NEW-ORLEANS BEE.

BY BULLIT T. BULLEN & MAGNE.

At No. 57 Chartres street.

"TRUTH IS OMNIPOTENT AND PUBLIC JUSTICE CERTAIN."

NEW-ORLEANS:

TUESDAY MORNING, MARCH 19, 1839.

FOR PRESIDENT OF THE UNITED STATES

HENRY CLAY,

OF KENTUCKY.

Subject to the decision of a National Convention.

APPOINTMENTS BY GOVERNOR.

Isaac Johnson, Dudgee Judge of the Third Judicial District.

To be Administrators of the Charity Hospital.

R. Relf, W F. C. Duplessis, W. W. Hoffman, H. B. Cenas, Dr. Puisson, Dr. Rogers, Dr. Sabine Martin.

Members of the Eastern Medical Board.

Pierre Lemonier, J. Jones, J. Labatut, A. Labatut, J. Rice.

Members of the Western Medical Board

M. Crayton, F. M. Maddox, P. L. Smith, E. Smith.

J. Reynes, Register of Conveyances for New Orleans.

J W. Daniels, Surveyor of the Parish of Ouachita

R F. McGuire, District Attorney Seventh Judicial District.

Alex Larett, Sheriff of Terrebonne.

Justices of the Peace with the powers of Notary Public

Arnaud Lanaux, for the Parish of Plaquemine, at or near Point a-la Hache.

F. Morgan, for the Parish of Plaquemine, at the Burat Settlement.

Justices of the Peace.

P Toes, for the Parish of Plaquemine.

M. Lattlejohn, James Walsh and R. V. Marye, for the Parish of Caddo.

P. Clark, for the Parish of Natchitoches.

L. Simon, J. X. Canirelle, J. Drouilhet, E. Mire, for the Parish of St James.

J R Hambleton, John Eickham, for the Parish of Washington

A. Humphreys, for the Parish of St. James.

Willie Underwood, H C Bartlette, M. Wood, W. Farmer, J. Colven, for the Parish of Union.

Wm Doles, J. Graham, S. Handy, H. O. McEnery, for the Parish of Ouachita.

J P Campbell, T. Grayson, for the Parish of Caldwell.

E Hill, R. Day, W. Withington, S. P. Stone, for the Parish of Catahoula.

G T Gilbert for the Parish of St. Tammany.

L. Fields, W Walker, W Madden, B. Quarles, for the Parish of Claiborne.

J B Hoff, for the Parish of St. Helena.

James Maulding, James Galloway, for the Parish of Carroll.

Ans Carman, A. Wilkinson, for the Parish of Madison

M. Picher, Senior Justice of the Peace for the Parish of Carroll.

K. Miller, for the parish of Concordia

A Smith, for the Parish of Lafayette.

R. Bush, for the Parish of Lafourche Interior.

Notaries.

G. T Raoul, for the Parish of Livingston.

B Quarles, for the Parish of Claiborne.

F Record, for the Parish of Avoyelles.

Wm Badger, for the Parish of East Feliciana.

T P. Hotchkiss, G. W. Aiery, for the Parish of Caddo.

Auctioneers

L Bonnecaze, for the Parish of East Baton Rouge.

L. H. Pillet, for the Parish of West Feliciana.

S E. Belknap, for the Parish of Caddo.

Coroners.

N. K. Olmstead, for the Parish of Caddo.

J. Holmes, for the Parish of Natchitoches.

A. W. Jones, for the Parish of Union.

Sheriffs.

W C. Davi, for the Parish of Union.

D Pratt, for the Parish of Claiborne.

J Walsh, Coroner for the Parish of Iberville,

John Taylor, Parish Judge of the Parish of Union

C Watts, Judge of the Commercial Court of New Orleans.

R. Spedden, Master Warden of the Port of New Orleans.

C P Johnson, Port Warden.

Thomas P Hall, Parish Surveyor of Caddo.

