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United States; Congress Papers.

ANNULMENT OF A CONTRACT FOR FURNISHING POST-
OFFICE ENVELOPES, ETC.

L E T T E R

FROM

THE POSTMASTER GENERAL,

TRANSMITTING

*Papers in regard to the annulment of a certain contract for furnishing
post-office envelopes, &c.*

MARCH 3, 1885.—Referred to the Committee on the Post-Office and Post-Roads and
ordered to be printed.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 2, 1885.

SIR: I have the honor to acknowledge the receipt of copy of a resolution passed by the House of Representatives under date of February 19, 1885, calling for information with "regard to alleged great frauds" in the supply of official envelopes, discovered in the summer of 1884.

The preamble and resolution are in the following words, viz:

Whereas sundry newspapers in the country published notices during the summer of 1884 concerning alleged great frauds in the supply of official envelopes to the Post-Office Department, whereby many thousands of dollars were lost to the Government:

Resolved, That the Postmaster-General be, and is hereby, requested to communicate to the House of Representatives all the facts with papers or copies thereof connected with the annulment in August, 1884, of the contract with P. P. Kellogg & Co., of Springfield, Mass., for the supply of official envelopes for the fiscal year ending June 30, 1885; also how the cost of envelopes under the said contract compared with the cost of the same in the contract subsequently made; also whether envelopes inferior to contract requirements were furnished under any other contract than the said one of P. P. Kellogg & Co.; also whether any officer or employé of the Government was at fault in connection with the supply of any such inferior envelopes; and also what action has been taken by the Postmaster General to protect the interests of the Government in connection with the supply of such inferior envelopes.

Touching the suggestion in the preamble of the large sums alleged to have been lost to the Government, I beg to say that the amounts involved were very greatly magnified by the newspaper publications with regard to the defective envelopes which had been imposed upon the Department. The losses were stated in some of the newspapers which I have seen as high as \$200,000; but, as will appear more fully hereafter, the actual sums deducted from the contractors' bills, in accordance with the plan decided upon by my predecessor as an equitable

basis of settlement, were \$2,928 from the Plimpton Manufacturing Company and the Morgan Envelope Company, who were the contractors for the year ended June 30, 1884, and \$337.77 from P. P. Kellogg & Co., who obtained the contract for the year commencing July 1, 1884. The amount involved in the Plimpton contract at the prices named by the contract was \$105,358.90, for the year ended June 30, 1884, on the actual issues of the year; and the estimated amount involved by the Kellogg contract for the year ending June 30, 1885, was \$81,517.76, based on the actual consumption for the year ended March 31, 1884. The total amount involved by the two several contracts was therefore \$186,876.65, and the total deductions \$3,265.77, or 1.77 per cent. of the aggregate amount of the two contracts.

So much for the preamble; and now for the specific inquiries made by the resolution itself:

(1.) As to the contract of P. P. Kellogg & Co., under date of May 2, 1884, proposals were invited by public advertisement for the supply of all the official and registered-package and registered-tag envelopes required for use during the fiscal year ending June 30, 1885. On May 28, 1884, the date fixed for the receipt of proposals, the following bids were received, the amounts in each case having been determined at the prices bid on the basis of the actual number of envelopes used during the year ended March 31, 1884, to wit:

P. P. Kellogg & Co., of Springfield, Mass	\$81,517 75
Morgan Envelope Company and Plimpton Manufacturing Company, of Hartford, Conn	106,427 02
White, Corbin & Co., of Rockville, Conn	109,688 34
George F. Nesbitt & Co., of New York, N. Y	109,807 78
Holyoke Envelope Company, of Holyoke, Mass.....	110,492 62
Powers Paper Company, of Springfield, Mass. (special).....	46,971 97
Charles D. Marshall, of Buffalo, N. Y. (special).....	42,308 59
Wyse & Miller, of New York, N. Y. (special).....	159,454 50

The bid of P. P. Kellogg & Co., of Springfield, Mass., was found to be \$24,909.27 less than that of the next lowest bidder for all of the envelopes, the Morgan Envelope Company and the Plimpton Manufacturing Company, and \$27,686.19 less than the average of the other four bids for all of the envelopes. The bid of the Powers Paper Company was for the ordinary official envelopes only, no proposal having been made for the registered package and tag envelopes. The bids of Charles D. Marshall and Wyse & Miller were for registered package envelopes of special device, and did not include any of the samples submitted to bidders by the Department. The contract was awarded to Messrs. P. P. Kellogg & Co. by formal order of the Postmaster-General, bearing date of May 31, 1884, and on June 7, 1884, a formal contract was entered into, which contract was signed on the part of the Post-Office Department by the Hon. W. Q. Gresham, then Postmaster-General, whose signature is attested by A. D. Hazen, Third Assistant Postmaster-General. The Department at once took unusual precautions to aid the new contractors by sending agents to give them the necessary preliminary instructions to facilitate them in the execution of their contract. The supply was begun upon requisitions from the Department dated July 3, 1884, for envelopes to be sent directly to postmasters. The first supply of registered package envelopes was received at the Department on July 16, 1884, and at once put into use. The first supply of the ordinary official envelopes was received at the Department on August 9; but the quality of the Kellogg envelopes furnished to postmasters having already then been called into question, the boxes were not opened until after the annulment of the contract.

The agent and inspector to supervise the manufacture and issue of stamped envelopes at Hartford, Conn., under contract with the Morgan Envelope Company and the Plimpton Manufacturing Company, was instructed to supervise temporarily the manufacture and issue of the official envelopes at Springfield under the Kellogg contract, pending the appointment of an agent, for which provision was subsequently made by act of Congress of July 7, 1884. (United States Statutes, pamphlet edition, first session Forty eighth Congress, p. 191.)

The agent reported that the envelopes offered for acceptance by Messrs. P. P. Kellogg & Co. were entirely satisfactory, and it was supposed at the Department that the contract was being faithfully complied with until the receipt, on the 25th July, of a complaint from the Holyoke Envelope Company, dated on the previous day, that the envelopes being furnished were not equal to the samples submitted to bidders for the contract. A sample was inclosed to demonstrate the fact; but it subsequently transpired that this sample had been furnished, not under the Kellogg contract, but under the contract held for the preceding year by the Morgan Envelope Company and the Plimpton Manufacturing Company. A paper-testing machine, then recently invented, demonstrated the fact that the envelopes furnished under both the Plimpton and Kellogg contracts did not possess the tensile strength shown by the Departmental samples, notwithstanding the tests usually applied in such cases had failed to disclose any inferiority in the envelopes furnished. The defects discovered were in the official envelopes only. Following the discovery of the inferiority in the official envelopes, Messrs. Kellogg & Co. offered to make good their delinquencies, and in future to furnish envelopes that should satisfy to the fullest extent the requirements of the contract, leaving it to the Department, if it should be thought desirable to do so, to select the manufacturer from whom the paper should in the future be procured. The Postmaster-General, (my immediate predecessor,) under date of August 21, 1884, issued a formal order annulling the contract. Subsequently, in the adjustment of accounts between the Department and Messrs. Kellogg & Co., the sum of \$337.77 was deducted, as already stated, to represent the difference in value of the envelopes furnished and that of a like quantity of envelopes conforming to the contract sample.

(2.) As to "whether envelopes inferior to the contract requirements were furnished under any other contract than the said one of P. P. Kellogg & Co.," it has already been shown that the Morgan Envelope Company and the Plimpton Manufacturing Company, the contractors for furnishing official and registered-package envelopes for the year ending June 30, 1884, were also found to be in fault. These concerns had manufactured the envelopes under yearly contracts, for which they were the lowest bidders, from July 1, 1877, to June 30, 1884. At the same time they had furnished the Department with all the stamped envelopes required for public use under three several contracts beginning October 1, 1874, these contracts involving very much larger amounts than those for the official and registered-package envelopes. An effective safeguard with respect to the stamped envelopes was an exact standard of paper (adopted in 1878), which was defined in the contract itself with great precision as to the character of the materials, the proportions of such materials, the mode of manufacture, and as to all such other particulars as should leave no excuse for varying the standard. The adoption of the formula afforded equal and exact justice to the public for whose use the envelopes were purchased, and to bidders competing for the contracts.

The paper for the official-envelope contracts was made by the Parsons Paper Company from 1877 to some time within the last fiscal year, and no defects were discovered in the envelopes made of that paper. It was in the paper obtained by the contractors from the Seymour Paper Company, after the Parsons Paper Company had ceased to manufacture the official-envelope paper, that the testing-machine disclosed an inferiority in strength. The envelope contractors urged their belief that the Seymour paper was equal to that previously made by the Parsons Paper Company, but there are now the best reasons for saying that they were fully aware that the former paper was unlike that attached to the samples in their contract.

Although the contract was based on sample merely, it has recently been shown that this sample was identical in character with the first quality of stamped-envelope paper prescribed by the formula in the stamped-envelope contract previously referred to. This fact could not have been unknown to the contractors, since the bidders' samples had been furnished by them under specific instructions as to the quality of the paper. The amount deducted for the official envelopes of inferior quality furnished by the Morgan and Plimpton companies was \$2,928, as previously shown. The total amount paid to these companies for stamped envelopes from October 1, 1874, to June 30, 1884, was \$4,441,937.47, and for official envelopes from July 1, 1877, to June 30, 1884, \$529,665.34, making a total of \$4,971,602.81.

(3.) As to "how the cost of envelopes under the said contract (with P. P. Kellogg & Co.) compared with the cost of the same in the contract subsequently made," a brief recital of the facts leading to the latter contract may aid in the elucidation of the case.

As already stated, the Kellogg contract was annulled by a formal order of my predecessor, bearing date of August 21, 1884, and under date of August 22, 1884, advertisements were published in sundry newspapers inviting proposals for a new contract for the supply of official and registered-package and tag envelopes for the remainder of the fiscal year ending June 30, 1885. The date fixed for the receipt of proposals was September 15, 1884. The specifications to accompany the blank form of proposals provided that the award should be made upon the same basis as that in the Kellogg contract, viz, the actual consumption of envelopes for the year ended March 31, 1884, the last full year prior to the issue of the proposals leading to the Kellogg contract. As to the registered-package and tag envelopes (of manila paper), the samples adopted were taken from the same lot from which samples had been furnished to bidders under the previous contract of P. P. Kellogg & Co., and they were, of course, identical in quality. With regard to the paper in the samples for the official envelopes, the character of the paper had been left substantially the same as in the previous contract, with the exception of an addition of 20 per cent. in the weight. The sizes of the envelopes were left to be the same, but subsequently, and before the time fixed for the receipt of proposals, they were changed to conform to what were supposed to be "trade sizes." The new specifications accordingly provided, not only for some slight changes in the previously existing sizes, but that the new "sizes may be slightly larger than called for herein, but *no smaller*." This modification, it was thought, would be productive of wider competition, and consequently of more advantageous prices. Contrary to the previous practice, blank forms of proposals with samples were sent out to a large number of stationers who had not applied for them, with the idea of further enhancing the competition. On the day fixed for the receipt of proposals (September

15), the following were submitted with the amounts annexed in each case, viz:

The Morgan Envelope Company and the Plimpton Manufacturing Company, of Hartford, Conn.	\$116,012 81
The Holyoke Envelope Company, of Holyoke, Mass.	119,370 75
M. A. Reay, of New York, N. Y. (No registered package)	67,300 80
L. J. Powers, of Springfield, Mass. (No registered package).....	69,583 10
Charles D. Marshall, of Buffalo, N. Y. (Registered package only).....	49,962 41

The number of bids upon the samples furnished by the Department were four for the ordinary official and tag envelopes, and two for the registered-package envelopes of the pattern in the departmental samples. There was one proposal, that of Charles H. Marshall, for registered-package envelopes of special design. At the time of the award of the Kellogg contract there were six bids for the former and five bids for the latter kind of envelopes upon the departmental supplies. There were also two bids at that time for registered-package envelopes of special design. The aggregate amount of the Kellogg bid in the May award was \$81,517.76, and that of the Morgan Envelope Company and the Plimpton Manufacturing Company, the next lowest bidders in the September award, was \$116,012.81, an increase of the latter over the former of \$34,495.05, or 42.3 per cent.

The contract was awarded by formal order of the Postmaster-General, dated September 16, 1884, to the Morgan Envelope Company and the Plimpton Manufacturing Company, who were the lowest bidders.

In view of the increase of price under which the new contract was awarded, and of the fact that it was given to parties who were found to be involved in the supply of defective envelopes to a greater extent than the parties from whom the contract was taken, I consider it only just to my predecessor to say that had he been in possession of facts now known to the Department his action with regard to the new award might have been very materially modified. It has been disclosed within the past few days that by a written order dated September 3, 1884, he directed Mr. R. B. Williams, a clerk in the stamp division, to visit Hartford, Conn., to inquire into certain circumstances connected with the supply of defective envelopes by the Morgan Envelope Company and the Plimpton Manufacturing Company, and that a written report, bearing date of September 8, 1884, of the facts developed by this inquiry, was suppressed by Mr. Moses Bradshaw, chief of the stamp division, and never seen either by the Postmaster-General or by any responsible officer of the Department, until the 18th ultimo, when it was handed by Mr. Bradshaw to the chief of post-office inspectors, under circumstances stated by a letter addressed by the latter official to myself on the same date, copy of which letter with copy of the report in question will be found among inclosed papers.

It would appear that Mr. Bradshaw was finally induced to produce this report by the resolution of the House of Representatives, to which this letter is in response. Notwithstanding that the facts disclosed by Mr. Williams' examination appear to have been given to him in confidence, I do not feel justified in withholding his official report under the present call for information by the House of Representatives.

A contract was formally entered into with the said Morgan Envelope and Plimpton Manufacturing Companies, under date of September 22, 1884, signed on the part of the contractors by E. Morgan, president of the Morgan Envelope Company, and by L. B. Plimpton, president of the Plimpton Manufacturing Company, and on the part of the United States by the Hon. Walter Q. Gresham, Postmaster-General, his signa-

ture bearing the attestation of Madison Davis, Acting Third Assistant Postmaster-General. This contract is now in force, and in view of what has been mentioned with regard to the inferior envelopes furnished by the same contractors during the year ended June 30, 1884, it is due to the contractors to say that the envelopes now being furnished are in all respects equal to the requirements of the contract. It is due to these companies also to say that so long as they continued to use the Parsons paper, as mentioned previously in this letter, there was but one complaint as to the quality of the paper, and that was in 1880. It has already been stated that the paper in the ordinary official envelopes, while substantially of the same quality, is 20 per cent. heavier under the present contract than under the previous one of P. P. Kellogg & Co. The sample in the latter contract is identical with the first quality of stamped envelopes furnished for public use.

As already stated, the difference in amount between the prices in the Kellogg contract and those of the Morgan and Plimpton contract, which followed its annulment, is \$34,495.05, or 42.3 per cent., based on the actual issues for the year ended March 31, 1884. While the *rate* of increase in price would, of course, remain the same, it does not follow that the extra cost under the Morgan and Plimpton contract will amount to \$34,495.05, since, upon a close estimate, about one tenth of all the envelopes required for the year were furnished under the Kellogg contract. Making a deduction at this rate of \$3,449.50 would leave \$31,045.55 to represent the increase in cost of envelopes by reason of the annulment of the Kellogg contract.

(4.) As to "whether any officer or employé of the Government was at fault in connection with the supply of such inferior envelopes," I beg to say that there is no reason to suppose even, much less to believe, that any officer at the Department was guilty of the slightest act of omission or commission in connection with the supply of the defective envelopes under both the contracts involved. On the contrary, it is the fact that unusual precautions were taken by the officials having the matter in charge at the Department, not only in prescribing exact conditions in the contracts themselves, but in seeking the enforcement of such conditions to the utmost extent that was possible at a distance from Washington, and with single regard to the best interests of the Government.

It does appear clearly, however, that the Government agent and inspector at Hartford, whose duty it was, under the very letter of the contracts themselves, to supervise the manufacture and issue of all the envelopes in question, had either failed to comprehend his instructions and the object of his appointment, or that he had willfully disregarded them. He failed to discover the change in the place of manufacture of the paper from Holyoke, Mass., to Windsor Locks, Conn., until several months after the change had occurred; and when the fact was revealed to him, he neglected, not only to report it to the Department, but also to make such a close, critical examination of the paper as the change in itself should have suggested to him as necessary and proper. Not the slightest reason was discovered, so far as I am aware, to question the integrity of his motives, it appearing simply that his private affairs were given by far the larger share of his time during the hours usually devoted to business.

With regard to the final clause of the resolution, I beg to say that at the instance of the Third Assistant Postmaster-General I directed, by formal order, dated January 14, 1885, a thorough investigation to be

made of the several manufactories of postage-stamps, postal cards, stamped envelopes, and official and registered-package envelopes. The committee designated for the purpose was composed of Col. A. G. Sharp, chief of post-office inspectors; George W. Wells, chief of finance division of the office of the Third Assistant Postmaster-General; and C. M. B. Harris, of the office of Auditor of the Treasury for the Post-Office Department, and the clerk whose duty it is to examine and verify the contractors' accounts of supplies furnished for certification by the Auditor to the Postmaster-General for payment. W. A. Robinson, a most capable post-office inspector, was detailed to accompany the committee to aid in the work of inspection and in the discharge of certain routine duties specified by the order. The Third Assistant Postmaster-General also visited New York and Hartford while the committee were there, to aid them in the prosecution of their labors. The report of the committee, a copy of which will be found herewith, with copies of papers accompanying the same, disclosed a satisfactory condition of affairs at all the various agencies, the final paragraph of the report stating:

In general we desire to state that the work of all of the several places of manufacture is in a very satisfactory condition (except as to the manner of the inspection at Hartford), and that the contracts are being faithfully and honestly executed. While we have discovered a few minor things to which we have objected, we at the same time have seen many things of more important character worthy of commendation.

* * * * *

The criticism with regard to the inspection at Hartford applies merely to the neglect of the agent and inspector to properly perform his duties, concerning which previous reference has been made.

Instructions have already been given to the several agents to carry into effect immediately all the recommendations made by the committee with regard to the work performed under their supervision respectively.

In this connection I am gratified to say, with regard to the supplies of postage-stamps, stamped envelopes, postal cards, and official and registered-package envelopes, furnished under contracts in the office of the Third Assistant Postmaster-General, that for the year ended June 30, 1884, there was an increase in the number of articles furnished of 105 per cent., at an increased cost of only 29 per cent., as compared to the number and cost of similar articles furnished during the year ended June 30, 1877.

I have not replied to the resolution in the order in which its subject-matter is presented, but have followed the logical sequence of the facts called for by it.

