie, with no inhabitants, which was true; with no call for the mail, which was true, except that it was, as I am going to show you presently, a route of growing importance between two terminal stations, and where it had been claimed that he must have a company of soldiers to accompany every carrier over the route in order to carry the mail safely, and if his 150 men had actually been needed as mail-carriers, he would have taken something like half the Army of the United States to accompany his mail-carriers over that route, if his affidavit had been true.

That route, gentlemen, was the route on which Rerdell made the proposition to Pennell, the contractor, that when he got out a hundred miles or so he should pretend that there was, thirty or forty or fifty miles north of it, a settlement, and that he should get up a petition and have it signed by his gang of workmen, and that in that way they should ask for mail service to connect with this route; and that they should ask for the appointment of one of their number as postmaster at this supposititious place, on this supposititious route, and then they would get their arrangement made in Washington to carry their mail over this supposititious route they were going to make, and get an allowance for fifty or sixty or seventy miles. Mr. Pennell was too honest for them. He would not do it. He will come here and tell you the whole transaction, and you will believe every word he says when you see him. That is the route, gentlemen, where they commenced by building a station every seventeen miles, and when asked by the contractor why they wanted stations every seventeen miles, they said that they were going to have an increase, and when they got an increase of trips and speed they would have to have stations every seventeen miles, which was true. But they were so certain that they were going to have it that they built those stations every seventeen miles, when, until they got the expedition, they used only every other station. They spent in building their stations, and for things other than the horses that were to run the route, \$6,600, before there had been an order for expedition; before there had been any sign in the department that there was any call for expedition, when the Indians were going over that trackless prairie, according to their papers on file here; and they spent \$6,600 for these permanent improvements, while at their existing rate of payment they were getting only \$9,500 in the whole four years of their contract. That is the route, gentlemen, upon which John W. Dorsey proposed to Pennell to go into partnership with him, and told him that it was to be expedited, and told him that there would be two increases within a year; that one of them would be an increase up to \$25,000, and it is the route, gentlemen, on which they got one increase within a year which was up to \$33,000 instead of \$25,000, and on which they got a second increase in thirteen months instead of within the year, which carried it up to \$52,000.

Now, gentlemen, that route, as I have said, was a route of considerable and growing importance. The reason why their efforts to have it discontinued, on the ground that it belonged to the Indians and not to them, did not succeed, was that the inhabitants of Dakota, represented by their Delegate here, insisted upon it that there should be a mail route from Bismarek to Fort Keogh, which was a military post within the Territory of Dakota. There was, in that point of view, a justification of the existence of the route. There may have been, possibly, a justification of the increase of the number of trips to some extent. There never was any justification of the increase of speed and expedition. The very orders which Brady made refer to applications for increase coming from

officers of the Army, which officers did not ask for any increase of expedition. They asked for increase of trips on the ground that they wanted constant communication with what we may call the outer world. They did not ask for increase of speed at all. Brady chose to take those petitions as a means of ordering increase of speed. That route was let at \$2,350 for one trip. If he had made it seven trips a week he could have run it up to but \$16,000. That was too paltry a thing for these gentlemen. They had to have orders for expedition and increase of speed that could give him any justification, even if he did not believe Miner's affidavit, in carrying the amount up to \$50,000, and, therefore, he chose to pervert the letters of the officers of the Army asking for increase of trips into applications for increase of speed, and he will tell you, probably, that one of the noblest officers of the Army, General Miles, whom it is one of the proudest recollections of my life that I have something to do with enabling him to get into that position in the lower grade of the military where he exhibited those capacities which made him a brigadier-general in the Regular Army, passing from a simple clerk at the outbreak of the war in New England advised it. General Miles made an application for an increase of service. They transformed that into an application for increase of speed; and a few others like that were used for authority for this expedition. Do not understand that there are not other papers there. There are other papers on file asking expedition. There is no question about that. You all know, and the court will take judicial notice of it, that you can get petitions anywhere for anything. Of course you can get petitions anywhere in the western territory from men who honestly and fairly, and from their point of view properly, sign petitions asking that they should have a mail service every day in the week, twice a day if you choose, and that it should run ten miles an hour if you choose, for the simple reason that it is a convenience to them. It is not paid for by them. It is paid for by the general public, which means the public of the East; and they signed those petitions and sent them here because they believed, until the developments of this cause, that they had a Second Assistant Postmaster-General who would look at the petitions and say, "This is the representation of one interested side urging its wishes and its views; I am to judge of that judicially, with a view to the interests and demands of the entire country, and with a view to the amount which Congress has chosen to place at my disposal."

Mr. HENKLE. Won't you tell the jury what General Sherman said about it?

Mr. BLISS. General Sherman never said a word in favor of expedition, and, if I may refer to it, you heard and I heard General Sherman say that expedition was not necessary.

Mr. MERRICK. [To Mr. Henkle.] Why do you not keep quiet?

Mr. HENKLE. I want you to tell the truth.

Mr. BLISS. I am telling the truth right straight along. You are in the position of the sailor who said that what led him to prefer a particular kind of religious service was because he had a chance to jaw back. Your time will come.

The route from Vermillion to Sioux Falls, 35015, was let as fifty miles long and at fourteen hours time, trips once a week. It was really seventy-five miles. Mr. John W. Dorsey was the contractor, and \$398 was the amount for which he undertook to perform the service. On the 1st of August, 1878, he made a contract with a Mr. Leach to perform that service for him, and he agreed to pay him \$500 for it while he was only going to get \$398. But then he agreed that if it was put up to two trips, foreseeing

Brady's action, then he would pay him \$900 for it. On the 1st of August, 1879, a new contract with Leach was filed, which provided for six trips, and Leach was to get \$2,150 in case of six trips. Lock-box 714 appeared there, and the address was to be the care of John R. Miner, though John W. Dorsey was the contractor. There was an addition of a couple of miles on account of some change in the post-office. Then came the six trips provided for in Leach's subcontract. Then came the expedition to ten hours, and by that time the \$388 originally to be paid by the Government was carried up by Brady's orders to something over \$6,000. On that route Mr. Vaile, who was nothing relative to it officially, was the man who made the affidavit for expedition. There were various changes upon the route, to which I will not stop to call your attention; but in December, 1879, all the postmasters on the route concurred in asking an increase of the time to sixteen hours, representing that the mail could not be carried in the then time. There was no other mail over the route. The petitions in that case were sent out from somewhere, apparently from here, with blanks left in them. They were signed with the blanks left in them for the hours as I recollect—it may have been trips; for something—and the petitions got back here and part of them got on file and never had the blanks filled up, and there they are to-day with the blanks unfilled. But when these postmasters wrote, asking that the time should be reduced on the ground that it was too low, what was the result? The postmasters sent the application through Judge Bennett, the Delegate from the Territory; and a member of Congress, or one occupying that position, is entitled to the consideration of an answer. When I commenced my opening I supposed that that answer was entirely lost. I knew that the original was lost. I supposed that there was no evidence of its existence. But there has been found the answer of Mr. Brady, and that answer of Mr. Brady, as appears to be indorsed on the papers that we found, is: "Write Judge B. that it cannot be done." He does not say why it cannot be done, except the obvious rule that when a Delegate or Member of Congress or Senator asks an increase of the amount of money taken from the Treasury, it can be done promptly, provided the money is to go into the hands of contractors who have made proper arrangements. If the Delegate, Member of Congress, or Senator asks that the amount of money taken from the Treasury be decreased, if it is to come out of the pockets of these same gentlemen, the answer is: "Write Judge B. that it cannot be done;" and they wrote Judge B. it could not be done, and then they went on and added this other remarkable reason: "It would be an injustice to other bidders at the letting of the route."