☞ We learn with much pleasure, that the governor has approved and signed the act authorizing the issue of $1,500,000 in state bonds in favor of the city of New Orleans. It will, doubtless, be recollected that the principle of the bill was suggested a few weeks since to the legislature in the columns of the Bee, by our correspondent "*Bienville.*" We believe that we but echo the sentiments of the whole community in declaring, that few acts which have received the executive sanction have occasioned more general satisfaction.

☞ The senate acts to-day upon the veto message of governor Roman. We trust it will be sustained.

JAIL-BREAKING IN MOBILE.—The Mobile Journal of the 16th says. "There was an extra jail delivery in town a couple of nights ago. A number of prisoners confined on capital charges in the old rat trap, which serves as a prison in the city, relieved themselves another of their irons, and boring their way through planks and brick walls relieved the state of the expence of keeping them for trial, by escaping together to the number of seven." It is added that they form an organized gang of desperadoes, and will, doubtless, unless arrested, betake themselves again to their evil courses.

MICHIGAN STATE BANK.—It will excite but little astonishment to learn that this institution has gone to Hades, when we inform the public, on the authority of the Cleveland Herald that it was his Incefoco excellency governor Mason's especial pet—a full blooded Van Buren concern. Neither free banking nor any other kind of banking can prosper under the agrarian administration of Michigan.

PIONEERS OF THE WEST.—In the year 1788, the entire tract of land upon which Cincinnati now stands was purchased from the Indians, for the sum of forty-nine dollars. That city has now a population of forty-five or fifty thousand souls.

FROM TEXAS.

An extra from the Galveston Gazette of the 24th informs us that the schooner James Madison, Brandtmaster, which sailed from Galveston a few days ago, was wrecked and totally lost on the bar at the mouth of the river. The principal part of the cargo consisting of lumber and provisions, was saved. No lives lost.

The Gazette complains of the lukewarmness of the citizens in responding to the president's call for volunteer troops to protect the frontier.

It is not yet ascertained what place will be chosen by the commissioners as the seat of government.—The next session of congress will probably be held at Houston. But as the difficulty of reclaiming a wilderness and erecting in the short time intervening, the necessary buildings, it is stated that the appointment of commissioners, being in direct violation of the constitution, and the ordering the removal at a time fixed by solemn obligations of congress, seem to them obstacles of a perplexing character around the present attempt.

RACES.

The two mile race at the Eclipse course yesterday was very gallantly contested, though we were sorry to see so limited a number of spectators. The favorite betting was Mr Kenner's grey colt *Grey Duck*, and bets were freely offered by the knowing ones on the favor against the field. Many were induced by the appearance of odds to wager, and though the concourse was not large, the betting was somewhat heavy. At the tap of the drum, the four horses started almost abreast. Barbara Allen soon took the lead, and kept it for the first mile. Grey Dock remaining hindmost under a heavy tight rein. At the end of the first quarter of the second mile, Grey Dock brushed forward, and approaching his respects, first to Roderick Dhu and afterwards to Shiraeshiry, came up with, and finally passed the filley, Barbara losing her mettle and falling behind the rest. The heat was won by Grey Dock, by about half a length beyond Shiraeshiry.

But three horses appeared to contest the second heat Barbara Allen having withdrawn. Rhoderick Dhu showed symptoms of pluck, and led the rest very beautifully the first mile. Grey Dock lagging in the rear. At the commencement of the second mile, the colt once more put forth her paces, passed Shiraeshiry and Rodrick, and seemed determined to win the race with perfect ease. But Shiraeshiry appeared indisposed to give the palm without a struggle, and accordingly, as Rodrick Dhu's courage had evaporated, he sprung forward and was for a while neck and neck with Grey Dock. The speed of the grey colt was however, too much for the chestnut, and spite of whip and spur which were freely used, Grey Dock won the second heat by about a length, thus verifying the hopes of the winning ones, and justifying his genealogy from the renowned Bertrand.