Inclosed will be found copies of papers bearing upon the questions involved by the resolution.

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

FRANK HATTON,
Postmaster-General.

Hon. JOHN G. CARLISLE,
Speaker of the House of Representatives.

Schedule of papers accompanying letter of the Postmaster-General to the Speaker of the House of Representatives, under date of February 26, 1885, in regard to the annulment of a certain contract for furnishing post-office envelopes, &c.

PAPERS IN KELLOGG CONTRACT.

- No. 1. May 31, 1884. Order No. 74, awarding post-office envelope contract to P. P. Kellogg & Co.
- No. 2. June 7, 1884. Copy of contract with P. P. Kellogg & Co. for furnishing post-office envelopes.
- No. 3. June 12, 1884. Letter of Third Assistant Postmaster-General to stamped-envelope agent, concerning contract for post-office envelopes.
- No. 4. June 20, 1884. Letter of Acting Third Assistant Postmaster-General to stamped-envelope agent, transmitting copy of contract for post-office envelopes.
- No. 5. June 24, 1884. Letter of stamped-envelope agent to Third Assistant Postmaster-General, reporting result of inspection of factory, &c., at Springfield, Mass.
- No. 6. June 30, 1884. Letter of Third Assistant Postmaster-General to stamped-envelope agent, ordering detail of clerk to supervise the issue of official envelopes at Springfield.
- No. 7. July 2, 1884. Letter of stamped-envelope agent to Third Assistant Postmaster-General, reporting progress of work at factory at Springfield.
- No. 8. July 8, 1884. Letter of Acting Third Assistant Postmaster-General to stamped-envelope agent, containing directions for printing name of Department, &c., on post-office envelopes.
- No. 9. July 17, 1884. Letter of Third Assistant Postmaster-General to stamped-envelope agent, concerning the detail of clerks for duty at Springfield.
- No. 10. July 19, 1884. Letter of stamped-envelope agent to Third Assistant Postmaster-General, concerning the detail of clerks at Springfield.
- No. 11. July 22, 1884. Letter of Third Assistant Postmaster-General to stamped-envelope agent, relative to employment of agent to supervise work at Springfield.
- No. 12. July 26, 1884. Telegram of Acting Third Assistant Postmaster-General to stamped-envelope agent, to forward to Department samples of office envelopes supplied to postmasters.
- No. 13. July 31, 1884. Letter of Acting Third Assistant Postmaster-General to stamped-envelope agent, relative to the report of orders filled.
- No. 14. July 24, 1884. Letter of Holyoke Envelope Company, James T. Abbe, president, to Third Assistant Postmaster-General, calling attention to samples of envelopes furnished by the contractors.
- No. 15. July 31, 1884. Letter of Acting Third Assistant Postmaster-General to stamped-envelope agent calling attention to letter from Holyoke Envelope Company and directing investigation and report.
- No. 16. August 2, 1884. Letter from stamped-envelope agent to Third Assistant Postmaster-General, reporting result of investigation.
- No. 17. August 4, 1884. Letter of clerk in charge of envelope rooms, Post-Office Department, to chief of stamp division, concerning quality of post-office envelopes.
- No. 18. August 11, 1884. Letter of Franklin Paper Company to Postmaster-General, concerning paper furnished P. P. Kellogg & Co. for post-office envelopes.
- No. 19. August 21, 1884. Letter of Postmaster-General to P. P. Kellogg & Co., transmitting order annulling contract for post-office envelopes.
- No. 20. August 21, 1884. Order of Postmaster-General annulling contract with P. P. Kellogg & Co.
- No. 21. August 26, 1884. Letter of Nathan D. Bill, of Springfield, Mass., to Postmaster-General, concerning annulment of contract with P. P. Kellogg & Co.
- No. 22. September 4, 1884. Letter of Postmaster-General to Nathan D. Bill, of Springfield, Mass., in reply to foregoing letter.
- No. 23. September 25, 1884. Order of Acting Postmaster-General directing Moses Bradshaw, chief of stamp division, to make settlement of differences between Department and P. P. Kellogg & Co.
- No. 24. November 29, 1884. Report of Moses Bradshaw to Postmaster-General, concerning settlement of differences between Department and P. P. Kellogg & Co.
- No. 25. November 21, 1884. Letter of Third Assistant Postmaster-General to P. P. Kellogg & Co., of Springfield, Mass., relative to settlement of bill for envelopes furnished.
- No. 26. November 25, 1884. Letter of P. P. Kellogg & Co. to Third Assistant Postmaster-General, accepting statement for settlement as per preceding letter.
- No. 27. December 2, 1884. Order of Postmaster-General accepting terms of settlement with P. P. Kellogg & Co.

PAPERS IN PLIMPTON CONTRACT FOR YEAR ENDING JUNE 30, 1884.

- No. 28. August 21, 1884. Letter of Postmaster-General to Superintendent Plimpton Manufacturing Company, Hartford, Conn., requesting statement of source of supply of paper and price paid for same.
- No. 29. August 23, 1884. Letter of M. S. Chapman, superintendent, to Postmaster-General, saying papers and information desired will be forwarded.
- No. 30. September 3, 1884. Letter of Postmaster-General to Morgan Envelope and Plimpton Manufacturing Companies, concerning examination of their books.
- No. 31. September 3, 1884. Order of Postmaster-General designating Richard B. Williams to inspect books of post-office envelope contractors.
- No. 32. February 18, 1885. Letter of chief post-office inspector to Postmaster-General, transmitting report of Richard B. Williams in regard to books of post office envelope contractors.
- No. 33. September 8, 1884. Report of Richard B. Williams on examination of books of post-office envelope contractors. (Report suppressed by Moses Bradshaw.)
- No. 34. September 15, 1884. Agreement of Morgan Envelope Company and Plimpton Manufacturing Company in regard to deduction from their bill for post-office envelopes.
- No. 35. Copy of contract of Morgan Envelope Company and Plimpton Manufacturing Company for supplying post-office envelopes for year beginning July 1, 1883.

PROPOSALS AND CONTRACTS.

- No. 36. August 22, 1884. Order of Postmaster-General concerning advertisement inviting proposals for post-office envelopes.
- No. 37. September 16, 1884. Order of Postmaster-General (No. 43) awarding contract for post-office envelopes to Morgan and Plimpton Companies.
- No. 38. Copy of contract of Morgan Envelope Company and the Plimpton Manufacturing Company for supplying post-office envelopes for remainder of year ending June 30, 1885, following annulment of the Kellogg contract.

SAMPLES FOR MORGAN AND PLIMPTON CONTRACTS FOR 1885.

- No. 39. August 18, 1884. Letter of Third Assistant Postmaster-General to Hon. William Whiting, concerning paper for post-office envelopes.
- No. 40. August 20, 1884. Telegram of Third Assistant Postmaster-General to Hon. William Whiting, concerning paper for post-office envelopes.
- No. 41. August 24, 25, 26, 28, and 30, 1884. Copies of telegrams concerning samples for new post-office envelope contract.
- No. 42. August 19, 1884. Letter of Hon. William Whiting to the Third Assistant Postmaster-General, concerning paper for post-office envelopes.
- No. 43. August 20, 1884. Letter of Hon. William Whiting to the Third Assistant Postmaster-General, concerning paper for post-office envelopes.
- No. 44. August 21 and 22, 1884. Copies of telegrams from Hon. William Whiting, concerning samples of paper for new contract for post-office envelopes.
- No. 45. August 28, 1884. Letter of M. S. Chapman to Moses Bradshaw, chief of stamp division, Post-Office Department, concerning samples of envelopes.
- No. 46. May 8, 1878. Letter of Third Assistant Postmaster-General to M. S. Chapman, superintendent, ordering samples of stamped envelopes to be prepared.
- No. 47. May 8, 1878. Letter of Third Assistant Postmaster-General to stamped-envelope agent, concerning samples of stamped envelopes.
- No. 48. May 31, 1878. Letter of M. S. Chapman to Third Assistant Postmaster-General, transmitting samples of stamped envelopes.
- No. 49. June 1, 1878. Letter of stamped-envelope agent to Third Assistant Postmaster-General, transmitting samples.
- No. 50. January 22, 1885. Letter of Third Assistant Postmaster-General to Holyoke Envelope Company, asking as to trade sizes of envelopes and cost of envelope machines.
- No. 51. January 29, 1885. Letter from Holyoke Envelope Company, in regard to trade sizes of envelopes and cost of adapting machinery to manufacture of post-office envelopes.
- No. 52. January 28, 1885. Letter of E. P. Martin to Third Assistant Postmaster-General, regarding trade sizes of envelopes and adapting machines to manufacture of post-office envelopes.
- No. 53. January 24, 1885. Letter of G. Henry Whitcomb to Third Assistant Postmaster-General, regarding trade sizes of envelopes and adapting machines to manufacture of post-office envelopes.
- No. 54. January 24, 1885. Letter of W. H. Prescott to Third Assistant Postmaster-

General, regarding trade sizes of envelopes and adapting machines to manufacture of post-office envelopes.

No. 55. January 27, 1885. Letter of L. J. Powers to Third Assistant Postmaster-General, regarding trade sizes of envelopes and adapting machines to manufacture of post-office envelopes.

IDENTIFICATION OF PAPER IN SAMPLES IN KELLOGG AND PREVIOUS CONTRACTS, WITH FIRST-QUALITY STAMPED-ENVELOPE PAPER.

No. 56. January 31, 1885. Letter of Third Assistant Postmaster-General to Hon. William Whiting, concerning samples furnished at various times for post-office and official stamped envelopes.

No. 57. February 21, 1885. Letter of Hon. William Whiting to Third Assistant Postmaster-General, concerning samples of envelopes furnished for different stamped-envelope contracts.

No. 58. June 1, 1878. Letter of Third Assistant Postmaster-General to Hon. William Whiting, acknowledging receipt of affidavit in regard to materials of paper for samples of stamped envelopes to be furnished.

No. 59. June 1, 1878. Letter of Third Assistant Postmaster-General to stamped-envelope agent, inclosing Mr. Whiting's affidavit, and requesting that affidavit of Mr. Chapman, showing receipt and use of paper, be attached thereto.

No. 60. June 5, 1878. Letter of Third Assistant Postmaster-General to stamped-envelope agent, acknowledging receipt of samples, and requesting remainder.

No. 61. June —, 1878. Telegram of M. S. Chapman to Third Assistant Postmaster-General, informing him that affidavits were sent.

No. 62. June 4, 1878. Letter of stamped-envelope agent to Third Assistant Postmaster-General, transmitting affidavits of Messrs. Whiting, Chapman, and himself, in regard to paper and envelopes for samples.

No. 63. May 27, 1878. Letter of Hon. William Whiting to Third Assistant Postmaster-General, transmitting affidavit as to stock of which sample paper is to be made. (Affidavit attached to letter).

No. 64. June 4, 1878. Affidavit of Hon. William Whiting as to samples of envelopes under various contracts.

No. 65. June 4, 1878. Affidavit of M. S. Chapman, superintendent of stamped-envelope works, concerning samples of envelopes.

No. 66. June 4, 1878. Affidavit of H. T. Sperry, stamped-envelope agent, as to manufacture of paper into envelopes, &c.

No. 67. Copy of contract with Morgan Envelope Company and Plimpton Manufacturing Company for furnishing stamped envelopes and newspaper wrappers for four years beginning October 1, 1878.

No. 68. July 17, 1878. Letter of E. Morgan, of Morgan Envelope Company, and L. B. Plimpton, of Plimpton Manufacturing Company, returning contract for supplying stamped envelopes and wrappers for four years from October 1, 1878.

No. 69. May 20, 1875. Letter of Acting Third Assistant Postmaster-General to Plimpton Manufacturing Company to manufacture and furnish sample envelopes for bidders.

No. 70. April 26, 1879. Letter of Third Assistant Postmaster-General to stamped envelope agent concerning samples of post-office envelopes.

No. 71. April 7, 1881. Letter of Third Assistant Postmaster-General to stamped envelope agent with regard to samples of post-office and registered package envelopes.

No. 72. April 20, 1881. Letter of Third Assistant Postmaster-General to stamped envelope agent with regard to registered package envelopes.

No. 73. March 16, 1882. Letter of Third Assistant Postmaster-General to stamped envelope agent regarding samples of post-office envelopes.

No. 74. April 18, 1884. Letter of Third Assistant Postmaster-General to stamped envelope agent ordering samples of post-office envelopes to be furnished by contractors.

COMPARATIVE COST OF ENVELOPES UNDER KELLOGG AND SUCCEEDING CONTRACT.

No. 75. Comparative statement of cost of post-office envelopes as provided for by the Kellogg contract, annulled by Postmaster-General Gresham, and the cost of envelopes under the Morgan and Plimpton contract, which followed the annulment of the Kellogg contract.

REPORT OF COMMISSION.

No. 76. February 24, 1885. Report of commission appointed by Postmaster-General to inspect postage stamp, postal card, and stamped envelope agencies, with accompanying papers.

No. 77. Extracts from contracts for post-office and stamped envelopes, with reference to inspection and supervision of government agent.

No. 78. February 26, 1885. Letter of Third Assistant Postmaster-General to stamped envelope agent, transmitting extract of report of commission appointed to inspect the several agencies.

PROPOSALS.

No. 79. Specifications for furnishing post-office envelopes for remainder of year ending June 30, 1885.

COMPARATIVE COST OF SUPPLIES.

No. 80. Comparative statement of the cost of supplies furnished by the office of the Third Assistant Postmaster-General during the year ending June 30, 1877, and June 30, 1884.

No. 81. Comparative statement of the cost of supplies furnished through the office of the Third Assistant Postmaster-General for the four years ending June 30, 1877, and the four years ending June 30, 1884.

No. 82. Comparative statement of the cost of supplies furnished through the office of the Third Assistant Postmaster-General for the seven years ending June 30, 1877, and the seven years ending June 30, 1884.

No. 1.

POST-OFFICE DEPARTMENT,
Washington, D. C., May 31, 1884.

Ordered (No. 74), That the contract for furnishing post-office envelopes for the fiscal year beginning July 1st, 1884, be awarded to Messrs. P. P. Kellogg & Co., doing business as manufacturers of envelopes in the city of Springfield, Mass., upon the terms contained in their proposal bearing date May 22d, 1884, and received at the Department on the 28th of May, 1884, in pursuance of public advertisement and specifications bearing date the 2d day of May, 1884, the prices in said proposal being as follows:

- No. 1. Letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, \$1.07 per thousand envelopes.
- No. 2. Extra letter size, $3\frac{1}{2}$ by $6\frac{3}{8}$ inches, \$1.18 per thousand envelopes.
- No. 3. Official size, $3\frac{1}{8}$ by $8\frac{1}{4}$ inches, \$2.00 per thousand envelopes.
- No. 4. Extra official size, $4\frac{3}{8}$ by $10\frac{1}{4}$ inches, \$2.50 per thousand envelopes.
- No. 5. For returning dead letters, $3\frac{1}{2}$ by $6\frac{3}{8}$ inches, \$1.35 per thousand envelopes.
- No. 6. For registered package envelopes, size 5 by $10\frac{1}{4}$ inches, \$3.80 per thousand envelopes.
- No. 7. Tag envelopes for registered packages, size $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, \$2.75 per thousand envelopes.
- No. 8. For international money-order advices, $4\frac{1}{2}$ by $6\frac{1}{2}$ inches, \$2.50 per thousand envelopes.

W. Q. GRESHAM,
Postmaster-General.

No. 2.

Copy of contract with P. P. Kellogg & Co. for furnishing post-office, registered-package, and dead-letter envelopes for year beginning July 1, 1884.

(Contract revoked by order of Postmaster-General W. Q. Gresham, August 18, 1884.)

This article of contract and agreement, made this seventh day of June, one thousand eight hundred and eighty-four, between the United States of America (acting in this behalf by W. Q. Gresham, Postmaster-General), of the first part, and P. P. Kellogg and F. T. Kellogg, doing business as manufacturers of envelopes in the city of Springfield, Mass., under the firm name of P. P. Kellogg & Co., as principals, and Geo. A. Russell and N. D. Bill as sureties, of the second part, witnesseth, that whereas the Postmaster-General, in compliance with law, caused an advertisement, bearing date the 2d day of May, one thousand eight hundred and eighty-four, to be published in certain newspapers within the United States, inviting proposals for furnishing, in accordance with specifications prepared under his direction, post-office envelopes for the use of the Post-Office Department for a term of one year, beginning on the first

day of July, one thousand eight hundred and eighty-four, a printed copy of which advertisement and specifications is hereunto annexed and made part hereof, as follows:

“Proposals for post-office envelopes.

“ADVERTISEMENT.

“POST-OFFICE DEPARTMENT,

“Washington, D. C., May 2, 1884.

“Sealed proposals will be received at this Department until Wednesday, the 28th day of May, 1884, at 12 o'clock m., for furnishing post-office envelopes, in such quantities and at such times as they may be ordered, during the fiscal year ending June 30, 1885, of the following classes, viz:

“Nos. 1 to 4. For official letters and returns.

“No. 5. For returning dead letters.

“No. 6. For registered packages.

“No. 7. Tag envelopes or registered packages.

“No. 8. For international money-order advices.

“Blank forms of bids, with samples and full specifications, will be furnished upon application to the Third Assistant Postmaster-General, Washington, D. C.

“W. Q. GRESHAM,

“Postmaster-General.

“SPECIFICATIONS—FURNISHING POST-OFFICE ENVELOPES.

“*Sizes, quality, etc.*—The sizes of the envelopes referred to in the foregoing advertisement are as follows:

“No. 1. For official letters and returns—Size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches.

“No. 2. Do. do. Size, $3\frac{1}{2}$ by $6\frac{3}{8}$ inches.

“No. 3. Do. do. Size, $3\frac{1}{2}$ by $8\frac{1}{4}$ inches.

“No. 4. Do. do. Size, $4\frac{3}{8}$ by $10\frac{1}{2}$ inches.

“No. 5. For returning dead letters—Size, $3\frac{1}{2}$ by $6\frac{1}{2}$ inches.

“No. 6. For registered letters—Size, 5 by $10\frac{1}{2}$ inches.

“No. 7. Tag envelopes for registered packages—Size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches.

“No. 8. For international money-order advices—Size, $4\frac{1}{2}$ by $6\frac{1}{2}$ inches.

“The envelopes must be made in the best manner, and must conform in size, quality of paper, gumming, and make to the samples, and be subject, when furnished, to the approval of the Postmaster-General or his duly authorized agent or agents. They must be banded in parcels of twenty-five, packed in strong pasteboard or straw boxes, securely bound with linen or cotton cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes, or otherwise, as may be ordered; the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail to postmasters. When required to be delivered at the Department, the wrapping may be dispensed with in the discretion of the Postmaster-General.