Mr. Dorsey, or Mr. Miner, or whoever it was, having got this contract as the lowest bidder, having then got the route expedited and got it run up from \$398 to six thousand and odd dollars, the postmasters asked that that increase be taken off, and Mr. Brady says it cannot be done, because it would be an injustice to the other bidders on the route. What have the other bidders to do with that thing? John W. Dorsey was the bidder. If the postmasters' request had been granted the amount going into the hands of Dorsey and company would have been diminished. Dorsey would have been still responsible to carry the mail; still bound to carry the mail under his original contract; but Mr. Brady says it cannot be put back in that position, though the postmasters on the route, and there are ten or twelve of them, all say it ought to go there. Mr. Brady says it cannot go there because it would be injustice to other bidders on the route. Mr. Brady in giving that

reason did not do justice to his own abilities. He ought to have found some better reason than that.

The fact is, gentlemen, that that petition, and that application to Bennett to attend to it, was but the end of a long series of applications proceeding from the route, representing that the rate of speed required was greater than the wants of the locality demanded, greater than could be carried out, and that there had been irregularities consequent upon not complying with the schedule. There had been that series of moves right along from the locality, and finally Judge Bennett was written to go and attend to it, and he went with that result to which I have called your attention.

On the route from Redding to Alturas, No. 46247, there were two trips a week. The route was 179 miles long, and the time was 108 hours. The agreement was to pay \$5,988. Rerdell sent out the inevitable petitions on that route, and lock-box 714 comes in. The first petitions for increase bear date the 12th of April, 1878, three months before service was to commence. On the 5th of October, 1878, when Major filed his subcontract, he was to be paid \$2,200 more than the Government was paying to Peck, the contractor. But it contained a provision looking to six trips. The provision was this, and it shows how unjust was Mr. Brady's idea of allowing pro rata on trips: He was to do the six trips for twice the amount of money for which he was to do two trips, and he was to do seven trips for \$17,000, when, if there had been pro rata, he would have been entitled to have been paid \$24,000. One trip was added before the service began at all. It was added in June, 1878, and an allowance of \$2,994 was made for that. In December, 1878, the time was reduced from 108 hours to 72 hours, and \$26,946 was allowed for that. So that a route starting at \$5,988 was within less than six months carried up to \$35,925, of which sum the subcontractor got \$21,000, according to the order which Brady himself made, and \$14,925 according to the same order went to the nominal contractors here. By subsequent changes the contractor got \$41,916, and the subcontractor, who did the work, got of that only \$23,000. And yet, gentlemen of the jury, while all that money was being paid for a reduction from 108 to 72 hours, in point of fact the mail was being carried all the time before the payment was ordered by Brady in 41 to 43 hours in summer and 60 hours in winter. Brady paid that large sum under the pretense that thereby he was getting the time of carrying the mail reduced from 122 hours to 70 hours, when, in point of fact, the mail was being carried in between 60 and 41 hours all the time. There was no pretense of necessity for paying that money—money, mind you, that was paid without getting anything for it; money, the great bulk of which went to parties here in Washington with whom Brady was dealing, and did not go to the contractor who was carrying the mail. They were doing a large passenger and express business with four-horse coaches. They were glad to take the mail, which was not large, along with their passengers and express matter for the original sum which the contractor was content to give them and which he agreed to give them, reserving to himself a very handsome sum. Yet, in fact, the contractors claimed, and Mr. Brady, obedient to their call, gave large increases, being liberal with the money of the tax-payers of the country.

The route from Julian to Colton, 46132, was let as 120 miles long, on a 54-hours schedule. John M. Peck was the contractor, and he agreed to carry the mail one trip a week for \$1,188. Mr. Hayes was the first subcontractor, and was to have \$1,069.20. That contract contained a provision for a future increase to two, three, and six trips; that was withdrawn;

then Mr. Vaile's subcontract went on file. Down in June, 1879, and less than a year after the service commenced, two trips were added and the time was reduced from fifty-four hours to twenty-six hours. I want you to remember those figures, gentlemen. And \$5,346 was added for doing it. The mail is stated to have weighed about thirty pounds and to be chiefly printed matter. It supplied, in all, about 140 families. To the terminal station the mail went quicker by another route. The petitions on this route asked for thirty-six hours. There was not a petition anywhere that asked for less than thirty-six hours. They asked for it in different forms, but they all wound up with thirty-six hours; and yet the affidavit which was made by the contractor had the foreknowledge that Mr. Brady was going to disregard the petitions and give a schedule of twenty-six hours. He gave the schedule of twenty-six hours. It so astonished the simple people out in the locality that they did not believe it possible that he could mean it. They thought he was doing what he told Walsh he was not doing—making orders for fun; that he was “funning,” as the boys say, and they went on for a considerable time treating it as if it was intended to be an order for thirty-six hours, because they gained nothing in twenty-six hours, and all they cared for was thirty-six hours. They got twenty-six hours, and yet, gentlemen, in that very order, we shall show it to you, the twenty-six hours was undoubtedly originally written thirty-six, and, for some reason or other it was altered into twenty-six; so that the putting it to twenty-six hours was not a mere careless error. There has been a change in the order, which looks as if it was a change by substituting twenty-six for thirty-six. But there is no dispute, fortunately, from other parts of the order, but that the one to which Brady affixed his signature, and which he approved, was a twenty-six hour schedule.

The COURT. I think we will hear your peroration to-morrow.

Mr. BLISS. Your honor seems to insist upon it that my opening shall have the regular ornaments.

At this point (4 o'clock p. m.) the court adjourned until to-morrow morning at 11 o'clock.

TUESDAY, DECEMBER 19, 1882.

The court met at 11 o'clock.

Present, counsel for the Government and for the defendants.

Hon. GEORGE BLISS resumed his opening address to the jury as follows:

Gentlemen of the jury, if I had not already occupied time so greatly in excess of anything I expected, I should state with considerable confidence that I should be able to relieve you from listening to me within a very short time. I think I shall be able to confine my remarks to an hour this morning.