THE INVESTIGATING COMMITTEE.

In the exclusion of other matter, we lay before our readers the preliminary remarks and the conclusions of the committee of investigation. By a perusal of the important extracts from their report, it will be seen that they were serious about the matter in earnest, and have removed the veil which has screened some of the iniquities of the administration from the eyes of the people. The picture which is here presented of the condition of the treasury is gloomy indeed, and the opposition which inset the committee, from the present collector of New-York, bodes no security to the vast amount which is now in his hands. We bespeak for the report an attentive perusal. Though the mind may become disgusted at the recital of so much villainy, it is the duty of the press to keep the people informed of the state of public affairs, and to hold up to execration the cut purse plunderers who have despoiled the treasury of its contents. Read! read!! read!!

PREFATORY REMARKS OF THE COMMITTEE'S REPORT.

The select committee, chosen by the house of representatives on the 17th and 19th ultimo, to investigate the defalcations of Samuel Swartwout, late collector of the customs at the port of New-York, and of other officers, have devoted to the faithful discharge of the duties assigned them, the limited time allowed for the purpose by the shortness of the present session of congress.

It was most obvious, however, that the whole field of inquiry, presented by the resolution appointing the committee could not be properly traversed to report thereon either satisfactorily to the country or to the authorities, during the short remainder of the present session of congress. This impression upon the committee at once led to a resolution which has been rigidly adhered to, of limiting the investigation to such branches of the subjects referred to them as had most deeply excited public sensibility and alarm, and to undertake only so much of these as might be thoroughly exhausted within the allotted period of the committee's researches. But the important results which have been attained, notwithstanding the disadvantages adverted to, cannot fail to inspire the country with a confident hope, that the high obligation which will rest upon the successors of the present congress in the legislature of the nation to resume and complete the great work of investigation and reform of the alarming condition and abuses of the executive departments of the government, from the highest to the lowest, and from the nearest to the remotest functionaries, will engage the prompt and efficient attention which its magnitude demands.

Guided solely by the character of the developments which the investigation imposed upon them by the house, and anticipated the composure cannot meet the conviction, that at no period in the history of the federal government has there been deeper or better founded cause than exists at the present moment, for every patriot heart to desire a prompt consummation of that signal task of reform which public sentiment many years since incurred on the last of executive duties, in characters too legible to be overlooked, requiring particularly the correction of those abuses that have brought the patronage of the federal government into conflict with freedom of elections, and the prevention of those causes which have disturbed the rightful course of appointment, and have placed or continued power in unfaithful or incompetent hands.

The first procedure of the committee, after organizing itself for business, was to visit the city of New York, to inspect there, in person, the original records and papers of the customhouse, in conjunction with the examination of such witnesses as might be supposed capable of shedding light upon the inquiry involved by the defalcations of Mr. Swartwout. Thenceforward this branch of the investigation was conducted pursuant to the resolution of the house, viz. to ascertain the "cause and extent" of these defalcations—the length of time they have existed—the nature of the returns which have been made by Mr. Swartwout, and by the naval officer of New York, and by other officers connected with the adjustment of his accounts.

Concurrently with the investigation of Mr. Swartwout's defalcations, those of William M. Price, late district attorney of New York, were likewise kept in view: and the fullest practical extent of information respecting them has been obtained, and will be adverted to in the sequel of this report.