“When 2,000 or more envelopes are required to fill the order of a postmaster, or when larger lots are ordered to be sent to the Post-Office Department, they must be packed in strong wooden cases and properly addressed; but when less than 2,000 are required to be sent by mail, proper labels of direction must be placed on each package; all to be done by the contractor without additional charge.

“The paper for the envelopes for official letters and returns, for international money-order advices, and for returning dead letters, must be water-marked as the Postmaster-General may direct.

“*Delivery.*—The envelopes must be delivered in such quantities as may from time to time be required to fill the orders of postmasters or of the Department, and be delivered either at the post-office in the city where the accepted bidder resides, or at this Department, or at both places, as the Postmaster-General may direct, free of cost for packing, labeling, and delivering; the whole to be done under the inspection and supervision of an agent of the Department.

“*Special printing.*—The dead-letter, international money-order, registered-package, and tag envelopes must bear such printing as the Postmaster-General may direct, and the registered-package and tag envelopes will be required to be printed in vermilion or some other approved brilliant color, equal to that on the sample.

“All the envelopes for official letters and returns must have printed on them the name of the Department, the words ‘Official Business,’ and the penalty provided by law for their misuse, besides such other printing as the Postmaster-General may at any time direct. When ordered in separate quantities of 500 of the No. 1 or No. 2 sizes, or of 250 of the No. 3 or No. 4 sizes, or in larger quantities, they will, in addition to the foregoing printing, bear also the name of the post-office for whose use they

are intended; when ordered in less quantities, they will bear, in addition to the other printing, the words 'Post-office at,' with a blank space for the name of the post-office to be written in. The printing on the samples is intended to show in a general way some of the forms that will be required.

Agent—office room—inspection.—An agent of the Department will have supervision of the manufacture, storage, and issue of the envelopes, who shall at all times have full and free access to the apartments where they or anything entering into their construction are manufactured and stored, for the purpose of inspecting the same; and the contractor shall furnish him and his clerks a suitable and properly-furnished room for the transaction of the business of the agency, without cost to the Government.

Stock on hand.—The contractors shall at all times keep on hand a stock of registered-package envelopes, subject to the control of the agent of the Department, sufficient to meet all orders of the Department, and to provide against any and all contingencies that may be likely to occur during the existence of the contract, so that every order of the Department may be promptly filled.

Form of bids—award.—The contract will be awarded as a whole for all the envelopes above specified (except the registered-package envelopes), on the basis of the number furnished during the year ending March 31, 1884, the amount of the bid to be ascertained by extending the number of envelopes at the prices bid, respectively, and then aggregating the several items.

"The number of these envelopes is as follows:

"No. 1.	Furnished during the year ending March 31, 1884	.....	11,677,500
"No. 2.	do.	do. do.	5,593,300
"No. 3.	do.	do. do.	7,887,600
"No. 4.	do.	do. do.	503,200
"No. 5.	do.	do. do.	1,270,000
"No. 7.	do.	do. do.	856,100
"No. 8.	do.	do. do.	370,250

"The number of envelopes that may be ordered cannot be positively stated. The numbers given above are merely intended as a guide to bidders, the Department reserving the right to order as many more or less of each kind as it may deem expedient.

"The contractor will not be required to pay royalty on envelopes manufactured from the samples furnished by the Department.

"The contract for registered-package envelopes (No. 6) will be awarded separately to the lowest and best bidder—the proposal stating the price per thousand envelopes made according to the sample, and including everything to be done or furnished as above. The number of these envelopes issued during the year ending March 31, 1884, is 10,630,300.

"With a view, however, of obtaining, if possible, a better and more secure registered-package envelope than the one now in use, additional proposals are invited for envelopes of improved pattern different from the sample to be furnished under these specifications. Proposals for such improved patterns must be accompanied with a sample of the envelope, and must, if the envelope is patented, contain a proviso giving the Department the right to use the improvement during the contract term, without extra cost above the price bid per thousand for furnishing. Should an acceptable registered-package envelope of new design be offered at a less price per thousand than is bid for envelopes of the pattern now in use, the contract will be made for the new design; otherwise, the present envelopes will be adhered to, at the option of the Postmaster-General.

"Each proposal must be signed by the individual or partnership making it, and when made by a partnership the name of each partner thereof must be disclosed; and it must be accompanied by a guaranty, signed by at least two responsible guarantors, who shall be freeholders, that the bidder shall, within ten days after being called upon to do so, execute a contract to furnish promptly, and in quantities as ordered, the article or articles to be furnished by him; the responsibility and sufficiency of the signers to such guaranty to be certified to by the postmaster or United States attorney where the bidder resides; and in such contract the contractor and his sureties shall covenant and agree that in case the said contractors shall fail to do or perform all or any of the covenants, stipulations, and agreements of said contract on the part of said contractor to be performed, as therein set forth, the said contractor and his sureties shall forfeit and pay to the United States of America the sum of twenty thousand dollars, for which said forfeiture the said contractor and his sureties shall be jointly and severally liable, as liquidated damages, to be sued for in the name of the United States.

Failure to enter into contract, etc.—If the bidder to whom the first award may be made should fail to enter into a contract, as herein provided, then the award may be annulled, and the contract let to the next lowest responsible bidder, if not deemed too high by the Postmaster-General, and so on until the required contract is exe-

cuted; and such next lowest bidder shall be required to fulfill every stipulation embraced herein as if he were the original party to whom the contract was awarded.

"The contract will also provide that if at any time during its continuance the sureties, or either of them, shall die or become irresponsible, the Postmaster-General shall have the right to require additional and sufficient sureties, which the contractor shall furnish to the acceptance of the Postmaster-General within ten days after notice; and in default thereof the contract may be annulled.

"The Postmaster-General reserves the right to reject any and all bids if, in his judgment, the interest of the Government requires it; also the right to annul the contract if, in his opinion, there shall be a failure at any time to perform faithfully any of its stipulations, or in case of a willful attempt to impose upon the Department envelopes inferior to those required by the contract, or for any other reason when, in his judgment, the public interest requires it.

"*Payments, etc.*—Payments for envelopes actually furnished will be made quarterly, after proper examination and adjustment of accounts.

"The contract cannot, in any case, be lawfully transferred or assigned.

"Proposals must be securely enveloped and sealed, marked on the envelope 'Proposals for post-office envelopes,' and addressed to the Third Assistant Postmaster-General, Washington, D. C.

"W. Q. GRESHAM,
"Postmaster-General."

And whereas, on the twenty-eighth day of May, one thousand eight hundred and eighty-four, between the hours of twelve o'clock m. and three o'clock p. m., upon the public opening and examination of the proposals submitted in pursuance of said advertisement and specifications, it appeared that the aforesaid firm of P. P. Kellogg & Co. was the lowest bidder for furnishing the envelopes mentioned in the advertisement:

And whereas the Postmaster-General, by an order dated the thirty-first day of May, one thousand eight hundred and eighty-four, awarded the contract for furnishing the said envelopes to the said P. P. Kellogg & Co., which order (duly recorded in the Official Journal of the Post-Office Department and numbered 74) is in the following words, to wit:

"POST-OFFICE DEPARTMENT,
"Washington, D. C., May 31, 1884.

"*Ordered*, That the contract for furnishing post-office envelopes for the fiscal year beginning July 1, 1884, be awarded to Messrs. P. P. Kellogg & Co., doing business as manufacturers of envelopes in the city of Springfield, Mass., upon the terms contained in their proposal bearing date May 22, 1884, and received at the Department on the 28th of May, 1884, in pursuance of public advertisement and specifications bearing date the 2d day of May, 1884, the prices in said proposal being as follows:

"No. 1. Letter size, 3½ inches by 5½ inches, \$1.07 per thousand envelopes.

"No. 2. Extra letter size, 3¾ by 6¾ inches, \$1.18 per thousand envelopes.

"No. 3. Official size, 3½ by 8½, \$2 per thousand envelopes.

"No. 4. Extra official size, 4¾ by 10½ inches, \$2.50 per thousand envelopes.

"No. 5. For returning dead letters, 3¾ by 6¾ inches, \$1.35 per thousand envelopes.

"No. 6. For registered-package envelopes, 5 by 10½ inches, \$3.80 per thousand envelopes.

"No. 7. Tag envelopes for registered packages, 3¾ by 5½ inches, \$2.75 per thousand envelopes.

"No. 8. For international money order advices, 4¾ by 6½ inches, \$2.50 per thousand envelopes.

"W. Q. GRESHAM,
"Postmaster-General."

Now therefore, in consideration of the premises, the said P. P. Kellogg & Co., and their sureties, parties of the second part, do hereby jointly and severally undertake, covenant, and agree to and with the United States of America, and do bind themselves, in manner following, to wit:

1st. That they will furnish and deliver all the post-office envelopes (comprehending envelopes for official letters and returns, for returning dead letters, for registered packages, for international money-order advices, and for tag envelopes for registered packages) that they may be called upon to furnish by the Post-Office Department, during the fiscal year ending on the 30th of June, one thousand eight hundred and eighty-five.

2d. That such envelopes shall strictly conform in size, quality of paper, gumming, and make to the samples hereto attached and made part of this agreement, and shall be subject, when finished, to the approval of the Postmaster-General, or his authorized agent or agents; that they shall be banded together in parcels of twenty-five, packed in strong paste-board or straw boxes, securely bound with linen or cotton

cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes, or otherwise, as may be ordered; the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail to postmasters. When required to be delivered to the Department, the wrapping may be dispensed with in the discretion of the Postmaster-General. The paper for the envelopes for official letters and returns, for returning dead letters, and for international money-order advices, must be water-marked as the Postmaster-General may direct.

¶ [3d. That when 2,000 or more envelopes are required to fill the order of a postmaster, or where large lots are ordered to be sent to the Post-Office Department, they shall be packed in strong wooden cases and properly addressed; but when less than 2,000 are required to be sent by mail, proper labels of direction shall be placed on each package; all to be done by the contractor without additional charge.

4th. That the envelopes shall be delivered in such quantities as may from time to time be required to fill the orders of postmasters, or of the Department, either at the post-office in Springfield, Mass., or at the Post-Office Department, as the Postmaster-General may direct, free of cost for packing, labeling, and delivering, the whole to be done under the inspection and supervision of an agent of the Department.

5th. That all the envelopes to be furnished under this contract shall bear such printing as the Postmaster-General may from time to time direct; and the registered-package envelopes and tag envelopes for registered packages shall be printed in vermilion or some other approved brilliant color, equal to that on the sample. When 500 of a single form of the No. 1, 2, or 8 sizes, or 250 of the No. 3 or 4 sizes of envelopes for official letters and returns, or in larger quantities, are ordered, they shall, in addition to any other printing required, bear the name of the post-office for whose use they are intended.

6th. That in case of a failure on the part of the said P. P. Kellogg & Co. to do and perform all or any of the covenants, stipulations, and agreements of this contract on their part to be performed, the said parties of the second part shall forfeit and pay to the United States of America the sum of twenty thousand dollars (\$20,000), for which said forfeiture the said parties of the second part shall be jointly and severally liable, as liquidated damages, to be sued for in any court having jurisdiction thereof.

And the said party of the first part contracts and agrees to pay the said P. P. Kellogg & Co., doing business in the city of Springfield, Mass., for the envelopes delivered and accepted in pursuance of this agreement, at the following rates, namely:

For number one, letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, one dollar and seven cents (\$1.07) per thousand envelopes.

For number two, extra letter size, $3\frac{1}{4}$ by $6\frac{3}{8}$ inches, one dollar and eighteen cents (\$1.18) per thousand envelopes.

For number three, official size, $3\frac{1}{8}$ by $8\frac{1}{2}$ inches, two dollars (\$2) per thousand envelopes.

For number four, extra official size, $4\frac{1}{8}$ by $10\frac{1}{4}$ inches, two dollars and fifty cents (\$2.50) per thousand envelopes.

For number five, for returning dead letters, size $3\frac{1}{2}$ by $6\frac{3}{8}$ inches, one dollar and thirty-five cents (\$1.35) per thousand envelopes.

For number six, for registered letters, &c., 5 by $10\frac{1}{4}$ inches, three dollars and eighty cents (\$3.80) per thousand envelopes.

For number seven, tag envelopes for registered packages, $3\frac{3}{4}$ by $5\frac{1}{2}$ inches, two dollars and seventy-five cents (\$2.75) per thousand envelopes.

For number eight, for international money-order advices, $4\frac{1}{4}$ by $6\frac{1}{2}$ inches, two dollars and fifty cents (\$2.50) per thousand envelopes.

And the said prices shall be full compensation for everything required to be done or furnished under this contract, payments to be made quarterly, that is to say, in October, January, April, and July, after a proper examination and verification of accounts.

* It is further mutually stipulated by and between the contracting parties as follows:

1st. That an agent shall at all times have full and free access to the apartments where the envelopes are manufactured, for the purpose of inspecting the same, and whose duty it shall be to require the stipulations of this contract to be faithfully observed.

2d. That the Postmaster-General shall have the right to annul this contract if, in his judgment, there shall be at any time a failure to perform faithfully any of its stipulations, covenants, or agreements, or in case of a wilful attempt to impose upon the Department envelopes inferior to the samples hereto attached.

3d. That if at any time during the continuance of this contract the sureties therein named, or any or either of them, shall die or become irresponsible, or unsatisfactory to the Department, the Postmaster-General shall have the right to require new, additional, and sufficient sureties, which the parties of the second part shall furnish to the acceptance of the Postmaster-General, in manner and form as he shall direct, within ten (10) days after notice, and in fault thereof the contract may be annulled.

4th. That, should the interest of the Government require it, this contract may be extended beyond the time named, not exceeding three (3) months, by order of the Postmaster-General, and the contract prices and all conditions herein set forth shall govern in such extended contract.

5th. That no member of Congress shall be admitted to any share or part of such contract or agreement, or any benefit to arise therefrom, as provided by section 3741 of the Revised Statutes of the United States.

And for the faithful performance of this contract, and each and every of the covenants and stipulations therein on their part to be performed, the said parties of the second part bind themselves and each of them, their and each of their heirs, executors, and administrators.

In witness whereof, the said Postmaster-General has caused the seal of the Post-Office Department of the United States of America to be hereunto affixed, and has attested the same by his signature; and the said parties of the second part have hereunto set their hands and seals this day and date first above written.

[SEAL.]

W. Q. GRESHAM,
Postmaster-General.

Attest:

A. D. HAZEN,
Third Assistant Postmaster-General.

P. P. KELLOGG & CO. [SEAL.]
GEO. A. RUSSELL. [SEAL.]
NATHAN D. BILL. [SEAL.]

Attest:

WALTER G. MORSE.

STATE OF MASSACHUSETTS,
County of Hampden, ss:

George A. Russell, one of the sureties in the annexed contract of P. P. Kellogg & Co., being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of twenty thousand dollars (\$20,000) over all his debts and liabilities, and exclusive of property exempt from execution.

GEORGE A. RUSSELL.

Sworn to and subscribed before me, a notary public in and for the county and State aforesaid, this seventh day of June, one thousand eight hundred and eighty-four, as witness my hand and notarial seal.

[SEAL.]

EDMUND P. KENDRICK,
Notary Public.

STATE OF MASSACHUSETTS,
County of Hampden, ss:

Nathan D. Bill, one of the sureties in the annexed contract of P. P. Kellogg & Co., being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of twenty thousand dollars (\$20,000) over all his debts and liabilities, and exclusive of property exempt from execution.

NATHAN D. BILL.

Sworn to and subscribed before me, a notary public in and for the county and State aforesaid, this seventh day of June, one thousand eight hundred and eighty-four, as witness my hand and notarial seal.

[SEAL.]

EDMUND P. KENDRICK,
Notary Public.

I certify that, to the best of my knowledge and belief, George A. Russell, of Springfield, Mass., one of the sureties to a contract between the United States of America and P. P. Kellogg & Co., of Springfield, Mass., for furnishing post-office envelopes during the year beginning on July 1, 1884, is worth the sum of twenty thousand dollars (\$20,000) over and above all liabilities and incumbrances whatever.

EDW'D P. CHAPIN,
Postmaster.

I certify that, to the best of my knowledge and belief, N. D. Bill, of Springfield, Mass., one of the sureties to a contract between the United States of America and P. P. Kellogg & Co., of Springfield, Mass., for furnishing post-office envelopes, during the year beginning on July 1, 1884, is worth the sum of twenty thousand dollars (\$20,000) over and above all liabilities and incumbrances whatever.

EDW'D P. CHAPIN,
Postmaster.

No. 3.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., June 12, 1884.

SIR: I am in receipt of a letter from Messrs. P. P. Kellogg & Co., of Springfield, Mass., the contractors for furnishing post-office envelopes during the ensuing fiscal year, in which they request to be furnished with one each of the A, B, C, D, E, F, H, and I envelopes of all the four sizes, to enable them to get their forms ready, and make a supply of those that are kept regularly in stock. Please cause the envelopes mentioned to be prepared and delivered to Mr. T. P. Graham, of this office, who will call at the envelope agency on Monday next on his way to Springfield. As Mr. Graham visits that city on business connected with the manufacture of post-office envelopes under the new contract, you had better accompany him, to see what preparations are being made by the Messrs. Kellogg to carry out their contract, and to give special attention to the proper fitting up of the premises which they propose to occupy for the manufacture of the envelopes.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 4.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., June 20, 1884.

SIR: I inclose herewith, for your information, a certified copy of the contract of P. P. Kellogg & Co., of Springfield, Mass., for furnishing post-office envelopes during the fiscal year beginning on the 1st proximo, and have to request that, in addition to your duties as United States stamped envelope agent, you will act, until otherwise ordered, as agent of the Department under this contract.

Please keep this office fully advised as to the preparations being made by the Messrs. Kellogg for carrying this contract into effect.

Very respectfully, &c.,

MADISON DAVIS,
Acting Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 5.

POST-OFFICE DEPARTMENT,
UNITED STATES STAMPED-ENVELOPE AGENCY,
Hartford, Conn., June 24, 1884.

SIR: I visited the factory at Springfield yesterday, and made a thorough inspection of the works, paper, &c.

The contractors have a number of machines at work, and are putting in more as rapidly as possible. They seem to appreciate the importance of being in readiness to supply your large orders in July, and promise to do it.

All the paper in hand I should say was up to standard. I send you samples of registered package, registered tags, and post-office envelopes, taken from the machines and tables. Everything appears to be in first-class order, and from present appearances, I should say there will not be much delay in filling the orders. Much, of course, depends upon the rapidity with which the rest of the machinery is put in place.