As to the routes of which I have not spoken I take up next the route from Rawlins to White River, which is route 30113. It is in the Territory of Wyoming, one hundred and eighty miles long. It was let on a schedule of one hundred and eight hours, one trip a week. Mr. J. W. Dorsey was the contractor, at \$1,700, to be paid by the Government. Nearly at the outset a Mr. Perkins became the subcontractor at \$2,500, \$800 more than the Government paid. On the 15th of April, 1879, and again on the 9th of May, 1879, directions were given that all communi-

cations on that route should be sent to the care of M. C. Rerdell. As early as October 1, 1878, three months after the contract went into operation, there was filed a subcontract with a man named Wright, by which he was to be paid for two trips \$2,850; for three trips, \$4,065; for six trips, \$8,317, I think, and 25 per cent. of all expedition. That was the Wright contract. I am wrong in saying it was filed. I think that contract was not filed. On the 28th of December, 1878, in the same year, there was a subcontract filed by Mr. Rerdell. There were also upon that route at different times other subcontracts. On the 11th of November, 1879, Mr. Stephen W. Dorsey appeared as the subcontractor. As early as the 2d of May, 1879, Mr. Dorsey telegraphed to Perkins, who was then performing the service, that there had been an order for three trips a week, the trips to be performed in fifty hours each; the original schedule having been once a week at one hundred and eight hours. Mr. Dorsey telegraphed that there had been an order to that effect. There never was, in fact, any such order made by the Post-Office Department, or made by Mr. Brady. Mr. Dorsey, though, obviously, was at that early stage interested in the route. About the time that Mr. Dorsey telegraphed as to a change to fifty hours there was in fact a change to forty-five hours. On the 7th of February, 1879, Perkins's subcontract went on file with one of those sliding scales paying him for increase of trips. On the 11th of November in that year, as I have already said, Mr. Stephen W. Dorsey appeared as the subcontractor. In December, 1879, Messrs. Foote & Dalton appeared as the subcontractors, and some time in 1880 a Mr. Taylor appears and then disappears and then appears again. All this shifting about having taken place, it was on the 12th of May, 1879, that two trips were added; the time was reduced from one hundred and eight hours to forty-five hours, and that was done at the cost to the Government of about \$12,000. On the 1st of April, 1881, seven trips were added at a further cost of \$18,275, carrying the total up to \$31,981.20 on a route which originally cost the Government only \$1,700. The contractor originally paid \$800 to the subcontractor more than he got from the Government, and there was a time in the history of those subcontracts where the route was transformed in such manner that the contractor having originally paid out \$800 more than he got from the Government was receiving about \$12,000 a year more than he paid out. He always received between \$8,000 and \$9,000 a year more than he paid after the arrangements for increase and expedition had taken place. Upon that route, gentlemen, a blank affidavit was sent to Mr. Perkins, the subcontractor, in a letter from M. C. Rerdell. I told you yesterday that Rerdell was the omnipresent correspondent on behalf of these parties, writing in his own name, writing in the names of Miner and of Dorsey and of everybody else, and writing as to their contracts in turn. A blank affidavit for expedition was sent to Perkins with a direction to Perkins that he was to swear to it just as it was, the language being specific:

Swear to it just as it is.

The number of men and horses that were in use and the number of men and horses that would be in use were equally left blank. Mr. Perkins thought it an extraordinary thing, but he went before a notary and swore to it. He sent that affidavit back here and at some time that affidavit was filled up with the number of the men and horses, both those then required and those that would be required, and it was filed in the department, and in the order in which Mr. Brady makes his order for expedition, he refers to the affidavit of the subcontractor

as the basis of his authority for so acting. There was at that time also another affidavit there as to men and horses, but it was not referred to, as I recollect it, in the statement made in making the order for expedition. But though referred to, gentlemen of the jury, as the basis of the order which Brady made reducing the service to forty-five hours, in point of fact Mr. Perkins's affidavit was for eighty-four hours and not for forty-five hours at all. Brady pretended to base his order upon that affidavit, but when he came to make his reduction and his allowance he reduced it to forty-five hours, and forty-five hours was the time covered by a subsequent affidavit put on file by Mr. Dorsey, indicating, as we think, gentlemen, that when they sent that affidavit to Wyoming to be sworn to, and when they started in originally they started in looking to a reduction only of eighty-four hours, but when they came to carry out their plan, either because their greed increased and they wanted more money, or possibly because Mr. Brady saw that to make an expedition to eighty-four hours and to allow the requisite sum of money for it did not present such a gain in time as to anybody who examined the case would justify any change whatever, for the one reason or the other they reduced their time that they sought for to forty-five hours, and Mr. Dorsey made the affidavit looking to forty-five hours. But the indorsement on the papers had apparently been drawn with the idea that it would be eighty-four hours, and therefore the reference was made to Mr. Perkins's affidavit, but, in point of fact, when they came to actually execute it they found it forty-five hours, and the only authority for that was the affidavit of Mr. Dorsey. But they still left the reference on the back, as made on the basis of Mr. Perkins's affidavit, which was for eighty-four hours.

That is the route, gentlemen, on which you may remember that early in February, 1881, Mr. Rerdell wrote to Perkins or to Taylor, I have forgotten which it was, in Wyoming, that if he could get the petitions here before the 4th of March he had arranged to have the two trips or three trips a week carried up to seven trips a week. The letter got to Wyoming somewhere about the middle of February. The parties went at once to work. At Rawlins they started out on the same day, getting a petition written by some one there, and got signatures through the bar-rooms and similar places there and started the petition back. The route was maintained, gentlemen, from Rawlins down to White River, because at White River there was an important Government military station. It was the region where there had been at one time, long prior to these orders, what we are all familiar with, the Ute outbreak, where there was a terrible massacre by the Indians. The route was maintained solely for the purpose of communication with the military post. There was little, almost no mail matter passing over the route save for them. When they went to get the petitions at the military post in obedience to the request of Mr. Rerdell they tried the commanding officer of the post, but he refused to sign. They could not get anybody to sign except—there does appear here a petition signed by a lieutenant and somebody else. But the man who was employed to get the petitions signed, after going to the commanding officer and others, and trying to get them to sign, found that they would not, gave up the business, destroyed the form of petition which he had and did not send it. Those petitions did not get back here by the 4th of March. They got back here on the 5th of March, I think it was. On the 8th of March Mr. Thomas L. James, having become Postmaster-General on the 6th—entered upon his duties, I think, upon the 6th—Mr. Thomas J. Brady being still Second Assistant Postmaster-General, made the order allow-