The correctness of the returns which have been made by the present collector of customs and the naval officer of the port of New York, was also sought to be examined by the committee while in that city.—Considering that the customs collected at New York equal nearly two thirds of the whole amount in all the United States, as stated in the special report of the secretary of the treasury on Mr. Swartwout's defalcations, (house doc. 13, p. 6, of the present session,) the committee did not suppose that they should faithfully discharge their duty to the house, or pay a proper deference to that patriotic distrust which pervades the country at the present time in regard to the affairs of the customhouse at New York, were they to limit their inquiries to the returns of the late collector and naval officer, and neglect entirely those of their successors, which must, at all times, be to the country of equal interest with the former, and, at the present time, of even more immediate importance to the security of the national treasury. But, in the execution of so much of this part of their inquiries as related to the present collector of New York, they were compelled to encounter most unexpected obstacles, interposed by the collector himself, and setting at defiance the authority delegated to the committee by the house. The facts connected with the baffled endeavors of the committee to obtain information for the house and country from this officer of the executive branch of the government, who is in immediate charge of and control over the public moneys that "*equal nearly two-thirds of the whole amount* collected from customs in all the United States," will be more specially detailed in a subsequent portion of this report.

The committee will remark here, that, in the onset of the investigation they have made, they supposed it both proper and safe to place themselves somewhat confidingly under the guidance of the several special reports which had been made to the house upon the subject of Mr. Swartwout's defalcations, by the treasury officers, previous to the appointment of the committee. Accordingly, in this view, reports from the secretary of the treasury, the first comptroller, the auditor, and first auditor of the treasury, as exhibited in house document 13 It however, very soon became evident that those reports were not to be implicitly relied on as authorities in finding out either the law or the facts of the case; and that, on the contrary, they furnished but an oblique view of both the causes and duration of Mr. Swartwout's defalcations, as also of the law and many material facts which develope the true character of these defalcations. Of necessity, therefore, these reports, although emanating from the highest orders of official functionaries employed in the collection and disbursement of the public revenues, became the subjects of as cautious and critical examination as any other portions of evidence which the case presented, and as such it will be obligatory upon the committee to treat them in this report.

In reviewing the details of their labors, so that the progress and results of them may be presented in the simplest form, the committee propose to consider—

Part I.—The defalcations of Mr. Swartwout.

Part II.—The defalcations of Mr. Price.

Part III.—The correctness of the returns which have been made by the present collector and naval officer of the port of New York, respectively.

Part IV.—The defalcations among receivers at the public money.

Part V.—The facts connected with the foregoing defalcations, and deemed material to develope their character.

Each of the divisions thus proposed will properly involve the law appertaining to it, as the appropriate adjunct of its facts. And as the language of the law itself will in each instance be cited in detail, that its authority and injunction may be correctly understood by every one, so the language of the individual testimony relied on in each instance will be adhered to, that its import and force may be left neither to uncertain construction or doubtful inference. The increased fidelity of their report, in the estimation of the committee, will be, by this mode, an ample offset to its consequent enlargement.

Before proceeding to the general topics of this report, as already laid down, it may be proper here to express the deep sense of disappointment and regret which the committee feel in not being able to comply more to the house one document that was called for at an early day, regarded as having an important and interesting influence upon the judgment which the house might form on the subject of defalcations among public officers, and the causes which have led to their multiplication. It will be perceived from the following letter, that the committee waited itself of the earliest period of their organization to make a call upon the president to furnish a list of the defalcations that have taken place among collectors, receivers, and disbursing officers of the public money and other public officers, since the 4th of March 1829, showing the amount of each, &c.

More than four weeks have now elapsed since that call was made upon the president, and the only information which the committee has obtained to report upon to the house is contained in the following letter; the distinguishing feature of which information is, that still more time than even the whole remainder of the session will be requisite to answer the call. From this the committee are compelled reluctantly to infer, either—

1st. That the accounts and records of the several departments, in general, are so incomplete and defective as not to exhibit, without great labor and delay, the true relations of collectors, receivers, and disbursers of the public money, and of other officers of the government, as to distinguish debtors from defaulters, and creditors from honest men.

2dly. That the number of the defaulters have multiplied so rapidly since 1829, under the system of accountability pursued towards collectors, receivers, and disbursers of the public money, and other officers, as to preclude the practicability of throwing an account current of their defalcations with all the clerical force at the command of those departments, under existing laws and appropriations.