Will run up again soon. There is no reason that I can now think of why I should not be able to supervise the work there to your entire satisfaction, if you so desire.

Very respectfully,

H. T. SPERRY, *Agent.*

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

No. 6.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., June 30, 1884.

SIR: Until permanent arrangements can be made for the establishment of an agency at the manufactory of Messrs. P. P. Kellogg & Co., in Springfield, Mass., you had better detail one or two of the stamped-envelope agency clerks to go up to Springfield and attend to the issuing of post-office envelopes.

The order for these articles to be sent from this office on the 1st proximo will be addressed to you as acting agent, &c., care of P. P. Kellogg & Co.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 7.

POST-OFFICE DEPARTMENT,
UNITED STATES STAMPED-ENVELOPE AGENCY,
Hartford, Conn., July 2, 1884.

SIR: I visited the factory at Springfield yesterday. Found everything progressing as well as could be expected. I send package of samples. Mr. Wilsey will go up to-day to make out requisition and bills.

I note your remark in regard to the establishment of an agency at Springfield, and beg leave to say that with one, and, at the most, two additional clerks, the work can be done to your entire satisfaction by this agency. There are fifteen or twenty daily trains between Hartford and Springfield, the running time of some of them being only thirty-eight minutes, so that I can very easily give the work there sufficient personal supervision. The advantage of this arrangement would be that when the work is light there the clerks could assist in the heavy work here. There would also be a large saving in expense to your Department.

Very truly, &c.,

H. T. SPERRY.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

No. 8.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., July 8, 1884.

SIR: Please request Messrs. P. P. Kellogg & Co., contractors, to cause the name of the Department, post-office, and words "Official business" to be printed in the upper left-hand corner, and the penalty clause in the upper right-hand corner, of all post-office envelopes to be manufactured by them.

I inclose herewith several of the contract specimens to show the style desired.

Very respectfully, &c.,

MADISON DAVIS,
Acting Third Assistant Postmaster-General.

Mr. H. T. SPERRY,
Acting Agent, Springfield, Mass.

No. 9.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., July 17, 1884.

SIR: As the work connected with the ordering and mailing of post-office and registered-package envelopes must in future be done at Springfield, Mass., under the new contract, please inform me whether, in case the Department makes provision for such

work by a regular force at Springfield, the number of clerks at the stamped-envelope agency cannot be reduced.

Please inform me also how many clerks you have detailed temporarily from your force to do the work at Springfield.

Respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

Mr. H. T. SPERRY,
Stamped-Envelope Agent, Hartford, Conn.

No. 10.

POST-OFFICE DEPARTMENT,
UNITED STATES STAMPED ENVELOPE AGENCY,
Hartford, Conn., July 19, 1884.

SIR: In reply to your letter of the 17th instant, in relation to the establishment of a regular force at Springfield, Mass., in connection with the ordering and mailing of post-office and registered-package envelopes, I have to inform you that since the 1st instant the work has been done by one clerk who, after remaining at the agency here until 11.30 a. m., takes the train for Springfield at 11.38 (arriving there at 12.27 p. m.), and returns by train leaving Springfield at 5.10 p. m.

The absence of one man from the agency here during the time of receipt of the large orders has already delayed us to a considerable extent, and we are losing ground daily in the clerical work, and rapidly falling back in shipments of envelopes to fill your daily orders. The extra work consequent upon the use of the "Manifold T. R. Pouch Bill Books" retards us very much, and any reduction in the number of clerks would seriously embarrass the entire business of the agency.

Respectfully, &c.,

H. T. SPERRY, *Agent.*

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

No. 11.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., July 22, 1884.

SIR: I was duly in receipt of your letter of the 19th instant, reporting progress of affairs under the contract with Messrs. P. P. Kellogg & Co. for furnishing post-office envelopes.

Upon conferring with the Postmaster-General in the matter, it has been decided, for the present at least, not to employ an agent to supervise this work, but to continue to have it performed under your direction, as was the case when the envelopes were manufactured at Hartford. Agreeably to your suggestion, however, a clerk will be employed, out of the appropriation made for an agency at Springfield, to assist you in your duties in connection with the post-office envelope contract, and I am instructed by the Postmaster-General to request that you recommend to the Department a suitable person to be employed as such clerk. His compensation may be fixed at such reasonable sum as you may think will be justified by the requirements of the place, not, however, to exceed \$1,200 or \$1,400 per annum.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 12.

[Telegram.]

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., July 26, 1884.

H. T. SPERRY,
Acting Agent, Springfield, Mass.:

Please send to this office one hundred of each size of office envelopes now being supplied to postmasters upon orders from this Department.

MADISON DAVIS,
Acting Third Assistant Postmaster-General.

No. 13.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., July 31, 1884.

SIR: No report has been received in reference to the filling of post-office envelope orders since your communication of the 16th instant, wherein you stated that the contractors had delivered order No. 6 at the post-office in Springfield, Mass.

You will please inform this Department of the number of orders for these envelopes that have been delivered in full by the new contractors, and hereafter cause a report to be made upon the completion and delivery of each order.

Respectfully,

MADISON DAVIS,
Acting Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Acting Agent, Springfield, Mass.

No. 14.

HOLYOKE ENVELOPE COMPANY,
Holyoke, Mass., July 24, 1884.

SIR: As bidders under your advertisement for envelopes for post-office use, we respectfully invite your attention to the samples herewith inclosed, one being on animal-sized paper as furnished by your Department accompanying the blank form of proposal, and the others such as are being supplied your Department under the contract. The latter are without animal-sizing, being simply sized in the engine, and of a grade so much below the standard that the difference in price alone on the grade of paper supplied and that required under the advertisement is greater than would be considered a legitimate profit, and, we believe, more than would be asked by manufacturers generally; and the same can be said in the decreased weight. This double advantage is an assumption that no manufacturer would impose upon the trade, and if the Department accept goods so much under standard, it resolves such bidding into a matter of speculation, and the success of a bidder is contingent simply upon the chances taken as to what the Department will accept.

We feel, in justice to our company, that your attention should be called to this matter.

Respectfully,

HOLYOKE ENVELOPE COMPANY,
By JAS. T. ABBE, *President.*

The THIRD ASSISTANT POSTMASTER-GENERAL.

No. 15.

POST-OFFICE DEPARTMENT,
OFFICE THIRD ASSISTANT POSTMASTER GENERAL,
Washington, D. C., July 31, 1884.

SIR: A prominent paper manufacturing company writes the Department saying: "As bidders under your advertisement for envelopes for post-office use, we respectfully invite your attention to the samples herewith inclosed, one being on animal-sized paper as furnished by your Department, accompanying the blank form of propo-

sal, and the others such as are being supplied your Department under the contract. The latter * * * are of a grade so much below the standard that the difference in price alone on the grade of paper supplied and that required under the advertisement is greater than would be considered legitimate profit, and we believe more than would be asked by manufacturers generally, and the same can be said in the decreased weight. This double advantage is an assumption that no manufacturer would impose upon the trade, and if the Department accept goods so much under standard, it resolves such bidding into a matter of speculation, and the success of a bidder is contingent simply upon the chances taken as to what the Department will accept."

The specimens and the envelopes complained of are herewith inclosed. The records of the Department show that these envelopes were furnished by the late contractor, and not by the present.

Please look into the matter at once and report: (1) Whether the envelopes complained of are inferior to the contract standard; (2) about what number of such envelopes have been issued by the late contractors; (3) whether you have carefully inspected the envelopes supplied under the late contract to see that it has been complied with.

A prompt answer to this letter is requested.

Very respectfully,

MADISON DAVIS,
Acting Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 16.

POST-OFFICE DEPARTMENT,
UNITED STATES STAMPED-ENVELOPE AGENCY,
Hartford, Conn., August 2, 1884.

SIR: In reply to your favor of July 31, in relation to poor quality of post-office envelopes, I beg leave to say, in answer to your *first inquiry*, the samples sent are evidently very much inferior to the contract standard. As to the second question, I have to say, that early in April last I found a poor lot of paper in the factory, which was rejected. A little of this paper had been made up, but a careful inspection of stock on hand by Chief Clerk Wilsey and myself did not result in finding any poor envelopes. As both Colonel Wilsey and myself keep as close a watch as possible of paper and envelopes, it can hardly be possible that a large number of envelopes of the quality you send could have been sent out. I inclose herewith a letter written by myself upon this subject in April last; also sample of envelopes taken from stock left over on hands of last contractors from which supplies have been sent; also sample of paper taken from paper now in stock from which envelopes have been made. As to the third inquiry, the paper and envelopes have been carefully inspected, and since the complaints of April last, very especial attention has been paid to the post-office envelopes. Poor paper will once in a while get in, but it has been rejected when discovered, and Colonel Wilsey and myself are of the opinion that only a few of the envelopes complained of could have been sent out.

Very respectfully, &c.,

H. T. SPERRY, *Agent.*

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

No. 17.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER GENERAL,
Washington, D. C., August 4, 1884.

SIR: In regard to the communication from the Holyoke Envelope Company, of Holyoke, Mass., in which complaint is made that this Department is accepting envelopes from P. P. Kellogg & Co., contractor, that are not up to the standard, referred to me by you with the request that I make a report thereon, I herewith submit:

First. That the samples of free post-office envelopes sent by the Holyoke Envelope Company were made by the old contractor, the Plimpton Envelope Company, and therefore their complaint above mentioned, in reference to the samples submitted by them, does not apply to the present contractor.

Second. In regard to the quality of the free post-office envelopes now being furnished by the present contractor, I have to say, that none of them have been received

in stock at this Department, but orders covering 2,403,500 have been made by the Third Assistant Postmaster-General, through the acting agent at Springfield, Mass., to be sent by him to postmasters.

In order to ascertain whether the quality of these envelopes were up to the required standard, a few postmasters located in different States, to whom they have been sent, were requested to send samples to this office, of the various sizes of envelopes received by them, in order that a comparison could be made with the sample envelopes attached to the contract and made a part thereof.

Returns from Remsen, N. Y., La Fayette, Ind., Portland, Conn., Wilcox, Pa., Hinsdale, N. H., and Ansonia, Conn., have been received, and show that they are neither up to the standard as to weight nor quality of stock in the paper.

In regard to the registered-package envelopes included in the same contract, I have to say that 400,000 have been received at this Department; that I carefully inspected each lot as it was received, and was of the opinion that they were up to the standard in every particular. But upon applying the test, by means of a device for testing paper, recently invented by Messrs. Morrison & Herron, and which was called to my attention for the first time to-day, I ascertained that they were not up to the standard, inasmuch as the sample envelopes broke under a pressure of 47 pounds, whereas the envelopes in stock could sustain but 38½ pounds pressure, thus showing that although the envelopes received from the contractor equals the sample envelopes in weight and general finish, they are made of poorer stock, presumed to be composed largely of *wood pulp*, the material usually employed in the adulteration of paper.

Upon applying the same test to the free post-office envelopes, it was discovered that a much greater discrepancy existed as to the strength of the paper compared with the samples than was shown in the test for registered-package envelopes.

Respectfully submitted.

A. W. BINGHAM,
Clerk in charge of Envelope Rooms, Stamp Division.

MOSES BRADSHAW, Esq.,
Chief of Stamp Division.

No. 18.

FRANKLIN PAPER COMPANY,
Holyoke, Mass., August 11, 1884.

DEAR SIR: Referring to our interview with you on Saturday last, we were both surprised and sorry that the paper we had furnished on the Kellogg contract for the Department envelopes did not prove satisfactory; for we made the paper in good faith, and knew that it was fully equal to what the Department had been furnished with during the past year.

The method of testing the paper is entirely new, and we did not suppose such a test was required; if we had, we should have met it.

We are ready to make the paper so that it will stand the test you have established, on negotiating for one of the machines, and will secure it at once, so that we may know the paper is right before it leaves the mill, and trust you will allow the contract to remain in force, and give us an opportunity to show you that we are disposed to do what is right in the matter, and oblige,

Yours, truly,

FRANKLIN PAPER COMPANY,
F. H. CHAMBERLIN, *Secretary.*

HON. W. Q. GRESHAM,
Postmaster-General, Washington, D. C.

No. 19.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., August 21, 1884.

SIRS: Inclosed please find copy of an order this day entered, forfeiting your contract for furnishing envelopes for the Post-Office Department for the current year. •

Very respectfully,

W. Q. GRESHAM,
Postmaster-General.

P. P. KELLOGG & Co.,
Springfield, Mass.

No. 20.

ORDER NO. 18.]

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., August 21, 1884.

Whereas, on the 7th day of June, 1884, a contract was entered into between the United States of America—by Walter Q. Gresham, Postmaster-General—of the first part, and P. P. Kellogg & Co., of Springfield, Mass., party of the second part, whereby the said party of the second part agreed, for a consideration in said contract specified, to furnish the party of the first part for one year from the first day of July, 1884, the following described envelopes:

No. 1. For official letters and returns—size, three and one-quarter by five and one-half inches.

No. 2. For official letters and returns—size, three and one-half by six and three-eighths inches.

No. 3. For official letters and returns—size, three and fifteen-sixteenths by eight and seven-eighths inches.

No. 4. For official letters and returns—size, four and three-eighths inches by ten and one-quarter inches.

No. 5. For returning dead letters—size, three and three-quarters by six and three-eighths inches.

No. 6. For registered letters—size, five by ten and one-eighth inches.

No. 7. Tag envelopes for registered packages—size, three and three-quarters by five and one-half inches.

No. 8. For international money-order advices—size, four and three-quarters by six and one-half inches.

And whereas it is provided in said contract, "that the Postmaster-General shall have the right to annul this contract if, in his judgment, there shall be at any time a failure to perform faithfully any of its stipulations, covenants, or agreements, or in case of a wilful attempt to impose upon the Department envelopes inferior to the samples hereto attached."

And whereas it has been made to appear to the Postmaster-General that the party of the second part, P. P. Kellogg & Co., has delivered to the Post-Office Department, its officers, agents, and employes, envelopes inferior in quality and strength to the requirements of the contract, and that they have wilfully attempted to impose upon the Department, under said contract, envelopes inferior to those called for by its provisions:

It is therefore ordered that said contract be, and the same is hereby, annulled.

W. Q. GRESHAM,
Postmaster-General.

No. 21.

SPRINGFIELD, MASS., August 26, 1884.

DEAR SIR: Have just returned and learned of your decision in cancelling contract of P. P. Kellogg & Co. There could not be a more unjust one as far as we are concerned. However, you undoubtedly think you have done your duty. What we want to know now is how we stand with the Department. Mr. Kellogg informs me that they have delivered something over \$8,000 worth of goods. Will they be paid for at the end of the quarter without any deduction, or what do you propose to do? Would also like to know if you propose to make any claim on our bond, and whether we are at liberty to bid again. Had the Department followed the same rigorous law that you now set down from the beginning, we could not possibly have been in the position we are now in; but as you well know, they have been accepting for years inferior goods to those that we delivered. We had no other recourse in bidding than to take this into consideration. For several years we bid and lost, and when we finally did get it last June, we went to the Department and were given by your officials dozens of samples to show goods we were to deliver. Your authorized agents also, from the beginning, told us that our goods were all right—superior to anything the Department had had for years; so that your decision comes now like a clap of thunder from a clear sky, and, as we remarked before, could not be more unjust as far as we are concerned.

If you can make it convenient, would like to hear at once in regard to the three questions asked above, and would like to have your direct answer to P. P. Kellogg & Co.

Respectfully, yours,

NATHAN D. BILL,
A part owner and bondsman.

Hon. W. Q. GRESHAM,
Postmaster-General.

No. 22.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., September 4, 1884.

SIR: In your letter of the 26th ultimo you say the Department has been accepting goods inferior to the requirements of the contracts for years, and that you considered that fact in making your bid; in other words, you say, in effect, that you expected to furnish goods inferior to the samples when you entered into the contract.

Confessing, as you do, that you have deliberately violated your contract, I am somewhat surprised that you should expect to bid upon the basis of honest performance. Certainly you are not entitled to payment as if the goods furnished had been up to the requirements of your contract.

Just what amount is due you I have not yet been able to determine.

Very respectfully, yours,

W. Q. GRESHAM,
Postmaster-General.

NATHAN D. BILL, Esq.,
Springfield, Mass.

No. 23.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., September 25, 1884.

Ordered (No. 49), That Moses Bradshaw, chief of stamp division, office of Third Assistant Postmaster-General, be, and he is hereby, authorized to visit Springfield and Holyoke, Mass., in order to make a settlement of the differences between the Department and P. P. Kellogg & Co., late contractors for free post-office envelopes.

FRANK HATTON,
Acting Postmaster-General.

No. 24.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., November 29, 1884.

SIR: In accordance with the instructions contained in Order No. 49, signed by the Acting Postmaster-General, and dated September 25, 1884, I have the honor to state that 919,750 No. 1, 692,500 No. 2, 863,800 No. 3, 73,800 No. 4 free post-office envelopes; 97,000 No. 5 dead-letter envelopes; 1,400,600 No. 6 registered-package envelopes; 124,800 No. 7 registered-tag envelopes; and 25,000 No. 8 international envelopes, have been delivered by Messrs. P. P. Kellogg & Co. under their late contract with the United States for furnishing said envelopes, and, after proper verification, accepted, said P. P. Kellogg & Co. agreeing in writing under date of November 25, 1884, to accept \$9,234.55 in full for all claims against the Post-Office Department arising under said contract, as per statement contained in letter of the 21st instant from this office, copy of which, together with copy of Order No. 49, is hereto attached; duplicate of bill being also made part hereof.

Very respectfully,

MOSES BRADSHAW,
Chief Stamp Division.

HON. A. D. HAZEN,
Third Assistant Postmaster-General.

No. 25.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., November 21, 1884.

GENTLEMEN: Referring to your bill dated October 31, for free post-office envelopes, dead letter, registered package, and tag and international envelopes, I have to inform you that 919,750 No. 1, 692,500 No. 2, 863,800 No. 3, 73,800 No. 4 free post-office envel-

opes; 97,000 dead-letter envelopes; 1,400,600 No. 6 registered-package envelopes; 124,800 No. 7 registered-package tag envelopes, and 25,000 No. 8 international envelopes, were received by the Department, which will be paid for at the contract price, deducting the difference in the price per pound of the paper used in the manufacture of canary and dead-letter envelopes and that called for by the contract samples at the rate of $1\frac{1}{2}$ cents per pound on 22,581 pounds, that being the number of pounds of said paper used by you in the manufacture of said envelopes. The total amount of your bill as rendered is \$9,572.32, which, after deducting \$337.77, the cost of 22,581 pounds at $1\frac{1}{2}$ cents per pound, leaves \$9,234.55.