ing the carrying of the service up to seven trips—the seven trips which Mr. Rerdell in the preceding February said he had arranged to have made, provided the petitions were here before the 4th of March. Mr. Brady did not go back upon him. Mr. Brady made that order, and when the order was, as everything that is done in the Post-Office is, entered on a large blank book which is known as the daily journal, and that journal was taken to the Postmaster-General by the clerk in charge to have his signature as indicating his approval of it, Mr. James saw that the order had been made. He signed the journal, and directed the clerk to see that that order, which was the last order, as I recollect it, on the journal of the day, was revoked. That that clerk communicated that information to Mr. Brady was shown by the fact that soon after Mr. Brady came into see Mr. James to talk about that order, and he wanted to know whether that director to revoke that order indicated the policy of Mr. James as Postmaster-General. He was informed that it did, and he left. Mr. James assumed that he had obeyed the order that he had given him to have the order revoked, and it was not until the last week in August, as I recollect it, that it was discovered—after Mr. Brady had gone out of office—that he had failed to revoke that order, and that it had continued in operation all the time down to that time with its consequent result of drawing from the Government money at the rate of \$18,725 a year. That order was made in that way, and then having been made—by the way, gentlemen, this letter of Mr. Rerdell's which I have referred to was a letter we had great difficulty in getting at. We could hear of it everywhere. We could not find it. The recipient had passed it to somebody else, somebody else had passed it to another party, that other party had mislaid it, or it was in his baggage at a distant place, and everything of that kind; but we finally succeeded in finding all of the witnesses, and when we got them here, after their statement of the contents of the letter, we did succeed in getting from the other side the press copy of the letter. It is the only paper that they have ever been willing to give to us as showing any of their actions in connection with these contracts. We make no complaint whatever of it, gentlemen. We simply call your attention to the fact that they have their papers in their possession, and that we have not got them. Upon that route, gentlemen, I call your attention to the fact that it may be claimed to have been kept up in connection with the Ute outbreak. Now, the Ute outbreak occurred in the fall of 1879. The orders that were made upon this case of increase were made entirely without reference to that outbreak, because the first order adding two trips and \$3,400 was made on the 1st of May, 1879, long before the outbreak. The order for expedition reducing it to forty-five hours was made on the 1st of May, 1879, and long before the outbreak. The order for seven trips was made on the 8th of March, 1881, and long after the outbreak had been quelled, and after the number of the military stationed at the post had been greatly reduced. I state this because there is in the papers an attempt to show that these orders and the expedition upon that route was made in view of the emergency or the circumstances created by the Ute outbreak. The Ute outbreak was on the 27th of September, 1879. Orders were either made on the 1st of May, 1879, or on the 8th of March, 1881. The order of March, 1881, undoubtedly had the approval of the military authorities, or some of the military authorities here. All the offices upon that route from Rawlins to White River, including the two terminal offices, produced a net revenue which varied from \$1,245 to \$1,724 in different years. Excluding Rawlins, which is on

the railroad, and received its mail matter east and west entirely independently of this route, and we find this, that the offices upon that route in 1879 produced a revenue of \$79.84, and in 1880, after the military had been increased they produced \$325.89, and in 1881, \$301.51. And yet the Government was made to pay upon that route, which admittedly was a local route, sums as high as \$31,981.25, and leaving a profit to the contractor, who did no work, which varied at different times, but generally was about \$12,000. On that route, also, let me remind you, gentlemen, that after Mr. Rerdell had got his order increasing it to seven trips in April, 1881, he writes back to the subcontractor out there calling his attention to the fact in substance of what a good thing he had done for him; how much he, the subcontractor, was going to make by being allowed to perform the service at \$20,000, when the contractor was getting \$31,900, and confident that he would feel very grateful and anxious to do something for somebody, for getting him so good a thing. Mr. Rerdell, at some little length, impressed upon him that he, Rerdell, got that arrangement made, and that the subcontractor out there must not suppose that any attorney or anybody else had anything to do with it; that he, Rerdell, did it all; that he, Rerdell, did so good a thing for the subcontractor in arranging to give him \$20,000 for performing the service, while the contractor got \$31,900; that he, Rerdell—that is the substantial inference from the letter—wants to be paid for what he did.

The route from Mineral Park to Pioche, gentlemen, is the last route included in this indictment which I shall take up. It is route 40104. It was let as being two hundred and thirty-two miles long. The time was eighty-four hours, and it was one trip a week. John W. Dorsey was the contractor, and the amount to be paid by the Government was \$2,982. On this Peck, with no relations to the route, in a letter written by Miner, who had equally no relations to the route, asked leave to subcontract the contract, and Brady allows it, John W. Dorsey being the contractor.

There was a subcontract on file in Rerdell's name here at one time. There was another subcontract on file in the name of McKibben, sometimes known as "Joe" McKibben, a well-known resident of Washington. Then there was a subcontract on file in the name of Salisbury, a regular mail contractor. There had been originally made a subcontract with one Jennings, and he had sent it here to the Delegate of the Territory, Mr. Dagget, to be filed under the subcontract law. That subcontract was left at the Second Assistant Postmaster-General's office to be filed. The clerk received it, with no intimation that it could not be filed. In point of fact there was then on file a subcontract of Mr. Rerdell's, and under the law there could not be two on file. Therefore that contract never was filed. Mr. Jennings went on performing or pretending to perform—for I think he was singularly deficient in his performing—his subcontract and assuming that he was to get his pay from the Government, and when, after a time, he got no pay he came on here, two years afterwards, I think it was, and for the first time then found that his subcontract had not been filed. That resulted in a good deal of stir here, and a good deal of what I suppose I may fairly call a row, and as the result of it Mr. Brady undertook to make an order that Jennings's subcontract should be placed on file, and should be placed on file as of the date when it was originally brought here, thus cutting off everything that had been done since, and creating the greatest confusion, owing to the fact that payment had been made after that time to the other subcontractors who had their contracts on file, and presenting the question as

to what Mr. Jennings's relations were to the department under such circumstances as that.

On the 16th of January, 1879, six months after the contract went into effect, two trips were added, and the time was reduced from eighty-four hours to sixty hours. On the 23d of July, 1879, such an addition was made as to make the route from Mineral Park to Pioche a daily route, and the result, therefore, was that from that time on a contract which had been let by public bidding for \$2,982, was run up to \$52,033.37.

As to that route there are a series of remarkable facts to which I desire to call your attention. In the first place, there is a petition on file which was made the basis of one of Brady's orders, which purported to be a petition of citizens furnished by the mail on that route from Pioche, Nevada, to Mineral Park, Arizona, asking for more frequent mails and a reduction from eighty-four hours to sixty hours. They describe themselves as citizens furnished mail by the United States mail on that route. Of the signers of that petition, no one that can be identified lives or ever did live on that route. No one of them lived nearer than a place called Signal, a hundred miles south of the southerly end of that route, and the postmaster at the southern terminus of the route, Mineral Park, who opened every mail bag that went over that route and examined every letter that went over that route—and I shall show you pretty soon that he had not any great labor to do it—that postmaster will say to you that he never knew of a letter passing over that route going to or from Signal; that the inhabitants down at Signal did not get their matter on that route at all. They got it in another way. They were not citizens "furnished by the mail" on that route, and yet, gentlemen, some of those people honestly and squarely and properly I believe signed a petition, but that petition is a forged and altered petition. When you see it it will be obvious to everyone of you that it is forged and altered; that the route being 40104 there was taken a petition from some other route which was 40100 and something, the numbers being in numerals, the figure at the end was altered from the route for which that petition was signed so as to make it fit this route with the termini of the route Pioche, Nevada, and Mineral Park, Arizona, so altered, written over erasures, as anybody can see, and written over erasures under such circumstances that anybody can see that it related to a route not in Nevada and Arizona as there described; and moreover, that petition bearing some forty or fifty names, you will all agree with me when you see it that the signatures on it were made by not exceeding five, six, or seven different people. There are not more than five, six, or seven different handwritings to all those names, and it is a petition, as I said, of people claiming to be furnished with mail matter on the route. All of the signers who can be identified lived elsewhere, and the petition is thus altered, as I have said. But, gentlemen, the extraordinary things in connection with this business did not stop there. There was another route, from Mineral Park to Ehrenberg, Mineral Park being the terminus of both of those routes. On the same day in which Mr. Brady made the order increasing the service or expedition from Mineral Park to Pioche he made a similar order upon the route from Mineral Park to Ehrenberg, and that petition is a precise duplicate of the petition on the Mineral Park and Pioche route. The signatures are the same. Its language, as being parties receiving mail matter on the route, is identical. The names are obviously written by the same parties, and, gentlemen, it is altered and erased and forged in precisely the same way. It never was made for the Mineral Park and Ehrenberg route. Those two bogus petitions