Neither inference be just, (and none other of equal weight seems to be fairly deducible from the letter of the secretary of the treasury,) manifests a laxity of administration which demands the earliest application of suitable remedies within the reach of congress and of the country.

For the papers Nos. 1 and 2, referred to in the subjoined letter, reference is respectfully made to the journal of the committee, p. 470 and onward.

Treasury Department, February 18, 1839.

Sir:—The president, on the 23d ultimo, referred to this department the following resolution, passed by the investigating committee:

"Resolved, That the president of the United States be requested to cause this committee to be furnished by the proper executive department with a table showing the defalcations which have occurred among the collectors, receivers, and disbursers of public money, and other public officers, since the 4th day of March, 1829, the names of the defaulters; the amount of each defalcation, when each case occurred; the length of time each case has existed, what steps have been taken by the proper departments or officers to prosecute the defaulters and to secure the United States, in each case; and what defaulters are retained in the same office in which they became defaulters, or have been appointed to other offices."

He accompanied it with a request that all the information desired should be procured as early as practicable, and submitted by me to the committee. Accordingly on the same day, I enclosed copies of it to the proper bureaus, and also to the proper bureaus in the treasury department, and directed that replies might be furnished, so far as in their power, and as in their power, to the several inquiries made. I further requested the bureaus connected with this department to employ any extra assistance that could be advantageously applied in hastening their answers.

I would now inform the committee that great progress has been made in respect to those parts of the answers connected with the register's office, and all which could be made, consistent with the difficulty and extent of the labor, in the third auditor's office—but it is feared that, on account of this labor, and the great mass of previous calls by committees and by the two houses of congress, which are also to be answered, besides transacting the current business in the different bureaus, the whole details and the tabular statement required cannot be completed during the session. Every effort, however, which, under all the circumstances, can be made, is believed to be exerted to meet the call at the earliest day practicable.

In respect to the last branch of the resolution, asking "what defaulters are retained in the same offices in which they became defaulters, or have been appointed to other offices," I am able to report, on the report of the register, from his office, which exhibits such names as are on his books connected with the state and treasury departments. It is annexed, and contains no name as to this, and but one as to the state department. That one is Commodore D. Porter; and by the correspondence annexed, it will be seen that he does not consider himself a defaulter, though he stands charged on the register's books for a considerable sum on account of prize money, as explained in the papers (Nos. 1 and 2.) Respectfully,

LEVI WOODBURY,
Secretary of the Treasury.

Hon JAMES HARLAN,
Chairman of Investigating Committee.

PART I.—THE DEFALCATIONS OF MR. SWARTWOUT.

1. THE EXTENT OF MR. SWARTWOUT'S DEFALCATIONS.

Conclusions of the Committee.

1st. That Mr. Swartwout is a defaulter to government, as appears by his own returns, as adjusted from time to time at the treasury department, in the sum of one million two hundred and twenty-five thousand seven hundred and five dollars and sixty-nine cents.

2d. That this amount of indebtedness has accumulated upon the face of the quarterly accounts regularly returned by him for adjustment at the treasury department, without the omission of any of either items, debit or credit thereon, until it became an absolute defalcation.

2. THE DURATION OF MR. SWARTWOUT'S DEFALCATIONS.

Conclusions of the Committee.

1st. That all moneys received by Mr. Swartwout as collector prior to 1837, were regularly accounted for by him in his quarterly returns to the treasury department.

2d. That so much of all moneys received by Mr. Swartwout prior to 1837, and accounted for to the treasury department in his quarterly returns as were not paid by him into the treasury, were retained by him under the tacit acquiescence of the accounting officers of the treasury, and regularly carried forward as debited to himself in the balance of each subsequent quarterly account rendered by him to the treasury department to the close of the term of his office.