This settlement of the difference between the Department and your firm is made on the understanding had between Mr. P. P. Kellogg and Mr. Bradshaw in September last, and an acceptance of the same *in writing* by your firm is necessary before a warrant can be sent you in payment of your bill.

Very respectfully,

A. D. HAZEN,

Third Assistant Postmaster-General.

P. P. KELLOGG & Co.,
Springfield, Mass.

No. 26.

SPRINGFIELD, MASS., November 25, 1884.

DEAR SIR: We hereby agree to accept \$9,234.55 in full for all claims against the Post-Office Department, as per statement contained in your letter of the 21st instant.

Yours, truly,

P. P. KELLOGG & CO.

HON. A. D. HAZEN,
Third Assistant Postmaster-General.

No. 27.

WASHINGTON, D. C., December 2, 1884.

In accordance with the report of Moses Bradshaw, chief of division of stamps, stamped envelopes, &c., of this Department, and the agreement of Messrs. P. P. Kellogg & Co., late contractors for furnishing post-office envelopes hereto annexed, it is ordered that the terms therein stated be accepted as an equitable adjustment of the matter in dispute, and the amount agreed upon (\$9,234.55) is hereby ordered to be paid.

FRANK HATTON,
Postmaster-General.

No. 28.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., August 21, 1884.

SIR: Referring to the conversation with Mr. Morgan, of the Morgan Envelope Company, and yourself, at your office in Hartford, on the 14th instant, I have to request that you furnish me with a statement showing (1) the number of pounds of paper obtained by you from the Parsons Paper Company, and the number of pounds obtained from the Seymour Paper Company, in filling your contract for post-office envelopes for the year ending June 30, 1884, and (2) the price paid to each of said companies for the paper furnished by them.

I have also to request that you send me your contract with both companies covering the supply of paper, or such other written evidence as you may have showing the prices paid. Of course I have no right to demand an inspection of your contracts with the companies above named, but such an inspection might aid me in determining the question at issue between this Department and yourself, with respect to your late contract, and hence this request is made.

Very respectfully,

W. Q. GRESHAM,
Postmaster-General.

M. S. CHAPMAN, Esq.,
Superintendent Plimpton Manufacturing Company, Hartford, Conn.

No. 29.

UNITED STATES STAMPED ENVELOPE WORKS,
Hartford, Conn., August 23, 1884.

SIR: Yours of the 21st in relation to paper used in our last official contract. The information desired, together with the papers that we have relating to the question, will be forwarded to you early next week—probably on Monday.

Respectfully, yours,

M. S. CHAPMAN,
Superintendent.

Hon. W. Q. GRESHAM,
Postmaster-General.

PARSONS PAPER COMPANY,
Holyoke, Mass., August 23, 1884.

DEAR SIR: In referring to our books, I find that we sent you during last year 47,896 pounds canary paper for the official envelopes.

There was no written contract between us. The price paid per pound was 10 cents net cash.

Yours, truly,

J. C. PARSONS,
Treasurer.

Mr. M. S. CHAPMAN.

SEYMOUR PAPER COMPANY,
Windsor Locks, Conn., August 26, 1884.

DEAR SIR: We furnished you during the year ending June 30, 1884, of the postal canary envelope paper with water-mark U. S. P. O. D. 195,150 pounds.

The price first agreed upon was 9 cents, payable quarterly.

Soon after 1st January, an improved quality being desired, the price was advanced to 9½ cents per pound, but, owing to general decline in price of paper, we did not charge the advance in our account for April and July last.

Our letter to Mr. Morgan, under date 13th July, is the only writing made in regard to price and terms.

Yours, truly,

SEYMOUR PAPER CO.,
C. E. O'HARA, Treasurer.

Mr. M. S. CHAPMAN,
Superintendent United States Stamped Envelope Works, Hartford.

SEYMOUR PAPER COMPANY,
New York, N. Y., July 13, 1883.

DEAR SIR: Yours 12th received. I saw Plimpton and arranged as to color, size, dandy, &c., and price is as you understand it, 9 cents, payable quarterly. We did not talk of how long the contract was for, but our understanding is for one year, as it was so talked of between us originally. We are having a dandy made (ready next week). I expect to see you (also Plimpton) early next week or the middle.

Yours, truly,

C. E. O'HARA, Treasurer.

Mr. E. MORGAN,
Springfield.

Mr. CHAPMAN:

Please show to Mr. Plimpton and put on file.

E. MORGAN.

No. 30.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., September 3, 1884.

GENTLEMEN: This will present Mr. Richard B Williams, of the stamp division. Mr. Williams visits Hartford for the purpose of making an examination of your books, in order to ascertain the amount of paper used, and the price paid for the same, during the time covered by your contract for free post-office envelopes.

This information is desired in order to adjust the differences between your firms and the Department, in connection with the warrants drawn in your names and now held by the Third Assistant Postmaster-General.

Very respectfully,

W. Q. GRESHAM,
Postmaster-General.

Messrs. PLIMPTON and MORGAN & Co.,
Hartford, Conn.

No. 31.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., September 3, 1884.

Ordered (No. 36), that Richard B. Williams, of the stamp division, office of the Third Assistant Postmaster-General, be, and he is hereby, directed to proceed to Hartford, Conn., Springfield and Holyoke, Mass., on official business in connection with the contracts for free post-office envelopes.

W. Q. GRESHAM,
Postmaster-General.

No. 32.

POST-OFFICE DEPARTMENT,
OFFICE OF CHIEF POST-OFFICE INSPECTOR,
Washington D. C., February 18, 1885.

SIR: I have the honor to transmit herewith a report made by Richard B. Williams, a clerk in the stamp division, made in pursuance to an order of Hon. W. Q. Gresham, Postmaster-General, dated September 3, 1884, a copy of which is also transmitted.

This report was handed to me yesterday evening by Mr. Bradshaw, the chief of the stamp division, with the statement that it had never been submitted to any officer of the Department, nor seen by any such officer, nor its contents made known to any officer, except the figures contained on the three last pages, which were submitted to the Postmaster-General.

His object in turning the report over to me I am unable to divine, but as it is a report addressed to the Postmaster-General, and made in obedience to his order, it is respectfully transmitted to you for your consideration.

Very respectfully,

A. G. SHARP,
Chief Inspector.

Hon. FRANK HATTON,
Postmaster-General.

No. 33.

POST-OFFICE DEPARTMENT,
Washington, D. C., September 8, 1884.

SIR: Pursuant to your instructions of the 3d instant, directing me to proceed to Hartford, Conn., Springfield and Holyoke, Mass., and collect data to be used in arranging for a settlement with the firm of Messrs. Plimpton, Morgan & Co., late contractor for furnishing post-office envelopes, I have the honor to report as follows:

On the 4th instant I arrived at Hartford, Conn., and immediately called at the United States Envelope Works, and presented my credentials to Messrs. Plimpton, Morgan, and Superintendent Chapman, who received me courteously, and at the suggestion of the latter gentleman, a private conference was agreed upon, Mr. Plimpton assigning as a reason therefor that, owing to the extensive publicity heretofore given to the investigation of the contract for post-office envelopes by the Department, he would prefer to have the results of the present conference withheld from the public, believing that the adoption of such a course would have some weight in governing their decision; but in this connection they wished it to be distinctly understood that they had nothing whatever to withhold from the Postmaster-General, and if the present investigation was for the legitimate purpose stated, and conducted in the spirit of confidence, they would be glad to lend me their hearty co-operation.

I assured them that their private interests should be respected, and volunteered the

assertion that in the investigation of the matter under consideration the Postmaster-General was governed entirely by a desire to protect the interest of the Government, and to that end alone were his efforts directed.

They then proposed getting affidavits from the Parsons and Seymour Paper Companies, showing the amount and price of material furnished for that particular contract. I informed them that my instructions were explicit, and would therefore have to confine myself strictly to the letter.

I could see no reason why they should be compelled to resort to this method if their books were properly kept.

Mr. Plimpton stated that the books would not give *all* the information desired. I found upon examination that they were kept in a manner to mislead. For instance, the invoices for canary paper from Parsons, as well as the Seymour Company, gave the date and number of pounds, but the price in every instance was extended 17 cents per pound. These bills were journalized and posted to their respective accounts in the ledger, and settlements made upon that basis.

As that did not represent the actual value, I made inquiry as to their motive for substituting false amounts.

I was informed that owing to great competition in their line of business, they were obliged to adopt such methods in order to keep the secrets of their business to themselves. I then asked how it was possible for them to keep their cash book straight if they were in the habit of charging up fictitious amounts. Their reply was that a check for the full amount was sent, and they received a drawback equal to the difference between the actual and the personated value. These checks they claim were sent to Mr. Plimpton and Mr. Morgan, and did not appear upon the books shown me; nor was I given an opportunity to trace the drawback to the private books of Messrs. Plimpton and Morgan. When I suggested such an examination, I was informed that their books did not show the transaction, as there was no record made of it; and if that is a fact it does not reflect credit upon their business management.

The next important step was to have the Parsons and Seymour Paper Companies to corroborate that statement. Mr. Morgan then accompanied me to the Parsons Paper Company, at Holyoke, Mass. Mr. Parsons informed me that he did not like that manner of doing business, yet he had consented in their case for the reasons previously given. He said that he invoiced their paper at 17 cents per pound, and the moment a settlement was made he would give them his check for the difference, which was 7 cents per pound for the canary paper. He further stated that he was ashamed of the price, which was made special in this particular instance, and he would rather not have made the paper. He wanted Mr. Whiting to take the contract, but that gentleman declined.

I asked Mr. Parsons what the relative difference in value was between his canary paper and paper of corresponding weight, &c., made by the Seymour Company. He said there was formerly a great difference in the value, but for the last year, by reason of extensive improvements in the machinery for the manufacture of machine-dried paper, he considered his paper worth $1\frac{1}{2}$ cents per pound more than paper of the same grade made by the Seymour Company.

I returned to New York, and called (with Mr. Morgan) on the Seymour Paper Company. Mr. Morgan explained the nature of our business, and directed them to give me whatever information I desired relative to the business between the Seymour Company and the United States Stamped Envelope Works. The member of the firm in charge of the New York office was at his country seat on Long Island. I asked to see their ledger. The book-keeper could not produce the ledger for 1883, claiming that it was not in his possession. They had opened a new set of books January 1, 1884, and the balances had been transferred to the ledger now in use, which was produced, and the account of the United States Stamped Envelope Works showed that all settlements made since January 1, 1884, were at 9 cents per pound net. They produced the factory book, showing original charges, which corroborated the ledger account.

I inclose herewith, for your information, a statement showing the number of pounds of canary paper received from the Seymour Paper Company, at Windsor Locks, Conn., alleged to have been manufactured into post-office envelopes. Also a statement showing the number of post-office envelopes furnished by Messrs. Plimpton, Morgan & Company during the contract year (from July 1, 1883, to June 30, 1884), giving the number of reams of paper required to produce the same, with a comparative statement showing the loss sustained by the Government, assuming the statements made by Messrs. Plimpton, Morgan & Company to be correct.

Very respectfully,

RICHARD B. WILLIAMS.

Hon. W. Q. GRESHAM,
Postmaster-General.

Statement showing the number of post-office envelopes furnished by Messrs. Plimpton, Morgan & Co. during the contract year from July 1, 1883, to June 30, 1884, giving their value, and the number of reams required to produce the same, with estimated weight, basing it at fifty pounds per ream, showing the value at 10 cents per pound, with a comparative statement showing the loss sustained by the Government, assuming the statements made by Messrs. Plimpton, Morgan & Co. to be correct.

Size.	Number of envelopes in a ream.	Number of envelopes furnished during contract year.	Value.	Number of reams required to produce this quantity.	Estimated weight, basing it at 50 pounds per ream.	Value at 10 cents per pound.
No. 1	5,000	11,145,000	\$15,603 00	2,220	111,450	\$11,145 00
No. 2	4,500	5,322,050	9,899 01	1,182.677	59,133.8850	5,913 38
No. 3	3,000	8,156,900	22,186 77	2,718.9666	135,948.3300	13,594 83
No. 4	2,500	548,000	1,594 67	219.2	10,960	1,096 00
No. 8	3,000	353,250	883 14	117.75	5,887.50	588 75
Total		25,525,200	50,166 59	6,467+	323,379+	32,337 96

Actual cost of material, as per statement of Messrs. Plimpton, Morgan & Co	\$22,369 75	
Add — per cent. for labor and interest on capital invested		
Net profit		
Pounds of paper actually furnished, as shown by statement	243,221	
Discrepancy	80,158	
Price actually paid for paper furnished:		
Parsons Paper Company, 47,986 pounds, at 10 cents		22,369 75
Seymour Paper Company, 195,235 pounds, at 9 cents		
Discrepancy		9,968 21

Mr. Morgan claims that 49 pounds of paper cut in this manner is equal to 55 pounds cut square, which is a saving of 10.909 per cent.

Assuming that statement to be true, it would leave a discrepancy of 44,880 pounds. See problem: 55 pounds : 49 pounds :: 323,379 + pounds : 288,101 pounds.

Proof: 10.909 per cent. of	323,379+ pounds, estimated weight required to produce the number of envelopes furnished, equals	35,278
Number of pounds required (assuming Mr. Morgan's statement to be correct)		288,101
Number of pounds actually furnished		243,221
Discrepancy	44,880 pounds, at 10 cents..	\$4,488 00

195,235 pounds paper furnished by the Seymour Paper Company, the value of which is 1½ cents per pound less than paper manufactured by the Parsons Paper Company

2,928 00

7,416 00

Seymour Paper Company, New York.

Deliveries of canarys, Post-Office Department, for 3 months ending—

	Pounds.
September 30, 1883.....	32,460
December 30, 1883.....	50,606
March 30, 1884.....	59,314
June 30, 1884.....	51,230
And July 9, 1884.....	1,540
	195,150

Statement showing the number of pounds canary paper received from the Parsons Paper Company, at Holyoke, Mass., and the Seymour Paper Company, at Windsor Locks, as shown by bills and the books at the United States Stamped Envelope Works at Hartford, Conn., alleged to have been manufactured into post-office envelopes.

	Pounds.
Balance on hand June 29, 1883: Parsons stock put into this contract, 3,276 + 5,784	9,060
July 6	3,624
July 10	2,400
July 11	6,120
August 6	18,796
June 25, 1884, 7,810 + 176	7,986
	47,986

The following is shown to have been received from the Seymour Company for the same contract:

October 1, 1883, bills for July, August, and September	32,544
December 31, 1883, bills for October, November, and December	50,606
March 27, 1884, bills for January, February, and March	59,314
June 30, 1884, bills for April, May, and June	51,230
July 9, 1884.....	1,541
	195,235
Grand total in pounds.....	243,221

No. 34.

WASHINGTON, September 15, 1884.

The Morgan Envelope Company and the Plimpton Manufacturing Company agree to receive \$23,574.10 in full of the balance due them for free post-office envelopes and registered envelopes furnished the Post-Office Department during said fiscal year; this being a reduction of \$2,928 on the free envelopes, owing to the paper used in the manufacture of such envelopes being inferior in value as compared with the samples accompanying the contract of said companies in the sum of \$2,928; said sum being deducted from the amount due on the last quarter under said contract.

MORGAN ENVELOPE COMPANY,
By E. MORGAN, *President.*
THE PLIMPTON MANUFACTURING COMPANY,
By L. B. PLIMPTON, *President.*

Witness: P. C. HENDRICKS.

No. 35.

Copy of contract with Morgan Envelope Company and Plimpton Manufacturing Company for furnishing post-office, registered package, and dead-letter envelopes for the year beginning July 1, 1883.

This article of contract and agreement, made this 22d day of June, 1883, between the United States of America (acting in this behalf by W. Q. Gresham, Postmaster-General), of the first part, and the Morgan Envelope Company and the Plimpton

Manufacturing Company, by E. Morgan, treasurer of the first, and L. B. Plimpton, president of the last named company, as principals, and Maro S. Chapman and Emerson Wight as sureties, of the second part, witnesseth:

That whereas, the Postmaster-General, in compliance with law, caused an advertisement, bearing date the 1st day of May, 1883, to be published in certain newspapers within the United States, inviting proposals for furnishing, in accordance with specifications prepared under his direction, post-office envelopes for the use of the Post-Office Department for a term of one year, beginning on the 1st day of July, 1883, a printed copy of which advertisement and specifications is hereunto annexed and made part hereof, as follows:

“Proposals for post-office envelopes.

“ADVERTISEMENT.

“POST-OFFICE DEPARTMENT,

“Washington, D. C., May 1, 1883.

“Sealed proposals will be received at this Department until Thursday, the 7th day of June, 1883, at 12 o'clock m., for furnishing post-office envelopes, in such quantities and at such times as they may be ordered, during the fiscal year ending June 30, 1884, of the following classes, viz:

“Nos. 1 to 4. For official letters and returns.

“No. 5. For returning dead letters.

“No. 6. For registered packages.

“No. 7. Tag envelopes for registered packages.

“No. 8. For international money-order advices.

“Blank forms of bids, with samples and full specifications, will be furnished upon application to the Third Assistant Postmaster-General, Washington, D. C.

“W. Q. GRESHAM,

“Postmaster-General.

“SPECIFICATIONS—FURNISHING POST-OFFICE ENVELOPES.

“*Sizes, quality, &c.*—The sizes of the envelopes referred to in the foregoing advertisement are as follows:

“No. 1. For official letters and returns—Size, 3½ by 5½ inches.

“No. 2. Do. do. Size, 3½ by 6¾ inches.

“No. 3. Do. do. Size, 3½ by 8¾ inches.

“No. 4. Do. do. Size, 4¾ by 10½ inches.

“No. 5. For returning dead letters—size, 3¾ by 6¾ inches.

“No. 6. For registered letters—size, 5 by 10½ inches.

“No. 7. Tag envelopes for registered packages—size, 3¾ by 5½ inches.

“No. 8. For international money-order advices—size, 4¾ by 6½ inches.

“The envelopes must be made in the best manner, and must conform in size, quality of paper, gumming, and make to the samples, and be subject, when furnished, to the approval of the Postmaster-General or his duly authorized agent or agents. They must be banded in parcels of twenty-five, packed in strong pasteboard or straw boxes, securely bound with linen or cotton cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes, or otherwise, as may be ordered; the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail to postmasters. When required to be delivered at the Department, the wrapping may be dispensed with, in the discretion of the Postmaster-General.