were on one and the same day, when on their face any man who sees them could tell that they were fraudulent, accepted by Mr. Brady as his authority for directing—I don't remember whether that is an increase of trips or an increase of speed; at any rate, one or the other, which took from the Treasury a large amount of money. The petitions are altered not only in the route and the number of the route, but they are altered in the time and everything of that kind, so that they are completely diverted from the use for which they are prepared; but not only that, gentlemen; that increase up to \$52,000 was made on the 29th of January, 1879. The first increase was from \$2,982 by the adding of \$19,318 for expedition and two trips, and then \$29,733.33 was added for four trips more. That expedition was made on the Mineral Park and Pioche route—one of the orders. The order for the addition of \$29,000 was made upon a single letter. The other order was made nominally upon the petition to which I called your attention. The single letter was written by Sidney Dillon, the president of the Union Pacific Railroad Company, and it was a letter which asked for communication by the Mineral Park and Pioche route, which was a portion of the route leading down to the Southern Pacific Railroad, a rival route of the Union Pacific. It was requested on the ground that it would be of very great value in developing the Territories, and giving intercommunication between the people along the line. Twenty-nine thousand dollars were taken out of the Treasury on the single recommendation of the president of a railroad company representing the necessities and importance of a complete daily connection on that route. And yet, gentlemen, upon the route we find this condition of things: From the 16th October, 1879, to the 31st of December, in the same year, we are enabled, on thirty-nine days, to fix the number of letters and the amount of postal matter which went over that route. We can fix it absolutely. The postmasters, misunderstanding their instructions, instead of counting the number of bags, counted the number of letters. As there was only one bag, and they did not suppose anybody ever thought there would be more than one, it never occurred to them that what was required was the record of the number of bags; so we find that in the whole thirty-nine days there went over that route one way thirty-one letters. On twenty of the thirty-nine days no single letter went over the route that way, but the mail-carrier, with the mail-bags, passed over the route from end to end. The only effect of that transaction on his part was to aid these parties here in drawing \$52,000 a year from the Treasury of the United States. On thirteen of those thirty-nine days one letter went over the route in that direction; on three days two letters; on one day four letters; and on one day it got up to the magnificent number of five letters. But, gentlemen, every one of those letters during the thirty-nine days were way letters. In the other direction the total was a little larger. There never was a letter during the whole time that went over the entire length of the route that started from Pioche at the north and reached Mineral Park at the south. The letters were chiefly taken up at a little intermediate town, Saint Thomas. That being the condition of things, and one of the increases having been made upon the letter of Mr. Sidney Dillon representing the importance of this intercommunication from road to road for through mails, what do we find? On the 22d of January, 1880, the increase having been made on the 23d of July, 1879, Mr. Brady makes an order, in which he recites that these mail bills, showing that "there was little mail matter passing over the route and that the service was irregularly performed" (which latter fact the mail bills did not show at all), therefore that the route should be reduced from the 1st of February—

this order having been made on the 22d of January—back to its original price, \$2,982; that all the increase which he, Brady, had made by which the sum of \$2,982 had been run up to \$52,000 a year should be cut off, because the mail bills showed that there was little mail matter passing over the route, and, as he said, that the service was irregularly performed. He was so indignant that he would not even give them—and it is the only case I think where he failed to do it—the month's extra pay on the service cut off, though the contractor claimed, and probably correctly, that under the law and the contract, if the service was cut off he had a right to his month's extra pay upon it. But here was Mr. Brady's honest heart so full of indignation because he had been induced to put up the cost to \$52,000, when there were in thirty-nine days only twenty-one letters passing over the route—that fact obviously having been brought to his attention—that he cut it all off with one fell swoop. And yet Mr. Brady's honesty did not last him longer than the 28th of the same month, for on that day he made another order reciting his order cutting it all down and then reciting that in view of the fact that the route formed a part of the direct line of communication between the Central and Southern Pacific Railroads it was deemed advisable to maintain a portion of the service. The mail bills, which he had himself seen, showed him that the route did not form any portion of a route for intercommunication between those two roads, because it showed him that no solitary letter had ever left the line of the Union Pacific Railroad Company on the north and reached the southern terminus of that mail route on the south. He recited, however, that because that was so he would not cut the service all off and reduce the payment down to the original sum of \$2,980, but he would reduce it to three trips a week and he would only deduct \$29,733.33, leaving the contractor with his twenty-odd thousand dollars clear. And then his indignation was so far modified also that he gave the contractor his month's extra pay on the service cut off. Having reduced the pay to \$2,982 six days previously on the ground that there was no mail matter as appeared by the mail bills, he put it back six days later to twenty-odd thousand dollars on the pretense that it was part of a through route, when those very mail bills showed it was not any portion of that route. Gentlemen of the jury, we shall show you some facts that will perhaps give a reason for this action of Mr. Brady's consistent with the belief that the original cutting-down order was not the result of a spasm of conscience. The original cutting-down order was dated on the 21st or 22d of January. On the 12th day of January, eight days preceding, Mr. Brady had been called before an investigating committee of the House of Representatives and had been examined somewhat in detail, but only partially, and he had been called upon to account for his estimate of \$2,000,000 as all that was necessary for the star-route service made but a few months previously, while he was then asking Congress to give him \$2,000,000 more to cover a deficiency which he had created, or which would exist under the orders which he had made, if those orders continued in force to the end of the fiscal year. He was called upon to give his reasons, and to give facts in connection with them. He was allowed to go off the stand, but he was directed to prepare and furnish certain tabular statements, and to give certain detailed information which was subsequently to be furnished to the committee. He left the committee-room and went back to his office, and soon afterwards we find him cutting off this whole service and reducing it from \$52,000 to \$2,900. Undoubtedly in the momentary throwing off of balance which would come over a man under such circum-

stances when he found that an investigation was upon him and was apparently being pressed by a committee who knew something and meant to know more, he made this order of reduction. But six days later there came a little calm reflection, as we think you will infer from the facts, and he came to the conclusion that if he allowed the record to stand in that way the question would be, "How did you ever come to put the price up to where it was? What justification had you for that, if you say there is no mail matter on the route?" So he put the service back to the extent of three trips, and took from the Treasury some twenty-three or twenty-four thousand dollars a year for so doing. Upon that route, gentlemen, the net revenue in the year 1879 was \$761.39. For the year 1880, after Brady's fostering expedition orders had been made, the income ran down to \$597. In the year 1881 it recovered to \$653.67. If you take off the post-offices which were not on other mail routes, Mineral Park, which was on three other routes, and Pioche, which was on four other routes, and also on a railroad, and take only the post-offices which were dependent upon this route for their mail matter, the entire revenues of all the post-offices of this character were less than \$50 a year, and for the supply of them Mr. Brady directed the Treasury of the United States to pay, and it did pay, at the rate of over \$52,000 a year.