3d. That his omission to carry a debit to himself of the moneys received by him from the treasury, or from other sources, prior to 1837, to the close of account kept only at the customhouse, called his *cash accounts*, and his carrying a debit to himself of any such items to any other class of accounts kept *only at the customhouse*, called *suspense and unsettled accounts*, or by any other name, would not operate as a discharge, innocent or fraudulent, from the treasury department, of the true cash balance in his hands. *First*, because neither his account, nor his suspense and unsettled account, nor any other subordinate account, kept at the customhouse, was ever established to, or formed the basis of any quarterly settlement made by him with the accounting officers of the treasury. *Secondly*, because, in his quarterly accounts settled at the treasury department, the aggregate and true balance of all his subordinate accounts kept at the customhouse, including both his cash account and suspense account, was uniformly, prior to 1837, carried into his quarterly account under the item of "*cash, and unsettled accounts.*"

4th. That the defalcations of Mr. Swartwout, by means of fraud and false returns, commenced in 1837, and not sooner, and have existence since that period; and the defalcations thus accruing, added to the moneys previously retained by him, according to his returns to the treasury department, and by the silent acquiescence of the officers of that department, until the close of his term of office, constitute the aggregate of his defalcations at the *present period*.

3. THE CAUSE OF MR. SWARTWOUT'S DEFALCATIONS.

Cause I. The irresponsibility of Mr. Swartwout in pecuniary character at the time of his appointment to office.

Conclusions of the Committee.

1st. That at the time of Mr. Swartwout's appointment, and of his reappointment to office, he was wholly irresponsible in pecuniary reputation, and was involved in debt.

2d. That at the time of his appointment and of his reappointment, and for the whole period he was in office, he was notoriously engaged in large and hazardous speculations, and deeply embarrassed by them.

3d. That his pecuniary responsibility and consequent involvements by hazardous speculations, constitute one of the primary causes of his defalcations to the government.

Cause II. Culpable disregard of law, and neglect of official duty, by the late naval officer at New York.

Conclusions of the Committee.

1st. That the late naval officer of the port of New York, throughout the term of his service, from 1829 to 1838, wholly disregarded the requirements of law prescribing the duties of his office.

2d. That said naval officer, for the same period, wholly disregarded the instructions of the comptroller of the treasury of November 10, 1821.

3. That the naval officer, by so disregarding the requirements of law and the instructions of the treasury department, culpably neglected to keep the accounts and records appertaining to his office, and thereby rendered the office nugatory as a check on the accounts of the collector.

4th. That if the duties of the said naval officer, as authorized and directed by existing laws, had been executed with proper care and vigilance, they would have rendered it impracticable for any fraud or error in any of the accounts of the collector of said port to escape immediate detection.

5th. That the culpable disregard of the plain requirements of law and of treasury instructions prescribing the duties of naval officers, by said naval officer, and his continued neglect of said official duty, is primary cause of the immense defalcations of the late collector of New York.

Cause III. Culpable disregard of law and neglect of official duty by the first auditor of the treasury.

Conclusions of the Committee.

1st. That the first auditor of the treasury has been guilty of culpable disregard of law, and neglect of duty, in examining and certifying the correctness of the accounts of the late collector of New York without having compared them thoroughly with the vouchers accompanying the same; and also in transmitting said accounts to the first comptroller, certified, for revision, while the most important vouchers therefor were retained in his own office.

2d. That no fraud practiced by the said collector in his weekly returns of cash to the secretary of the treasury could affect the just and true settlement of the accounts of said collector at the auditor's office, as said weekly returns form no part of the settlement of said quarterly account by the auditor, and therefore furnished no apology for the neglect of the auditor to examine the same thoroughly.

3d. That, without the aid of the register of bond accounts of collectors, required by law, and treasury circular to be kept by the auditor, to enable him to detect frauds and defalcations, if any exist the said auditor could have thoroughly examined said Swartwout's quarterly accounts during any quarter said auditor has been in office, inasmuch as the original quarterly accounts were retained, against law, in his office, and furnished the same means of comparison as a register would have furnished.