“When 2,000 or more envelopes are required to fill the order of a postmaster, or when larger lots are ordered to be sent to the Post-Office Department, they must be packed in strong wooden cases and properly addressed; but when less than 2,000 are required to be sent by mail, proper labels of direction must be placed on each package; all to be done by the contractor without additional charge.

“The paper for the envelopes for official letters and returns, for international money-order advices, and for returning dead letters must be water-marked as the Postmaster-General may direct.

“*Delivery.*—The envelopes must be delivered in such quantities as may from time to time be required to fill the orders of postmasters or of the Department, and be delivered either at the post-office in the city where the accepted bidder resides, or at this Department, or at both places, as the Postmaster-General may direct, free of cost for packing, labeling, and delivering; the whole to be done under the inspection and supervision of an agent of the Department.

Special printing.—The dead-letter, international money-order, registered package, and tag envelopes must bear such printing as the Postmaster-General may direct, and the registered package and tag envelopes will be required to be printed in vermilion or some other approved brilliant color, equal to that on the sample.

"All the envelopes for official letters and returns must have printed on them the name of the Department, the words "Official Business," and the penalty provided by law for their misuse, besides such other printing as the Postmaster-General may at any time direct. When ordered in separate quantities of 500 of the No. 1 or 2 sizes, or of 250 of the No. 3 or 4 sizes, or in larger quantities, they will, in addition to the foregoing printing, bear also the name of the post-office for whose use they are intended; when ordered in less quantities, they will bear, in addition to the other printing, the words "Post-Office at," with a blank space for the name of the post-office to be written in. The printing on the samples is intended to show in a general way some of the forms that will be required.

Agent, office room, inspection.—An agent of the Department will have supervision of the manufacture, storage, and issue of the envelopes, who shall at all times have full and free access to the apartments where they or anything entering into their construction are manufactured and stored, for the purpose of inspecting the same; and the contractor shall furnish him and his clerks a suitable and properly furnished room for the transaction of the business of the agency, without cost to the Government.

Stock on hand.—The contractors shall at all times keep on hand a stock of registered package envelopes, subject to the control of the agent of the Department, sufficient to meet all orders of the Department, and to provide against any and all contingencies that may be likely to occur during the existence of the contract, so that each and every order of the Department may be promptly filled.

Form of bids, award.—The contract will be awarded as a whole for all the envelopes above specified, on the basis of the number furnished during the year ending March 31, 1883—the amount of the bid to be ascertained by extending the number of envelopes at the prices bid, respectively, and then aggregating the several items.

"The number of these envelopes is as follows:

"No. 1.	Furnished during the year ending March 31, 1883	.....	11,845,000
"No. 2.	Do.	do.	4,875,000
"No. 3.	Do.	do.	6,818,850
"No. 4.	Do.	do.	558,300
"No. 5.	Do.	do.	1,202,000
"No. 6.	Do.	do.	8,715,000
"No. 7.	Do.	do.	768,950
"No. 8.	Do.	do.	150,000

"The number of envelopes required cannot be positively stated. The numbers given above are merely intended as a guide to bidders, the Department reserving the right to order as many more or less of each kind as it may deem expedient.

"The contractor will not be required to pay royalty on envelopes manufactured from the samples furnished by the Department.

"Bids on samples other than those furnished by the Department will not be considered.

"Each proposal must be signed by the individual or partnership making it, and when made by a partnership the name of each partner thereof must be disclosed; and it must be accompanied by a guaranty, signed by at least two responsible guarantors, who shall be freeholders, that the bidders shall, within ten days after being called upon to do so, execute a contract to furnish promptly, and in quantities as ordered, the article or articles to be furnished by him; the responsibility and sufficiency of the signers to such guaranty to be certified to by the postmaster or United States attorney where the bidder resides; and in such contract the contractor and his sureties shall covenant and agree that in case the said contractors shall fail to do or perform all or any of the covenants, stipulations, and agreements of said contract on the part of the said contractor to be performed, as therein set forth, the said contractor and his sureties shall forfeit and pay to the United States of America the sum of twenty thousand dollars, for which said forfeiture the said contractor and his sureties shall be jointly and severally liable, as liquidated damages, to be sued for in the name of the United States.

Failure to enter into contract, &c.—If the bidder to whom the first award may be made should fail to enter into a contract, as herein provided, then the award may be annulled, and the contract let to the next lowest responsible bidder, if not deemed too high by the Postmaster-General, and so on until the required contract is executed; and such next lowest bidder shall be required to fulfill every stipulation embraced herein as if he were the original party to whom the contract was awarded.

"The contract will also provide that if at any time during its continuance the sureties, or either of them, shall die, or become irresponsible, the Postmaster-General shall

have the right to require additional and sufficient sureties, which the contractor shall furnish to the acceptance of the Postmaster-General within ten days after notice; and in default thereof the contract may be annulled.

"The Postmaster-General reserves the right to reject any and all bids if, in his judgment, the interest of the Government requires it; also the right to annul the contract if, in his opinion, there shall be a failure at any time to perform faithfully any of its stipulations, or in case of a willful attempt to impose upon the Department envelopes inferior to those required by the contract, or for any other reason when, in his judgment, the public interest requires it.

"*Payments, &c.*—Payments for envelopes actually furnished will be made quarterly after proper examination and adjustment of accounts.

"The contract cannot in any case be lawfully transferred or assigned.

"Proposals must be securely enveloped and sealed, marked on the envelope 'Proposals for post-office envelopes,' and addressed to the Third Assistant Postmaster-General, Washington, D. C.

"W. Q. GRESHAM,
"Postmaster-General."

And whereas, on the 7th day of June, one thousand eight hundred and eighty-three, between the hours of 12 o'clock m. and 3 o'clock p. m., upon the public opening and examination of the proposals submitted in pursuance of said advertisement and specifications, it appeared that the aforesaid Morgan Envelope Company and the Plimpton Manufacturing Company were the lowest bidders for furnishing the envelopes mentioned in the advertisement:

And whereas the Postmaster-General, by an order dated the 9th day of June, one thousand eight hundred and eighty-three, awarded the contract for furnishing the said envelopes to the said Morgan Envelope Company and the Plimpton Manufacturing Company, which order (duly recorded in the Official Journal of the Post-Office Department, and numbered 589) is in the following words, to wit:

"POST-OFFICE DEPARTMENT,
"Washington, D. C., June, 9, 1883.

"*Ordered*, That the contract for furnishing post-office envelopes for the fiscal year beginning July 1, 1883, be awarded to the Morgan Envelope Company and The Plimpton Manufacturing Company, doing business as manufacturers of envelopes in the city of Hartford, Conn., upon the terms contained in their proposal bearing date June 2, 1883, and received at the Department on the 7th day of June, 1883, in pursuance of public advertisement and specifications bearing date the 1st day of May, 1883, the prices in said proposal being as follows:

"No. 1. Letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, \$1.40 per thousand envelopes.

"No. 2. Extra letter size, $3\frac{1}{2}$ by $6\frac{3}{8}$ inches, \$1.86 per thousand envelopes.

"No. 3. Official size, $3\frac{1}{8}$ by $8\frac{1}{4}$ inches, \$2.72 per thousand envelopes.

"No. 4. Extra official size, $4\frac{3}{8}$ by $10\frac{1}{2}$ inches, \$2.91 per thousand envelopes.

"No. 5. For returning dead letters, $3\frac{1}{2}$ by $6\frac{3}{8}$ inches, \$1.87 per thousand envelopes.

"No. 6. For registered packages, 5 by $10\frac{1}{2}$ inches, \$4.90 per thousand envelopes.

"No. 7. Tag envelopes for registered packages, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, \$3.10 per thousand envelopes.

"No. 8. For international money-order advices, $4\frac{1}{2}$ by $6\frac{1}{2}$ inches, \$2.50 per thousand envelopes.

"W. Q. GRESHAM,
"Postmaster-General."

Now, therefore, in consideration of the premises, the said the Morgan Envelope Company and the Plimpton Manufacturing Company and their sureties, parties of the second part, do hereby jointly and severally undertake, covenant, and agree to and with the United States of America, and do bind themselves, in manner following, to wit:

1. That they will furnish and deliver all the post-office envelopes (comprehending envelopes for official letters and returns, for returning dead letters, for registered packages, for international money-order advices, and for tag envelopes for registered packages) that they may be called upon to furnish by the Post-Office Department during the fiscal year ending on the 30th of June, 1884.

2. That such envelopes shall strictly conform in size, quality of paper, gumming, and make to the samples hereto attached and made part of this agreement, and shall be subject, when finished, to the approval of the Postmaster-General or his authorized agent or agents; that they shall be banded together in parcels of twenty-five, packed in strong pasteboard or straw boxes, securely bound with linen or cotton cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes or otherwise, as may be ordered, the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail.

to postmasters. When required to be delivered to the Department the wrapping may be dispensed with in the discretion of the Postmaster-General. The paper for the envelopes for official letters and returns, for returning dead letters, and for international money-order advices, must be water-marked as the Postmaster-General may direct.

3. That when 2,000 or more envelopes are required to fill the order of a postmaster, or where large lots are ordered to be sent to the Post-Office Department, they shall be packed in strong wooden cases and properly addressed; but when less than 2,000 are required to be sent by mail, proper labels of direction shall be placed on each package, all to be done by the contractors without additional charge.

4. That the envelopes shall be delivered in such quantities as may from time to time be required to fill the orders of postmasters or of the Department, either at the post-office in Hartford, Conn., or at the Post-Office Department, as the Postmaster-General may direct, free of cost for packing, labeling, and delivering; the whole to be done under the inspection and supervision of an agent of the Department.

5. That all the envelopes to be furnished under this contract shall bear such printing as the Postmaster-General may from time to time direct, and the registered package envelopes and tag envelopes for registered packages shall be printed in vermilion or some other approved brilliant color, equal to that on the sample. When 500 of a single form of the No. 1, 2, or 8 sizes, or 250 of the No. 3 or 4 sizes of envelopes for official letters and returns, or in larger quantities, are ordered, they shall, in addition to any other printing required, bear the name of the post-office for whose use they are intended.

6. That in case of a failure on the part of the said Morgan Envelope Company and the Plimpton Manufacturing Company to do and perform all or any of the covenants, stipulations, and agreements of this contract on their part to be performed, the said parties of the second part shall forfeit and pay to the United States of America the sum of \$20,000, for which said forfeiture the said parties of the second part shall be jointly and severally liable as liquidated damages, to be sued for in any court having jurisdiction thereof. And the said party of the first part contracts and agrees to pay the said Morgan Envelope Company and the Plimpton Manufacturing Company, doing business in the city of Hartford, Conn., for the envelopes delivered and accepted in pursuance of this agreement, at the following rates, namely:

For number 1, letter size, $3\frac{1}{4}$ by $5\frac{1}{4}$ inches, \$1.40 per thousand envelopes.

For number 2, extra letter size, $3\frac{1}{4}$ by $6\frac{1}{2}$ inches, \$1.86 per thousand envelopes.

For number 3, official size, $3\frac{1}{8}$ by $8\frac{1}{4}$ inches, \$2.72 per thousand envelopes.

For number 4, extra official size, $4\frac{1}{2}$ by $10\frac{1}{4}$ inches, \$2.91 per thousand envelopes.

For number 5, for returning dead letters, size $3\frac{1}{4}$ by $6\frac{1}{2}$ inches, \$1.87 per thousand envelopes.

For number 6, for registered letters, &c., 5 by $10\frac{1}{4}$ inches, \$4.90 per thousand envelopes.

For number 7, tag envelopes for registered packages, $3\frac{1}{4}$ by $5\frac{1}{4}$ inches, \$3.10 per thousand envelopes.

For number 8, for international money-order advices, $4\frac{1}{4}$ by $6\frac{1}{4}$ inches, \$2.50 per thousand envelopes.

And the said prices shall be full compensation for everything required to be done or furnished under this contract—payments to be made quarterly; that is to say, in October, January, April, and July, after a proper examination and verification of accounts.

It is further mutually stipulated by and between the contracting parties as follows:

1. That an agent shall at all times have full and free access to the apartments where the envelopes are manufactured, for the purpose of inspecting the same, and whose duty it shall be to require the stipulations of this contract to be faithfully observed.

2. That the Postmaster-General shall have the right to annul this contract if, in his judgment, there shall be, at any time, a failure to perform faithfully any of its stipulations, covenants, or agreements, or in case of a willful attempt to impose upon the Department envelopes inferior to the samples heretofore attached.

3. That if at any time during the continuance of this contract, the sureties therein named, or any or either of them, shall die or become irresponsible, or unsatisfactory to the Department, the Postmaster-General shall have the right to require new additional and sufficient sureties, which the parties of the second part shall furnish to the acceptance of the Postmaster-General, in manner and form as he shall direct, within ten (10) days after notice; and in default thereof the contract may be annulled.

4. That should the interest of the Government require it, this contract may be extended beyond the time named, not exceeding three (3) months, by order of the Postmaster-General, and the contract prices, and all conditions herein set forth, shall govern in such extended contract.

5. That no member of Congress shall be admitted to any share or part of such contract or agreement, or any benefit to arise therefrom, as provided by Section 3741 of the Revised Statutes of the United States.

And for the faithful performance of this contract, and each and every of the covenants and stipulations therein on their part to be performed, the said parties of the second part bind themselves and each of them, their and each of their heirs, executors, and administrators.

In witness whereof, the said Postmaster-General has caused the seal of the Post-Office Department of the United States of America to be hereunto affixed, and has attested the same by his signature, and the said parties of the second part have hereunto set their hands and seals this day and date first above written.

[SEAL.]

W. Q. GRESHAM, *Postmaster-General.*

Attest:

A. D. HAZEN,

Third Assistant Postmaster-General.

THE MORGAN ENVELOPE COMPANY,

By E. MORGAN, *Treasurer.*

[SEAL.]

Attest:

DANIEL P. COLE.

THE PLIMPTON MANUFACTURING COMPANY,

By L. B. PLIMPTON, *President.*

[SEAL.]

Attest:

WILLIAM HACK.

MARO S. CHAPMAN.

EMERSON WIGHT.

STATE OF CONNECTICUT,
County of Hartford, ss:

Maro S. Chapman, one of the sureties in the annexed contract of the Morgan Envelope Company and the Plimpton Manufacturing Company, being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of \$20,000 over all his debts and liabilities and exclusive of property exempt from execution.

Sworn to and subscribed before me, a notary public in and for the county and State aforesaid, this twenty-second day of June, one thousand eight hundred and eighty-three, as witness my hand and notarial seal.

[SEAL.]

SIDNEY E. CLARKE,

Notary Public.

STATE OF MASSACHUSETTS,
County of Hampden, ss:

Emerson Wight, one of the sureties in the annexed contract of the Morgan Envelope Company and the Plimpton Manufacturing Company, being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of \$20,000 over all his debts and liabilities and exclusive of property exempt from execution.

Sworn and subscribed before me, a notary public in and for the county and State aforesaid, this 29th of June, 1883, as witness my hand and notarial seal.

[SEAL.]

H. H. BOWMAN,

Notary Public.

I certify that to the best of my knowledge and belief Maro S. Chapman, of Manchester, Conn., one of the sureties to a contract between the United States of America and the Plimpton Manufacturing Company of Hartford, Conn., for furnishing post-office envelopes during the year beginning on July 1, 1883, is worth the sum of \$20,000 over and above all liabilities and incumbrances whatever.

LEONARD A. DICKINSON,

Postmaster at Hartford, Conn.

I certify that to the best of my knowledge and belief Emerson Wight, of Springfield, Mass., one of the sureties to a contract between the United States of America and the Plimpton Manufacturing Company of Hartford, Conn., for furnishing post-office envelopes during the year beginning on July 1, 1883, is worth the sum of \$20,000 over and above all liabilities and incumbrances whatever.

H. C. LEE,

Postmaster at Springfield, Mass.

No. 36.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., August 22, 1884.

Ordered (No. 31), That the advertisement dated August 22, 1884, inviting proposals for post-office envelopes, in such time and in such quantities as they may be ordered during the remainder of the fiscal year ending June 30, 1885, be published three times a week for three successive weeks in the following daily papers, at a price not to exceed the commercial rates charged by said papers to private parties, with the usual discounts, viz :

Hartford (Conn.): Courant, Evening Post.
Springfield (Mass.): Republican, Union.
Boston (Mass.): Advertiser, Journal.
New York (N. Y.): Herald, Times, Tribune, Commercial Advertiser, Truth.
Philadelphia (Pa.): Press, Item, Times.
Washington (D. C.): The National Republican, The Critic, The Post, The Capital, Herald, Republic.

W. Q. GRESHAM,
Postmaster-General.

No. 37.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., September 16, 1884.

Ordered (No. 43), That the contract for furnishing free post-office envelopes for the remainder of the fiscal year beginning July 1, 1884, be awarded to the Morgan Envelope Company and the Plimpton Manufacturing Company, doing business as manufacturers of envelopes in the city of Hartford, Conn., upon the terms contained in their proposal bearing date September 9, 1884, and received at the Department on the 15th day of September, 1884, in pursuance of public advertisement and specifications bearing date the 22d day of August, 1884, the prices in said proposals being as follows:

No. 1, letter size, $3\frac{3}{8}$ by $5\frac{7}{8}$ inches, at \$1.82 per thousand envelopes; No. 2, extra letter size, $3\frac{1}{2}$ by $6\frac{1}{2}$ inches, at \$1.95 per thousand envelopes; No. 3, official size, $3\frac{3}{4}$ by $8\frac{1}{2}$ inches, at \$3.05 per thousand envelopes; No. 4, extra official size, $4\frac{1}{2}$ by $10\frac{5}{16}$ inches, at \$3.60 per thousand envelopes; No. 5, for returning dead letters, $3\frac{3}{8}$ by $6\frac{1}{2}$ inches, at \$2.48 per thousand envelopes; No. 6, for registered packages (as per sample of Department), 5 by $10\frac{1}{2}$ inches, at \$4.80 per thousand envelopes; No. 7, tag envelopes for registered packages, $3\frac{3}{4}$ by $5\frac{1}{2}$ inches, at \$3.10 per thousand envelopes; No. 8, for international money-order advices, $4\frac{1}{2}$ by $6\frac{1}{2}$ inches, at \$3.12 per thousand envelopes.

W. Q. GRESHAM,
Postmaster-General.

No. 38.

Copy of contract with Morgan Envelope Company and Plimpton Manufacturing Company for furnishing post-office, registered package, and dead letter envelopes for the remainder of the year ending June 30, 1885 (from September 18, 1884, to June 30, 1885), after the revocation of the contract made with P. P. Kellogg & Co.