But, gentlemen, I will show to you that the order was persisted in after the mail bills brought to Mr. Brady's notice the fact that there was no justification for it. We shall present to you other evidence which will show you that in point of fact Mr. Brady knew, or was bound to know before any order was made, that there was no necessity for and no propriety in any such order of increase or expedition. On the 26th of August, 1879, Mr. Bean, living not on the route but north of the route, a lawyer well known in Nevada, wrote that the mail was an average of six letters a day, and that the population along the route was from twenty to thirty at different stations; and he says truly, because he was in the same condition as a great many other people before this investigation started, that he did not know the causes that led to the establishment of the route. He said it was not done in consequence of any petition from the Pioche end of the route, which was the north end of the route. I have shown you it was not, nor was it done in consequence of petitions from the south end of the route. It was done under the pretense of petitions from a point a hundred miles south of the south end of the route. Mr. Bean says he is sure the orders could not have been made by any one who knew the facts. He was wrong there, gentlemen. However, he added "and advised without personal interest." No man who advised without personal interest could have done the thing that was done on that route. There are some other details upon that route, but I will not stop to go over them.

Now, gentlemen, I have gone through this case somewhat in detail, and yet omitting much that will come out in the evidence concerning these nineteen routes in this indictment. I have spoken to you, you will undoubtedly think, at great length, and probably unnecessary length, but I have spoken only in outline, as it will appear from the evidence, as to the facts applicable to this case, and the facts upon which we shall ask you with great confidence, when the evidence closes, to render a verdict of guilty against these defendants. I have stated nothing to you, gentlemen, which I do not believe we shall be able to prove. I have stated nothing which I do not believe the court should allow us to prove. Yet, of course, you have already seen the indication that there will be an attempt on the other side to exclude some portion of the

proof. I have stated nothing, as I have said, so far which we do not regard as entirely at our command; evidence which we are in a position to place before you at any time. I now desire to call your attention to one single other piece of evidence which we hope to place before you, but as to which I am bound to say I cannot speak with entire certainty.

There is an ex-Senator of the United States, like Mr. Dorsey, a carpet-bagger from one of the Southern States. When the gentlemen concerned in the present management of this prosecution came into the case and took up the papers they found there had been left on the record a detailed statement that this witness could testify to various facts showing, among other things, the payment of money to Mr. Brady by Mr. Stephen W. Dorsey. I do not desire to go into details further as to what the witness would testify to, because it is possible that we may not have him here, and for this reason, gentlemen, he is a fugitive, with an order of this court for his arrest, and we are seeking to serve him—

Mr. WILSON. [Interposing.] Your honor, I want to know if this is a proper statement to make.

The COURT. He is stating what he expects to be able to prove.

Mr. WILSON. No; he is not.

Mr. DAVIDGE. He says he does not expect to have him here.

Mr. BLISS. I do not say so. I say we expect to have him.

Mr. WILSON. All right. Go on.

Mr. BLISS. I say, however, that he has been in concealment. I say he has been concealed in Nevada, and we have spent a great deal of money in trying to find him, and the first time that we heard of him after emerging from concealment was when we were notified that he came east on a train from Chicago. I do not know that he was in company with him, but he was on the same train with a gentleman employed by the defendants in this case. We heard that he appeared in New York; that he went to Northern New York, with our agents in sharp pursuit, and jumped over the line to Kingston, in Canada. There he was at the last account protesting all the while that he could not testify to anything that would do us any good, but at the same time running out of the country to prevent being put upon the stand to see whether the statements in the papers on file made by such reputable persons as Thomas L. James and others of what he had told to them were true. He was seeking to escape in that way. I believe, gentlemen, that before this trial is over he will come to the conclusion that it is best to come here and tell the truth and subject himself to any discipline that the court may impose upon him rather than to subject himself to what must be practically perpetual exile. The order of this court goes anywhere in this country, and when found, places him liable to an immediate arrest. I believe we shall have him here; but I am bound to say that I base my belief solely upon my knowledge of human nature and the circumstances of the case, and not upon any authority from him. If he is here we shall place him before you upon the stand, and when we have done so we shall ask you to remember that he is not a willing witness; that he is not a witness who has, of late at least, assisted the Government in any manner, but that he is a witness who has made certain statements which he said he could swear to and which we believe were true. That is the only evidence that I have referred to in my lengthy opening statement which is not, as we believe, entirely at our control; and I deem it but proper while referring to it to call your attention to

the facts which may result so that if we fail to present the testimony, you will understand it is from no fault of ours.

And, now, gentlemen, let me briefly recapitulate what I think we shall be able to show to you. I think we shall be able to show you that Mr. Brady resorted to expedition as the regular practice of the department in contradistinction from all his predecessors who resorted to it only in exceptional cases, and in contradistinction from his successor who has never resorted to it. I think we shall be able to show you that he resorted to it when it was wholly unnecessary, that he paid large sums for expedition where none was needed, because after the expedition the mail was not carried in any less time than it was before, for the simple reason that it was previously being carried in less time than that for which Mr. Brady paid large sums under the pretense of expedition; that he paid large sums for expedition and for increase of service where there was no mail and where the evidence that there was no mail practically except the bag, was in Mr. Brady's own possession and shown by the facts to have met Mr. Brady's own eyes. We shall show how in every little thing—the addition of a post-office on a route, the taking off of a post-office from a route—the construction by Brady was against the Government; how, when service was reduced, in a large number of cases no deduction was made, but when a post-office with a mile or two of distance was added there was always an increased allowance made. We shall show you allowances for supposititious additions, when in point of fact those additions were entirely false; when the mail went over the same road all the time, and yet when Mr. Brady claimed that there was an additional distance made by taking in some post-office or other, though his own record showed him that the alleged addition was not made; we shall show you that Mr. Brady utterly and entirely disregarded the productiveness of a given route; that there never was anywhere upon any of these routes any evidence that he took into consideration productiveness but once, and that was when he took it into consideration in the order of the 22nd of January, 1879, and cut down the Mineral Park and Pioche route, reciting that there was no mail matter, and he changed that all in six days afterwards by putting up the service again. We shall show you cases, like that of Raton, where he wrenched a route around to the inconvenience of the citizens and to the great loss of the Government, and rendered it necessary thereby to have the route expedited so that the mail might arrive at the end of the route in the day time, and for that expedition large sums were taken out of the Treasury, when, if he had left the route unchanged, he would have needed no expedition, the mail would have gone over the route in the time that the citizens desired, and if he had left Raton in its proper connection it would have derived its mail matter by a mail route in the way in which the people in the locality desired it. We shall show, I think, that when he had occasion on such a route as that from Toquer-ville to Adairville to cut off ten miles from the end of the route because the First Assistant Postmaster-General had notified him that the post-office was discontinued and there was no place to take the mail, that he proceeded first to make an order for expedition, involving some \$12,000 a year to the Government, and then he proceeded within four days afterwards, by an order, to cut off these ten miles and give a month's extra pay, reckoning it on the increased pay instead of reckoning it on the original pay. We shall show you, gentlemen, that he habitually, I may say without exception, because the only exceptions are those where we show you the circumstances so connected with the