4th. That, in the culpable disregard of law and neglect of duty, in the said auditor, by said auditor, is found a primary cause why the defalcations of said Swartwout in 1837, and subsequently, escaped early detection, and have resulted in the probable loss of the public treasure.

Cause IV. Culpable disregard of law and neglect of duty by the late and present comptrollers of the treasury.

Conclusions of the Committee.

1st. That the late comptroller of the treasury, George Wolf, esq., now collector of the port of Philadelphia, was guilty, while in said office of comptroller, of culpable disregard of law, and neglect of duty, both in regard to the bonds of collectors filed in his office, and the records thereof required by law, and in settling and certifying to the register, the accounts of Samuel Swartwout, late collector, without having transmitted to him the vouchers therefor required by positive injunctions of law.

2d. That the present comptroller of the treasury has been guilty of culpable disregard of law and neglect of duty in settling and certifying to the register, the quarterly accounts of Samuel Swartwout, late collector, without having transmitted to him the vouchers therefor required by positive injunction of law.

3d. That said comptroller is also guilty of culpable disregard of law and neglect of duty in not having sought and ascertained from the "invoices and appraisements" at the custom house, either through the solicitor of the treasury or otherwise, the true amount of Swartwout's claim upon the $201,000 retained by him in going out of office, as suggested in the letter of the district attorney that was laid before him about April 25, 1838. Jdly. In not causing the accounts of said Swartwout to be forthwith stated, or instituting measures therefor, immediately on the neglect of said Swartwout to return and settle his accounts at the expiration of the time allowed him by law for that purpose, to wit: in the early part of July, 1838. July. In continuing the same neglect, and forbearing to issue warrants of distress against said Swartwout and his sureties from the 31st of August, 1838, when apprized by the letter of the first auditor that said accounts still remained unsettled, until the month of November, when the detection of Swartwout's larger defalcation was communicated from New York.

4th. That the administration of it is marked with such signal deficiency, as well as neglect of duty, as render imperatory many of the most important checks upon the first auditor, and collectors, receivers, and disbursers of the public moneys, which the laws creating and regulating its duties contemplated and have sufficiently provided.

5th. That, in said disregard of law and neglect of duty by the said comptrollers, and inefficiency of office as now administered, is to be found a primary cause of the immense defalcations of the late collector of the port of New York, and consequent loss of public money.

Cause V. The discontinuance of the use of banks as depositories of the public money, and permitting the same to accumulate in the hands of Mr. Swartwout.

Cause VI. The negligence and failure of the secretary of the treasury to discharge his duty, as the head of the treasury department, charged by law with the superintendence of the collection of the revenue, and his want of a correct appreciation of the before named records in the superintendence of the collection of the public revenues, and the consequent neglect to continue and complete them, are justly regarded as a primary cause of the escape from detection, for so long a period, of the immense defalcation of the late collector of the port of New York.

3d. That the secretary of the treasury has been wanting in a proper discharge of his duty in office, in permitting Samuel Swartwout, late collector of New York, quietly to retain the sum of $201,000 after going out of office, under pretext of indemnifying himself against claims of importers for duties paid him under protest, and liable by him to be refunded, while it was known to the secretary of the treasury, within a few weeks thereafter, that said Swartwout was neglecting to refund such protest money, as he had claimed to do, and that the same were being refunded, from necessity, off of other existing resources of the government, by said Swartwout in power in office.

4th. That the secretary of the treasury has been wanting in a proper discharge of his duty in office, in permitting the present collector at New York to retain under his own control, and subject to his own use, the moneys collected with said collector's private funds, large and accumulating sums of the public money collected for duties paid under protest, and against the declared opinion of said secretary, and the declared opinion of the attorney general of the United States on the subject, also against the former usages of the department, and instead of causing the same to be paid into the treasury of the United States.