This article of contract and agreement, made this 22d day of September, 1884, between the United States of America (acting in this behalf by W. Q. Gresham, Postmaster-General), of the first part, and the Morgan Envelope Company and the Plimpton Manufacturing Company, by E. Morgan, president of the first, and L. B. Plimpton, president of the last named company, as principals, and William Whiting and Joseph C. Parsons as sureties, of the second part, witnesseth:

That whereas the Postmaster-General, in compliance with law, caused an advertisement, bearing date the 22d day of August, 1884, to be published in certain newspapers within the United States, inviting proposals for furnishing, in accordance with specifications prepared under his direction, post-office envelopes, for the use of the Post-Office Department, for a term comprising the remainder of the fiscal year, that is to say, from the 18th of September, 1884, to the 30th June, 1885, a printed copy of which advertisement and specifications is hereunto annexed and made part hereof, as follows:

“Proposals for post-office envelopes.

“ADVERTISEMENT.

“POST-OFFICE DEPARTMENT,

“Washington, D. C., August 22, 1884.

“Sealed proposals will be received at this Department until Monday, the 15th day of September, 1884, at 12 o'clock m., for furnishing post-office envelopes, in such quantities and at such times as they may be ordered, during the remainder of the fiscal year ending June 30, 1885, of the following classes, viz:

“Nos. 1 to 4. For official letters and returns.

“No. 5. For returning dead letters.

“No. 6. For registered packages.

“No. 7. Tag envelopes for registered packages.

“No. 8. For international money-order advices.

“Blank forms of bids, with samples and full specifications, will be furnished upon application to the Third Assistant Postmaster-General, Washington, D. C.

“W. Q. GRESHAM,

“Postmaster-General.

“SPECIFICATIONS—FURNISHING POST-OFFICE ENVELOPES.

“*Sizes, quality, &c.*—The sizes of the envelopes referred to in the foregoing advertisement are as follows:

“No. 1. For official letters and returns, size, $3\frac{3}{4}$ by 6 inches.

“No. 2. Do. do. size, $3\frac{1}{2}$ by $6\frac{1}{2}$ inches.

“No. 3. Do. do. size, $3\frac{3}{8}$ by $8\frac{1}{2}$ inches.

“No. 4. Do. do. size, $4\frac{1}{2}$ by $10\frac{1}{2}$ inches.

“No. 5. For returning dead letters, size, $3\frac{1}{8}$ by $6\frac{1}{2}$ inches.

“No. 6. For registered packages, size, 5 by $10\frac{1}{2}$ inches.

“No. 7. Tag envelopes for registered packages, size, $3\frac{3}{4}$ by $5\frac{1}{2}$ inches.

“No. 8. For international money-order advices, size, $4\frac{1}{2}$ by $6\frac{1}{2}$ inches.

“Sizes may be slightly larger than called for herein, but *no smaller*.

“*Paper, style of manufacture, &c.*—The paper in the Nos. 1, 2, 3, 4, 5, and 8 sizes of envelopes must be made of the best grade of white linen and the best grade of white domestic cotton rags in the proportion of 25 per cent. of linen and 75 per cent. of cotton (excluding all other materials, except the necessary coloring matter). The rags must be kept in the washing engines not less than six hours, and in the beating engines not less than ten hours; the paper must be loft-dried, animal-sized, color to be canary, and in all respects equal to that in the samples, and must weigh not less than 60 pounds per ream of 500 sheets in sheets of $22\frac{1}{2}$ by 30 inches, uniform in thickness and weight, or in that proportion. The paper for Nos. 6 and 7 envelopes (for registered packages and tag envelopes for registered packages) must be fully equal in every respect to that in the samples furnished to bidders.

“The envelopes must be made in the best manner, and the quality of paper and gumming must be equal to the samples, and subject, when furnished, to the approval of the Postmaster-General or his duly authorized agent or agents. They must be banded in parcels of twenty-five, packed in strong pasteboard or straw boxes, securely bound with linen or cotton cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes, or otherwise, as may be ordered; the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail to postmasters. When required to be delivered at the Department the wrapping may be dispensed with in the discretion of the Postmaster-General.

“When 2,000 or more post-office envelopes and 1,000 or more registered package or tag envelopes are required to fill the order of a postmaster, or when larger lots are ordered to be sent to the Post-Office Department, they must be packed in strong wooden cases and properly addressed, no case to contain more than 10,000; but when less quantities are required to be sent by mail, proper labels of direction must be placed on each package; all to be done by the contractor without additional charge.

“The paper for the envelopes for official letters and returns, for international money-order advices, and for returning dead letters, must be water-marked as the Postmaster-General may direct.

“*Agent—office room—inspection.*—An agent of the Department will have supervision of the manufacture, storage, and issue of the envelopes, who shall at all times have full and free access to the apartments where they or anything entering into their construction are manufactured and stored, for the purpose of inspecting the same; and the contractor shall furnish him and his clerks a suitable and properly furnished room for the transaction of the business of the agency, without cost to the Government.

"The contractor, his employes and agents, shall conform to such regulations as the Department may from time to time adopt for the security of the Government in any respect.

"*Delivery.*—The envelopes must be delivered in such quantities as may from time to time be required to fill the orders of postmasters appearing upon requisitions of the Department; the deliveries to be made either at the Post-Office Department, Washington, D. C., or at the office of an agent duly authorized to inspect and receive the same, or at the post-office in the place where the envelopes are manufactured, or at the nearest adjacent large post-office with adequate facilities for handling and mailing the same; the place of delivery to be at the option of the Postmaster-General, and the cost of delivering, as well as all expense of storing, packing, addressing, labeling, and water-proofing, to be paid by the contractor.

"*Special printing.*—The dead-letter, international money-order, registered-package, and tag envelopes must bear such printing as the Postmaster-General may direct, and the registered-package and tag envelopes will be required to be printed in vermilion or some other approved brilliant color, equal to that on the sample.

"All the envelopes for official letters and returns must have printed on them the name of the Department, the words "Official Business," and the penalty provided by law for their misuse, besides such other printing as the Postmaster-General may at any time direct. When ordered in separate quantities of 500 of the No. 1 or No. 2 sizes, or of 250 of the No. 3 or No. 4 sizes, or in larger quantities, they will, in addition to the foregoing printing, bear also the name of the post-office for whose use they are intended; when ordered in less quantities, they will bear, in addition to the other printing, the words "Post-office at," with a blank space for the name of the post-office to be written in. The printing on the samples is intended to show in a general way some of the forms that will be required.

"*Stock on hand.*—The contractors shall at all times keep on hand a stock of registered-package envelopes, subject to the control of the agent of the Department, sufficient to meet all orders of the Department, and to provide against any and all contingencies that may be likely to occur during the existence of the contract, so that each and every order of the Department may be promptly filled.

"*Form of bids—award.*—The contract will be awarded as a whole for all the envelopes above specified (except the registered-package envelopes), on the basis of the number furnished during the year ending March 31, 1884, the amount of the bid to be ascertained by extending the number of envelopes at the prices bid, respectively, and then aggregating the several items.

"The number of these envelopes is as follows :

No. 1.	Furnished during the year ending March 31, 1884.....	11, 677, 500
No. 2.	Do. do. do.	5, 593, 300
No. 3.	Do. do. do.	7, 887, 600
No. 4.	Do. do. do.	503, 200
No. 5.	Do. do. do.	1, 270, 000
No. 7.	Do. do. do.	856, 100
No. 8.	Do. do. do.	370, 250

"The number of envelopes that may be ordered cannot be positively stated. The numbers given above are merely intended as a guide to bidders, the Department reserving the right to order as many more or less of each kind as it may deem expedient.

"The contractor will not be required to pay royalty on envelopes manufactured from the samples furnished by the Department.

"The contract for registered-package envelopes (No. 6) will be awarded separately to the lowest and best bidder—the proposal stating the price per thousand envelopes made according to the sample, and including everything to be done or furnished as above. The number of these envelopes issued during the year ending March 31, 1884, is 10,630,300.

"All persons claiming to have a superior registered-package envelope to the sample may bid; the proposals must be accompanied with a sample of the envelope.

"Each proposal must be signed by the individual or partnership making it, and when made by a partnership the name of each partner thereof must be disclosed; and it must be accompanied by a guaranty, signed by at least two responsible guarantors, who shall be freeholders, that the bidder shall, within ten days after being called upon to do so, execute a contract to furnish promptly, and in quantities as ordered, the articles to be furnished by him; the responsibility and sufficiency of the signers to such guaranty to be certified to by the postmaster or United States attorney where the bidder resides; and in such contract the contractor and his sureties shall covenant and agree that in case the said contractors shall fail to do or perform all or any of the covenants, stipulations, and agreements of said contract on the part of the said contractor to be performed, as therein set forth, the said contractor and his sureties shall forfeit and pay to the United States of America the sum of twenty thousand dollars,

for which said forfeiture the said contractor and his sureties shall be jointly and severally liable, as liquidated damages, to be sued for in the name of the United States.

“Failure to enter into contract, &c.—If the bidder to whom the first award may be made should fail to enter into a contract, as herein provided, then the award may be annulled, and the contract let to the next lowest responsible bidder, if not deemed too high by the Postmaster-General, and so on until the required contract is executed; and such next lowest bidder shall be required to fulfill every stipulation embraced herein as if he were the original party to whom the contract was awarded.

“The contract will also provide that if at any time during its continuance the sureties, or either of them, shall die or become irresponsible, the Postmaster-General shall have the right to require additional and sufficient sureties, which the contractor shall furnish to the acceptance of the Postmaster-General within ten days after notice; and in default thereof the contract may be annulled.

“The Postmaster-General reserves the right to reject any and all bids if, in his judgment, the interest of the Government requires it; also the right to annul the contract if, in his opinion, there shall be a failure at any time to perform faithfully any of its stipulations, or in case of a willful attempt to impose upon the Department envelopes inferior to those required by the contract, or for any other reason when, in his judgment, the public interest requires it.

“Payments, &c.—Payments for envelopes actually furnished will be made quarterly, after proper examination and adjustment of accounts.

“The contract cannot, in any case, be lawfully transferred or assigned.

“Proposals must be securely enveloped and sealed, marked on the envelope ‘Proposals for post-office envelopes,’ and addressed to the Third Assistant Postmaster-General, Washington, D. C.

“W. Q. GRESHAM,
“Postmaster-General.”

And whereas on the 15th day of September, 1884, between the hours of twelve o'clock m. and three o'clock p. m., upon the public opening and examination of the proposals submitted in pursuance of said advertisement and specifications, it appeared that the aforesaid Morgan Envelope Company and the Plimpton Manufacturing Company were the lowest acceptable bidders for furnishing the envelopes mentioned in the advertisement:

And whereas the Postmaster-General, by an order dated the 16th day of September, 1884, awarded the contract for furnishing the said envelopes to the said Morgan Envelope Company and the Plimpton Manufacturing Company, which order (duly recorded in the Official Journal of the Post-Office Department, and numbered 43) is in the following words, to wit:

“POST-OFFICE DEPARTMENT,
“Washington, D. C., September 16, 1884.

“Ordered, That the contract for furnishing post-office envelopes for the remainder of the fiscal year beginning July 1, 1884, be awarded to the Morgan Envelope Company and the Plimpton Manufacturing Company, doing business as manufacturers of envelopes in the city of Hartford, Conn., upon the terms contained in their proposal bearing date September 9, 1884, and received at the Department on the 15th day of September, 1884, in pursuance of public advertisement and specifications bearing date the 22d day of August, 1884, the prices in said proposal being as follows:

“No. 1, letter size, 3½ by 5½ inches, \$1.82 per thousand envelopes; No. 2, extra letter size, 3½ by 6½ inches, \$1.95 per thousand envelopes; No. 3, official size, 3½ by 8½ inches, \$3.05 per thousand envelopes; No. 4, extra official size, 4½ by 10½ inches, \$3.60 per thousand envelopes; No. 5, for returning dead letters, 3½ by 6½ inches, \$2.48 per thousand envelopes; No. 6, for registered packages, as per samples of Department, 5 by 10½ inches, \$4.80 per thousand envelopes; No. 7, tag envelopes for registered packages, 3½ by 5½ inches, \$3.10 per thousand envelopes; No. 8, for international money-order advices, 4½ by 6½ inches, \$3.12 per thousand envelopes.

“W. Q. GRESHAM,
“Postmaster-General.”

Now, therefore, in consideration of the premises, the said The Morgan Envelope Company and the Plimpton Manufacturing Company, and their sureties, parties of the second part, do hereby jointly and severally undertake, covenant, and agree to and with the United States of America, and do bind themselves in manner following to wit:

1st. That they will furnish and deliver all the post-office envelopes (comprehending envelopes for official letters and returns, for returning dead letters, for registered packages, for international money-order advices, and for tag envelopes for registered packages) that they may be called upon to furnish by the Post-Office Department during the remainder of the fiscal year ending on the 30th day of June, 1885.

2d. That the paper in the Nos. 1, 2, 3, 4, 5, and 8 sizes of envelopes shall be made of

the best grade of white linen, and the best grade of white domestic cotton rags, in the proportion of 25 per cent. of linen and 75 per cent. of cotton (excluding all other materials except the necessary coloring matter). The rags must be kept in the washing engines not less than six hours, and in the beating engines not less than ten hours; the paper must be loft-dried, animal-sized, color to be canary, and in all respects equal to that in the samples hereto attached, and must weigh not less than sixty pounds per ream of 500 sheets, in sheets of 22½ by 30 inches, uniform in thickness and weight, or in that proportion. The paper for Nos. 6 and 7 envelopes (for registered package and tag envelopes for registered packages) must be fully equal in every respect to that in the samples hereto attached; and shall strictly conform in size, quality of paper, gumming, and make to the samples hereto attached and made part of this agreement, and shall be subject when furnished to the approval of the Postmaster-General or his authorized agent or agents; that they shall be banded together in parcels of 25, packed in strong pasteboard or straw boxes, securely bound with linen or cotton cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes, or otherwise, as may be ordered; the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail to postmasters. When required to be delivered to the Department the wrapping may be dispensed with, in the discretion of the Postmaster-General. The paper for the envelopes for official letters and returns, for returning dead-letters, and for international money-order advices must be water-marked as the Postmaster-General may direct.

3d. That when 2,000 or more envelopes for official letters and returns and 1,000 or more registered package or tag envelopes are required to fill the order of a postmaster, or when larger lots are ordered to be sent to the Post-Office Department, they shall be packed in strong wooden cases and properly addressed, no case to contain more than 10,000; but when less than 2,000 envelopes for official letters and returns and 1,000 registered package or tag envelopes are required to be sent by mail, proper labels of direction shall be placed on each package; all to be done by the contractors without additional charge.

4th. That the envelopes shall be delivered in such quantities as may from time to time be required to fill the orders of postmasters appearing upon requisitions of the Department, the deliveries to be made either at the Post-Office Department, Washington, D. C., or at the office of an agent duly authorized to inspect and receive the same, or at the post-office at Hartford, Conn., the place of delivery to be at the option of the Postmaster-General, and the cost of delivery, as well as all expense of storage, packing, addressing, labeling, and water-proofing, to be paid by the contractor.

5th. That all the envelopes to be furnished under this contract shall bear such printing as the Postmaster-General may from time to time direct, and the registered-package envelopes and tag envelopes for registered packages shall be printed in vermilion or some other approved brilliant color equal to that on the sample. When 500 of a single form of the Nos. 1, 2, or 8 sizes, or 250 of the 3 or 4 sizes of envelopes for official letters and returns, or in larger quantities, are ordered, they shall, in addition to any other printing required, bear the name of the post-office for whose use they are intended.

6th. That in case of a failure on the part of said Morgan Envelope Company and the Plimpton Manufacturing Company to do and perform all or any of the covenants, stipulations, and agreements of this contract on their part to be performed, the said parties of the second part shall forfeit and pay to the United States of America the sum of \$20,000, for which said forfeiture the said parties of the second part shall be jointly and severally liable as liquidated damages, to be sued for in any court having jurisdiction thereof.

And the said party of the first part contracts and agrees to pay the said Morgan Envelope Company and the Plimpton Manufacturing Company, doing business in the city of Hartford, Conn., for the envelopes delivered and accepted in pursuance of this agreement, at the following rates, namely: For No. 1, letter size, 3½ by 6½ inches, \$1.82 per thousand envelopes; for No. 2, extra letter size, 3½ by 6½ inches, \$1.95 per thousand envelopes; for No. 3, official size, 3½ by 8½ inches, \$3.05 per thousand envelopes; for No. 4, extra official size, 4½ by 10½ inches, \$3.60 per thousand envelopes; for No. 5, for returning dead letters, size 3½ by 6½ inches, \$2.48 per thousand envelopes; for No. 6, for registered letters, &c., size 5 by 10½ inches, \$4.80 per thousand envelopes; for No. 7, tag envelopes for registered packages, size 3½ by 5½ inches, \$3.10 per thousand envelopes; for No. 8, for international money-order advices, size 4½ by 6½ inches, \$3.12 per thousand envelopes. And the said prices shall be full compensation for everything required to be done or furnished under this contract, payments to be made quarterly—that is to say, in October, January, April, and July—after proper examination and verification of accounts.

It is further mutually stipulated by and between the contracting parties, as follows:

1. That an agent shall at all times have full and free access to the apartments

where the envelopes are manufactured for the purpose of inspecting the same, and whose duty it shall be to require the stipulations of this contract to be faithfully observed. And the parties of the second part further stipulate and agree that the agent of the party of the first part whose duty it is to superintend and inspect the apartments where the envelopes or anything entering into their construction are manufactured, shall have the right at any and all times to visit the factory or factories where the paper is being manufactured for the use of the said parties of the second part in their execution of this contract.

2. That the Postmaster-General shall have the right to annul this contract if, in his judgment, there shall be at any time a failure to perform faithfully any of its stipulations, covenants, or agreements, or in case of a willful attempt to impose upon the Department envelopes inferior to the samples hereto attached.

3. That if, at any time during the continuance of this contract, the sureties therein named, or any or either of them, shall die or become irresponsible or unsatisfactory to the Department, the Postmaster-General shall have the right to require new additional and sufficient sureties, which the parties of the second part shall furnish to the acceptance of the Postmaster-General, in manner and form as he shall direct, within ten days after notice, and in default thereof the contract may be annulled.

4. That should the interest of the Government require it, this contract may be extended beyond the time named, not exceeding three months, by order of the Postmaster-General, and the contract prices and all conditions herein set forth shall govern in such extended contract.

5. That no member of Congress shall be admitted to any share or part of this contract or agreement, or any benefit to arise therefrom, as provided by section 3741 of the Revised Statutes of the United States.