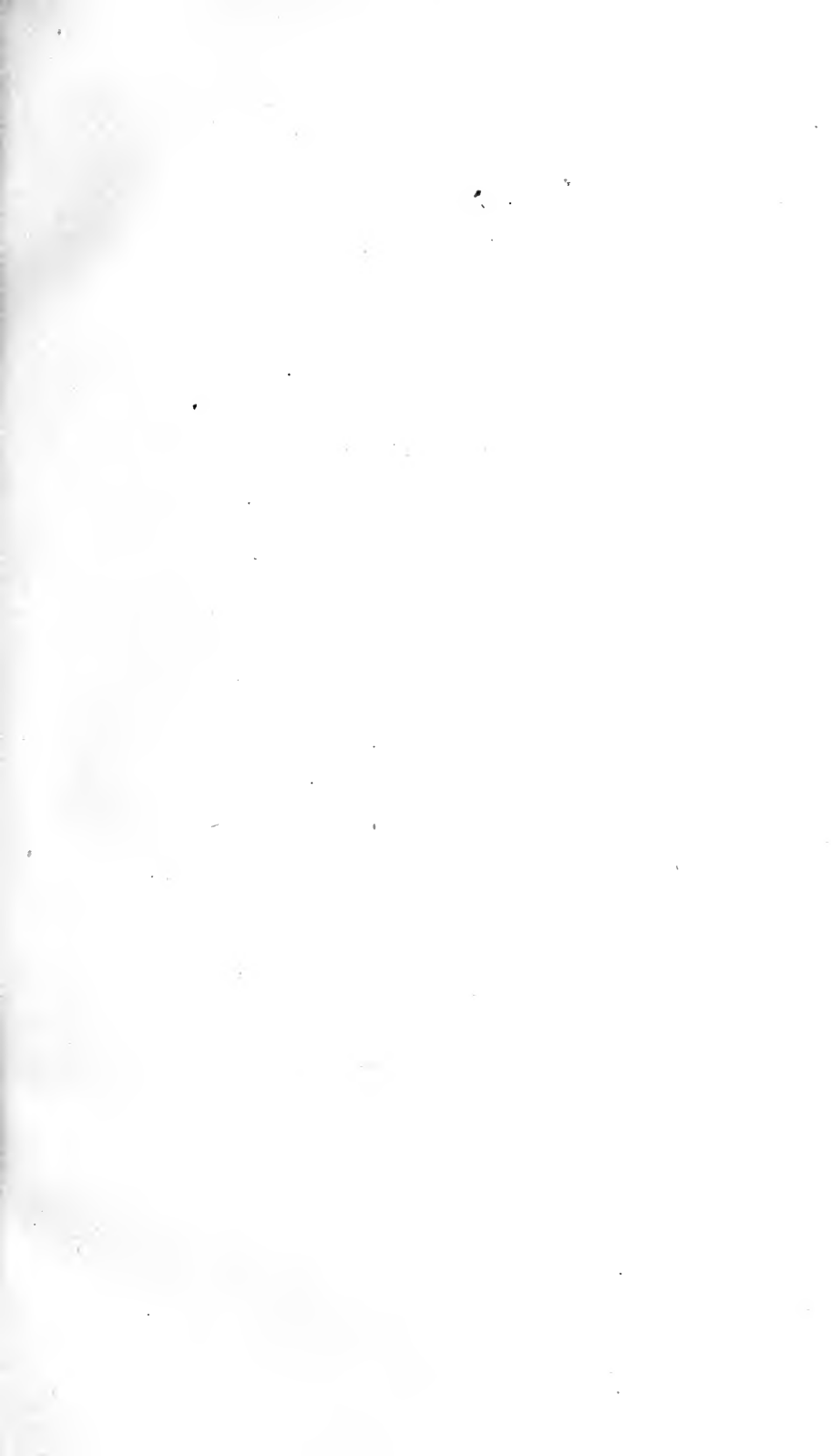
fraud that they cease to become exceptions, paid up to the limit of the law, both for increase of service and increase of speed; that the evidence is clear and must be clear, in his own knowledge and yours, clear from the records of his own department, clear from the subcontracts on file there, that there was no necessity for paying up to the limit, for the simple reason that the men who were performing the service were willing to perform the service for a good deal less than they received. We shall show you that in at least one case, in direct violation of the law, he antedated an order and paid large sums from the Treasury for service alleged to have been rendered before the order was made, though the statute expressly provides that he shall not do so. We shall show you, gentlemen of the jury, that he made his expedition entirely upon the oaths of the men who were to be benefited by it—these contractors here in Washington, none of whom, at the time of the making of the oath, had ever seen the route, and none of whom at that time knew, of his own knowledge, how many men and horses were then being employed, and none of whom, other than Vaile, was by experience calculated to say how many would be used for performing an increased rate of speed. We shall show you that he acted upon the oaths of the parties, though the only oaths before him were two inconsistent oaths of the same man, sometimes sworn to on the same day, and at other times sworn to at a little different time, when one or the other of those oaths must have been false, and the mere fact of the existence of those two oaths showed him that the man was not worthy of belief for a moment. We shall show you that he made an order on the Bismarck and Fort Keogh route, which he plumed himself upon as being less than pro rata, but based it on Miner's absurd oath that it would take one hundred and fifty men and one hundred and fifty animals to do the service, when, in point of fact, there had been an affidavit of Miner, in his office, showing that it would take thirty-seven men and some eighty animals, I think; and when the order had been originally prepared as based upon that affidavit and not upon the larger affidavit of Miner; but if he had made the order allowing the amount he did allow, instead of being less than pro rata it would have been over pro rata. He however took that absurd oath, and upon it based an order to have the exceptional pleasure of stating in his order that it was less than pro rata. We shall show you that the oaths were lies upon their face; that they stated that there were then in use a certain number of men and horses; that from the very nature of the case the statement was false, because if the service was being performed it required more men and horses to perform it. We shall show to you that the statements as to the number of men and horses that would be required to perform the service were absurdly false, because they led to such results as saying that a horse should travel only two miles in a day in carrying the mail, and yet on the existing schedule the horses were shown to be traveling anywhere from fifteen to twenty-eight miles a day. You will bear in mind, gentlemen, that the Government was to be defrauded, either by understating the existing number of men and horses which were being employed, or by overstating the number of men and horses which would be needed on the increased schedule; that one being understated or the other being overstated the Government would be defrauded; and if both occurred in the same case, one understating and the other overstating, the Government would be defrauded in very large amounts. We shall show you that he made orders on such affidavits as those made, as I have said, by affiants who never were on the route; made, as I have said, by affiants who had no experience in the service, except