PART II. THE DEFALCATIONS OF WILLIAM M. PRICE.

Conclusions of the Committee.

1st. That William M. Price, as district attorney, is a defaulter to the government in a large sum.

2d. That his defalcations are attributable to the notorious irresponsibility and want of character of said office at the period of his appointment and re-appointment, and during his entire terms of office, and to the want of a proper and efficient discharge of duties at the office of solicitor of the treasury by the late and present incumbents of that office.

PART III. THE CORRECTNESS OF THE RETURNS WHICH HAVE BEEN MADE BY THE PRESENT COLLECTOR AND NAVAL OFFICER OF THE PORT OF NEW YORK, RESPECTIVELY.

Conclusions of the Committee.

1st. That the returns of the collector of customs at the port of New York, have not been correct, as they have not at all times embraced, as paid into the public treasury, the moneys received by him for unascertained duties, and at no time for duties paid under protest.

2d. That said collector, in his returns, has violated the instructions of the treasury department, has put at defiance the duties assigned him by the secretary of the treasury, has repudiated the official relation of the responsible law officer of the executive department, and is guilty of an illegal retention and use of the public money, in the amount then held by him for protest and unascertained duties.

3d. That the committee has been prevented from ascertaining what is the extent of the illegal retention and use of the public money by the present collector of the port of New York, either in funds collected under protest, or for unascertained duties, or in other funds collected by him, because of his refusal to exhibit his own book of cash deposites in bank, or to permit the banks used by him as depositories to exhibit their accounts of his deposites.

4th. That the public moneys received by said collector are mingled with his own moneys on deposite, and are not kept by him, nor by his banks of deposite, distinct and separate from the individual moneys of the collector and of his "professional clients," and his returns cannot, therefore, be founded upon them as a separate and independent fund, belonging to government, though in his keeping.

5th. That, as appears by the letter of Gorham A. Worth, the cashier of the City Bank, the present collector has deposited public moneys in his hands with a bank which could not, under the law prohibiting the selection of any bank as a depository which has issued notes under the denomination of five dollars, be selected by the secretary of the treasury himself as a depository of moneys carried to the credit of the treasurer of the United States.

6th. That the mode adopted and practised by the said collector, of keeping and making returns of the public money collected by him for unascertained duties, and under protest, in the language of the present attorney general of the United States, "could never have been the intention of congress," and being "*illegitimate*," it has made it, in the language of the same high officer, "the interest of the collector to postpone the ascertainment of duties as in the mean time he would have the uncontrolled use of the money." It has, also, in fulfilment of the reasoning of the attorney general, *increased* "the danger of faithlessness in the collector, by permitting large amounts of money to remain with him, and under his individual control, instead of being in the treasury of the United States."

7th. That in the language of the attorney general, "the tenor and spirit of all our revenue law, seem to inculcate the idea that the intention of congress has, at all times, been, that money collected for revenue should be promptly placed in the treasury, and not be permitted to remain in the hands of the collector."

8th. That the returns of the naval officer in New-York have not been correct, as it is found in the testimony of the present deputy naval officer, "that the naval officer, *under its existing system*, is not enabled, either to determine what amount of bonds had been taken by the collector for duties in any quarter, or who are the parties to said bonds, or the dates of said bonds, or when they are payable, or when such bonds are paid, or whether the collector does or does not account truly for such bonds."

PART IV. DEFALCATIONS AMONG RECEIVERS OF PUBLIC MONEYS.

The committee, in fulfilment of that portion of the duty assigned them, by which they were directed to inquire into "any defalcations among receivers, &c. which may now exist," report to the house, that the limited period which they had for a thorough investigation of the subjects with which they were charged, and the time necessarily consumed in the examination of the cases of the late collector and district attorney of New-York, have prevented a minute investigation of the extent, nature, and causes of the defalcations of receivers of public moneys, arising from the sales of public lands. The Committee have, however, prepared, from reports made by the secretary of the treasury