Vaile. We shall show you that in direct violation of the regulations which required the contractor to make his own statement of the number of men and horses, not to be accepted as conclusive at all, but as his view of the case, and that regulation made under a law which practically made the regulation law, Brady utterly disregarded it when it suited him and claimed to accept the affidavits of a subcontractor, that subcontractor being a man who was not in point of fact performing the service and who had not at that time ever been upon the route. We shall show you more than that, that he accepted the affidavits of men pretending to be subcontractors who never were subcontractors, and whom the record showed had no relation to the route whatever. We shall show you, gentlemen, that he accepted affidavits which, on their face, were altered, erased, and fraudulent; that there were of all the affidavits on the routes which he accepted but two which were not erased on their face and obviously unreliable, to say the least, and of those one was made by Miner and the other was the oath of Vaile, accepted by Brady in violation of law. We shall show to you, gentlemen, that he made orders for an increase of allowance which were illegal, because the statute expressly provided that he should make no allowance for increase of speed unless the necessity for using more men and horses was thereby caused. We shall show you by the men who drove the horses all the time before and after Mr. Brady's order that no increased number of men or horses was required, but identically the same number of men and the same number of horses continued jogging over the route from one week's end to another. We shall show to you, gentlemen, the petitions which pretend to be the excuse for making the orders in some cases, and that the petitions were not only false in fact; that they were not only gotten up by these other defendants who directed that their interest in them should be concealed and that the mode in which they were gotten up should be concealed, but that the petitions bore on their face evidences of alteration, evidences of change such as ought to have led Mr. Brady, and would have led any honest Assistant Postmaster-General, or any man whoever expected that there would be any examination of his acts, who did not suppose that these things would go along without examination and without investigation, to hesitate greatly. We shall show you, gentlemen of the jury, bristling all over this case evidence of prearrangement with Brady and of understanding between Brady and these other defendants or some of them. We shall show you the statements of these defendants made in various places and to various persons that the allowances paid by the Government would be increased. We shall show you that these increases did actually take place in the manner and at the time that they said they would take place. We shall show you a conversation with at least one man in which amounts of future increases and all were specified and where the result proved that the amount only was incorrect in being somewhat understated. We shall show you affidavits made six, eight, and ten months in advance of any applications for expedition, which affidavits stated the precise number of hours which Mr. Brady subsequently recited to be the hours for which he would order service, and as to which he wished information as to how many men and horses would be required to perform it in that time; and those hours were picked out, gentlemen, entirely apart from any designation of hours in the petitions, because the petitions which pretended to be the excuse for the orders were not in existence when the oaths were taken, and called for hours entirely different. We shall show you that the defendants spent over \$6,000 in building sta-

tions on a single route where, if their contract had remained unchanged, they would, during the entire four years, have received only about \$9,500; and yet they built twice as many stations as they should want, avowedly, because they said they were going to have an increase, and when they got the increase they should want the additional stations, and they would not use the additional stations until they got the increase; and they did get the increase, and then they used them. We shall show to you the payment by them of large sums, or considerable sums, for performing the service in excess of the amount which they received from the Government, and we shall show you in every one of those cases, gentlemen, that the loss was promptly, and after a very little time had elapsed, transformed by Brady's orders into contracts which gave them great gains. We shall show to you that by their form of subcontract, unknown in that respect until these men went into the business of speculating in mail contracts, which form they had printed at the outset of their career, they assumed that they were to have expedition upon their routes, and they got expedition upon their routes, and they used their form of contract under which the men who performed the service were to get somewhere from twenty-five to sixty-five per cent. of the sum allowed for expedition while these defendants were to pocket the difference of seventy-five to thirty-five per cent. In Brady's orders he was compelled by the subcontract law to state the fact that he was allowing thirty-five to seventy-five per cent. more for carrying the mail than was necessary to be allowed for carrying it, because he was allowing from thirty-five to seventy-five per cent. to the parties who, his own contract showed, were not driving a horse or carrying any mail. He was allowing only a small percentage to the men who actually were performing the service. We shall show to you, gentlemen, as evidence of prearrangement, the way in which the bids were arranged so as to be upon routes where the trips were infrequent and the speed was low, because those were the only routes which afforded an opportunity for their peculiar proceedings, which alone made their business profitable in view of the low sums they bid, securing from Mr. Brady increase of trips and increase of speed. We shall show you, gentlemen, that they were allowed not to commence the service when the law required them to commence it; that they were not declared failing contractors, as Mr. Brady's duty required him to declare them so, until they could have time to get up petitions and get ready the machinery which was to be, in some sense, a justification, an excuse and apology for Mr. Brady's orders for expedition, and that in some cases the commencement of the service and the orders for increase of trips and expedition coincide so nearly that it is impossible to tell which was first. We shall show you, gentlemen, orders for expedition and increase made by Mr. Brady in spite of the remonstrance of the people along the line of the route and in spite of the remonstrance of his own officers. We shall show you orders for expedition and increase of service persevered in by Mr. Brady in spite of these remonstrances. We shall show you that when it suited his convenience he found it very desirable to appeal to United States Senators and Members of Congress as backing him up and giving authority for doing what he did. I am not aware that there is anything in the law or the Constitution that says that a Member of Congress or a Senator who is sent here to legislate in yonder building has any right to possess more influence with reference to mail service than you or I or anybody else. He has the right of the citizen living in the locality and no more. We shall show to you that while there was claimed to be given to those men undue weight when

they requested increase of service and increase of speed, because they took from the Treasury increased amounts of money, that when those persons became satisfied that injustice had been done and there ought to be a revocation of the order, then they could not procure its revocation; that Senators and Members were told it could not be done, and that absurd excuses were given, such as the excuse on the Vermillion and Sioux Falls route, that it would be unjust to the other bidders. We shall show you double service paid for on the same route. We shall show you expedition ordered and paid for when expedition was not made and when there was no change of time. We shall show you trips ordered to be made in a time which all the postmasters on the route declared to be impossible, which turned out to be impossible, and which necessarily led to fines and penalties under the law, which fines and penalties fell upon the subcontractors and not upon the favored friends of Mr. Brady, these defendants. We shall show to you that those fines and penalties were remitted in some cases, and so remitted that the contractors put them into their pockets and kept the money which had been originally taken from the subcontractors. We shall ask you, in that connection, to remember the statement of Mr. Rerdell to Mr. James and Mr. MacVeagh, and the statement of Mr. Brady himself to Mr. Walsh, that he was paid 50 per cent. of all the remissions that he ordered. We shall show to you, gentlemen, cases where, as upon the Mineral Park and Pioche route, Mr. Brady sawed the service up and sawed it down, so far as the allowances were concerned, at his own sweet will, upon excuses which the papers before him, to which he referred, showed to be untrue, upon excuses which must have been untrue, and under circumstances which showed beyond all question that he was acting in utter disregard of the interests of the Government. We shall show you the buying of the silence of postmasters and contractors who complained and recommended a discontinuance of the service, where these contractors were, beyond all dispute, making very large sums, because the record shows that they were getting a very large amount more than they paid to the subcontractors for performing the service. We shall show to you, gentlemen, all these things and more. We shall show them to you by absolutely unimpeachable testimony, testimony which will not be impeached, testimony which cannot be impeached, testimony which there will be no attempt to impeach. We shall show all these things and more to you, and when we have done that, we shall leave the case in your hands, gentlemen, confident that you will vindicate the cause of honesty and the cause of the honest administration of justice in the District of Columbia by rendering a prompt verdict of guilty against these defendants.













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