And for the faithful performance of this contract, and each and every of the covenants and stipulations therein on their part to be performed, the said parties of the second part bind themselves and each of them, their and each of their heirs, executors, and administrators.

In witness whereof, the said Postmaster-General has caused the seal of the Post-Office Department of the United States of America to be herunto affixed and has attested the same by his signature, and the said parties of the second part have herunto set their hands and seals the day and date first above written.

[SEAL.]

WALTER Q. GRESHAM, *Postmaster-General*.

Attest:

MADISON DAVIS,
Acting Third Assistant Postmaster-General.

[SEAL.]

THE MORGAN ENVELOPE COMPANY,
By E. MORGAN, *President*.

Attest:

R. W. DAY.

[SEAL.]

THE PLIMPTON MANUFACTURING COMPANY,
By L. B. PLIMPTON, *President*.

Attest:

GEO. H. FOLTS.

STATE OF MASSACHUSETTS,
County of Hampden, ss:

William Whiting, one of the sureties in the annexed contract of the Morgan Envelope Company and The Plimpton Manufacturing Company, being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of \$20,000 over all his debts and liabilities, and exclusive of property exempt from execution.

WILLIAM WHITING.

Sworn to and subscribed before me, a notary public in and for the county and State aforesaid, this 22d day of September, 1884, as witness my hand and notarial seal.

[SEAL.]

R. B. JOHNSON,
Notary Public.

I certify that to the best of my knowledge and belief William Whiting, of Holyoke, Mass., one of the sureties to a contract between the United States of America and The Morgan Envelope Company and The Plimpton Manufacturing Company, of Hartford, Conn., for furnishing post-office envelopes during the remainder of the fiscal year, that is to say, from 18th September, 1884, to 30th June, 1885, is worth the sum of \$20,000 over and above all liabilities and incumbrances whatever.

C. B. PRESCOTT,
Postmaster at Holyoke, Mass.

STATE OF MASSACHUSETTS,
County of Hampden, ss :

Joseph C. Parsons, one of the sureties in the annexed contract of The Morgan Envelope Company and The Plimpton Manufacturing Company, being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of \$20,000 over all his debts and liabilities, and exclusive of property exempt from execution.

JOSEPH C. PARSONS.

Sworn to and subscribed before me, a notary public in and for the county and State aforesaid, this 22d day of September, 1884, as witness my hand and notarial seal.

[SEAL.]

J. B. MUNN,

Notary Public.

I certify that to the best of my knowledge and belief Joseph C. Parsons, of Holyoke, Mass., one of the sureties to a contract between the United States of America and The Morgan Envelope Company and The Plimpton Manufacturing Company, of Hartford, Conn., for furnishing post-office envelopes during the remainder of the fiscal year, that is to say, from the 18th September, 1884, to 30th June, 1885, is worth the sum of \$20,000 over and above all liabilities and incumbrances whatever.

C. B. PRESCOTT,

Postmaster at Holyoke, Mass.

No. 39.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., August 18, 1884.

SIR: The paper used in the manufacture of stamped envelopes is the kind that the Department wishes to adopt in making the "free post-office envelopes," except as to thickness. The official envelopes should be stiffer than the "special request" ones.

Will you kindly give the Department the benefit of your views and experience in securing the proper quality of paper to be used in the manufacture of the "free post-office envelopes?" Also send sample sheets of the paper you deem best adapted to the wants of the service, giving weight in sheets of — by — in — pounds per ream of — sheets.

Any other information you may feel disposed to give will be appreciated by the Department.

Very respectfully,

A. D. HAZEN,

Third Assistant Postmaster-General.

Hon. WILLIAM WHITING,
Holyoke, Mass.

No. 40.

[Telegram.]

WASHINGTON, D. C., August 20, 1884.

Hon. WILLIAM WHITING,
Holyoke, Mass. :

Are samples of paper submitted in yours of yesterday regular stamped-envelope paper, or are they made specially? If the latter, what is the weight per ream of 500 sheets 22½ by 30 inches?

Please give size of sheet and weight per ream of paper such as suggested by you in your letter as being suitable for the purpose of free post-office envelopes.

A. D. HAZEN,

Third Assistant Postmaster-General.

No. 41.

[Telegrams.]

WASHINGTON, D. C., August 24, 1884.

ABBE & TYNER,
Holyoke Envelope Company, Holyoke, Mass. :

The Postmaster-General has decided to adopt the trade sizes in making samples for new contract. Your size 6 new Government measures 3½ by 6 inches. Size 6½, half

Government, $3\frac{1}{2}$ by $6\frac{3}{8}$ inches. Size 9 measures $3\frac{1}{8}$ by $8\frac{3}{8}$ inches. Size 11 measures $4\frac{1}{2}$ by $10\frac{1}{2}$ inches. Size 7 measures $3\frac{1}{8}$ by $6\frac{3}{8}$ inches. Telegraph me as soon as possible whether these are accurate measurements. I want to use them in the specifications.

MOSES BRADSHAW,
Chief of Stamp Division.

WASHINGTON, D. C., August 24, 1884.

ABBE & TYNER,
Holyoke Envelope Company, Holyoke, Mass. :

Please answer my telegram of this morning before 4 o'clock.

MOSES BRADSHAW,
Chief of Stamp Division.

AUGUST 25, 1884.

MOSES BRADSHAW,
Chief of Stamp Division, Post-Office Department, Washington, D. C. :

Your morning telegram answered at 2 o'clock. Slight changes made in dimensions to conform to accurate measurements of our sizes, samples of which you have.

HOLYOKE ENVELOPE COMPANY.

WASHINGTON, D. C., August 25, 1884.

HOLYOKE ENVELOPE COMPANY,
Holyoke, Mass. :

Your telegram making slight changes in dimensions of envelopes has not been received at this hour, 4 o'clock. Repeat it; I have not got samples. I sent them to Mr. Whiting as a guide in making samples.

MOSES BRADSHAW,
Chief of Stamp Division.

AUGUST 25, 1884.

MOSES BRADSHAW,
Chief of Stamp Division, Post-Office Department, Washington, D. C. :

Sizes correct, except $6\frac{1}{2}$ should be $6\frac{1}{4}$. Long 11 should be $4\frac{1}{2}$ by $10\frac{1}{2}$ (see examples you now have). Our half Government cut is not made by other manufacturers. Our new Government and full Government are made by all the trade, hence the Department might seem unfair to adopt our half Government. Style of cut does not change outside dimensions on any size. We beg to submit the suggestion that sizes a trifle larger be accepted, but no smaller. This would seem to exclude no one from slight cause.

HOLYOKE ENVELOPE COMPANY.

WASHINGTON, D. C., August 26, 1884.

HOLYOKE ENVELOPE COMPANY, Holyoke, Mass. :

Telegram received, and is comprehensive.

MOSES BRADSHAW,
Chief of Stamp Division.

WASHINGTON, D. C., August 25, 1884.

Hon. WM. WHITING, Holyoke, Mass. :

Letter received. Postmaster-General wants samples to conform to trade sizes. Chapman must not make them on old dimensions. Specifications have been changed. Letter mailed you yesterday giving you full particulars.

MOSES BRADSHAW,
Chief of Stamp Division.

WASHINGTON, D. C., August 26, 1884.

Hon. WM. WHITING, Holyoke, Mass. :

Specifications provide for following sizes :

No. 1 size, $3\frac{3}{8}$ by 6 inches; No. 2 size, $3\frac{1}{2}$ by $6\frac{1}{2}$ inches; No. 3 size, $3\frac{1}{8}$ by $8\frac{3}{8}$ inches; No. 4 size, $4\frac{1}{2}$ by $10\frac{1}{2}$ inches; No. 5 size, $3\frac{1}{8}$ by $10\frac{1}{2}$; No. 8 size, same as sample sizes—may be slightly larger than called for, but no smaller. They are Mr. Tyner's figures as received by me. The color of dead letter No. 5 to be canary, similar to sample in all other respects except size. Will mail copy of specifications to-day. Will come over if necessary.

MOSES BRADSHAW,
Chief of Stamp Division.

SPRINGFIELD, MASS., August 28, 1884.

MOSES BRADSHAW,
Chief of Stamp Division, Post-Office Department:

Samples forwarded to-day. The sizes correspond with specifications, except No. 4, which is a trifle short; not over one-sixteenth of an inch short. Presume that will make no difference. The number 4 sent is the regular trade size.

W. WHITING.

WASHINGTON, D. C., August 30, 1884.

Hon. Wm. WHITING, Holyoke, Mass.:

Telegram, letter, and samples received. Samples more than satisfactory. Stand test of 35 pounds and more.

MOSES BRADSHAW,
Chief of Stamp Division.

AUGUST 26, 1884.

MOSES BRADSHAW,
Chief of Stamp Division, Post-Office Department:

Repeated message 5 p. m. last night. Was same received, and is it comprehensive?
HOLYOKE ENVELOPE COMPANY.

No. 42.

HOLYOKE, MASS., August 19, 1884.

DEAR SIR: I have your favor of the 18th instant, asking for information as to the quality of paper to be made for the official envelope.

My idea is that said paper should contain not less than 25 per cent. of No. 1 linen and the balance No. 1 cotton rags. The rags should receive in the washing engines not less than six hours, and in the beating engines not less than ten hours, or sixteen hours in all in the engines. As toughness and strength seem to be of great importance, I would recommend that the paper be made to stand an average strain, by the Morrison or some other machine, of 30 pounds.

I think paper made by the above formula, with special reference to strength, would stand a strain of 35 pounds.

I feel sure that if the Department insists upon receiving nothing but loft-dried paper, there will be no occasion to complain of the quality of the paper.

I have referred to the time for the treatment of the stock in the engines, believing that it is best to cover every point necessary to produce a good quality of paper.

We shall send you samples of paper by to-night's mail, but these were not made with reference to strength.

We shall be careful that all of our stamped envelope paper stands high in this respect hereafter.

If you wish any further information, please advise, and I will try and comply with your request.

Very respectfully, yours,

WM. WHITING.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General.

No. 43.

HOLYOKE, MASS., August 20, 1884.

DEAR SIR: Yours of the 18th instant, with stamped envelopes, is received, and we note the complaints thereof. The paper was made either by the Parsons Paper Company or by the Whiting Paper Company. The writer has taken some time to get at the real facts upon which a complaint could be based. In one instance the envelope is thin, and in two or three other cases the paper has a dull finish. In reference to the latter complaint, you will probably not have it again, because some weeks ago we were requested by the contractors to finish the paper more.

This we shall do in all cases hereafter, and I am sure there will be no real cause for complaint hereafter. Fault is found in one instance because the last paper blots and the former does not. There is no basis for this criticism; one paper writes as well as the other.

The samples of paper sent you last night were white, 21½ by 34½, 55 pounds to the ream; and blue, 22 by 34½, 41 pounds to the ream.

The weight of the sample of white paper is based on a sheet 22½ by 30 inches, 50 pounds to the ream. I believe the official is required to be of the same weight. That was the case several years ago, and I do not know of the weight having been changed.

If you desire any further information, I shall be pleased to respond.

Very truly, yours,

WM. WHITING.

Hon. A. D. HAZEN.

No. 44.

Telegrams.]

HOLYOKE, MASS., August 21, 1884.

Hon. A. D. HAZEN,
Washington, D. C.:

We can furnish samples within one week from receipt of order.

WM. WHITING.

HOLYOKE, MASS., August 22, 1884.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.:

Will make the paper to-morrow, and shall be ready to ship it the last of next week.

WM. WHITING.

No. 45.

OFFICE OF UNITED STATES STAMPED ENVELOPE WORKS,
Hartford, Conn., August 28, 1884.

DEAR SIR: At request of Mr. Whiting I send you direct set of samples, as ordered by him. They correspond as nearly as possible to the envelopes given me as samples. There is not an exact uniformity in trade sizes, but they vary somewhat. Have sent you two sizes of the No. 1; both are known as No. 6 to the trade. The shorter one corresponds to the No. 4½ stamped envelope. If these samples are not right, if you will telegraph, I will make anything that is within our power for you. Mr. Whiting writes to send three samples direct, and I forward them to you by to-day's mail, in registered case marked in your name.

Yours, truly,

M. S. CHAPMAN, *Sup't.*

MOSES BRADSHAW, Esq.,
Chief Stamp Division, &c.

No. 46.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., May 8, 1878.

SIR: Referring to my recent interview with you in Hartford, I have to request that you cause to be prepared 250 sets of samples of the several sizes and qualities of stamped envelopes and wrappers now being furnished under your contract. As these samples are intended as the standard under the forthcoming contract, they should be prepared with *especial* care. I inclose copy of the specifications prepared for the advertisement, and desire that the samples be made to conform strictly to these. As you will see, the paper in the Nos. 1, 2, 3, 4½, 5, 7, and 8 sizes, and for official stamped envelopes, is to be made of the best white linen and white cotton rags, in the proportion of 35 per cent. of the former and 65 per cent. of the latter (excluding all other materials), and to weigh not less than the following, in sheets of 22½ by 30 inches, or in that proportion, viz: Of first quality, 50 pounds per ream; of second quality, 43

pounds per ream; of third quality, 37 pounds per ream; for official stamped envelopes, 50 pounds per ream.

To avoid all future controversy as to its composition, the paper for the samples should be made specially for the purpose, with the utmost care, and the formula verified by the affidavit, full and specific, of the manufacturer.

I have also to request that you send me your affidavit that the samples are made from the paper prepared in accordance with the foregoing. Touching the inferior papers—those for circulars and newspaper wrappers (Nos. 4, 6, and 9)—it is believed to be sufficient to provide that they shall be equal to the samples, and the paper now being used will be acceptable as the standard. The weights, however, are prescribed, viz, 37 pounds per ream of sheets 22½ by 30 inches.

The samples should include envelopes of both colors of paper (white and amber), of the first quality.

Please take the work in hand immediately, and send me the samples and affidavits at your earliest practicable convenience.

Very respectfully, &c.,

A. D. HAZEN,

Third Assistant Postmaster-General.

M. S. CHAPMAN, Esq.,

Superintendent Plimpton Manufacturing Company, Hartford, Conn.

Specifications—papers, &c., for stamped envelopes.

The paper in the Nos. 1, 2, 3, 4½, 5, 6, 7, and 8 sizes of envelopes, and in the official stamped envelopes, must be made specially for the purpose, of the best grades of white linen and white domestic cotton rags, in the proportions of 35 per cent. of linen and 65 per cent of cotton (excluding all other materials), must be loft-dried, animal-sized, and in all respects equal to that in the samples, and must weigh not less than the following in sheets of 22½ by 30 inches, or in that proportion, viz: Of first quality, 50 pounds per ream; of second quality, 43 pounds per ream; of third quality, 37 pounds per ream; official stamped envelopes, 50 pounds per ream.

The paper in the Nos. 4, 6, and 9 (for circulars and newspaper wrappers) must weigh not less than 37 pounds per ream, in sheets of 22½ by 30 inches, or in that proportion, and be fully equal in every respect to that in the samples furnished to bidders.

All of the above envelopes and wrappers must be embossed with postage-stamps of such denominations, styles, and colors, must have such water-marks or other devices to prevent imitation, and must bear such printing as the Postmaster-General may direct. The envelopes must be made in the most thorough manner, equal in every respect to the samples. They must be thoroughly and perfectly gummed, the gumming on the flap (except for circulars) to be not less than half an inch the entire length. The wrappers must be gummed not less than three-fourths of an inch in width across the end.

No. 46.

POST-OFFICE DEPARTMENT,
OFFICE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., May 8, 1878.

SIR: I inclose herewith copy of a letter this day addressed to M. S. Chapman, superintendent of the stamped envelope manufactory, ordering two hundred and fifty sets of samples of stamped envelopes for use under the forthcoming contract, and containing specifications as to the manner in which the samples are to be prepared.

You will please give the matter your personal supervision, and see that the paper is prepared after the specifications, and that the sample envelopes are made from the paper thus prepared.

You will also please see that the affidavits are furnished as indicated, and transmit them with your report of the facts in the case.

Very respectfully, &c.,

A. D. HAZEN,

Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,

Stamped Envelope Agent, Hartford, Conn.

No. 48.

UNITED STATES STAMPED ENVELOPE WORKS,
Hartford, Conn., May 31, 1878.

SIR: We send you by mail (registered package) fifty sets samples stamped envelopes. They are put up in manila box-envelopes ready for mailing.

Have endeavored to make them to fairly represent the demands of the Department, and in accordance with directions given by yourself and Mr. Sperry. If anything more is wanted, can furnish it at the shortest notice.

Hoping they may prove satisfactory, I remain, yours truly,

M. S. CHAPMAN,
Superintendent.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General.

No. 49.

UNITED STATES STAMPED ENVELOPE AGENCY,
Hartford, Conn., June 1, 1878.

SIR: I have this day mailed to your address samples of stamped envelopes, in registered case No. 25507 $\frac{1}{2}$.

Respectfully, &c.,

H. T. SPERRY, Agent.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

No. 50.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., January 22, 1885.

The HOLYOKE ENVELOPE COMPANY,
Holyoke, Mass.:

GENTLEMEN: I will feel personally obliged if you will give me some information which will be of especial value to me. I desire to know whether the envelopes in the inclosed samples, in whole or part, are of sizes known to the general trade, or whether they are peculiar to the official envelopes in use by this Department as far back as I can at this moment trace them—July 1, 1869—though I think it probable that they go back much further. Also, approximately, the cost of the knives and envelope machinery needed to produce annually the number of envelopes indorsed on each of the several sizes of envelopes inclosed.

The description, sizes, and numbers of the envelopes, with blank spaces for estimated cost of machinery required for production, are as follows:

Description.	Size.	Number to be produced during one year.	Estimated cost of entirely new machinery required for production.	Estimated cost of altering existing machines to conform to these sizes.
	<i>Inches.</i>			
Number 1.....	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$	11,677,500		
Number 2.....	3 $\frac{1}{2}$ by 6 $\frac{1}{2}$	5,593,300		
Number 3.....	3 $\frac{1}{2}$ by 8 $\frac{1}{2}$	7,887,600		
Number 4.....	4 $\frac{1}{2}$ by 10 $\frac{1}{2}$	503,200		
Number 5.....	3 $\frac{3}{4}$ by 6 $\frac{3}{4}$	1,270,000		
Number 8.....	4 $\frac{1}{2}$ by 6 $\frac{1}{2}$	370,250		
Total.....				

I have put the subject in the foregoing shape, not only to make my idea more intelligible, but to enable you to save time by filling in the figures in the blank spaces and returning the sheet; but at the same time, I should be glad to have any detailed explanations you may wish to offer touching the matter. It will suffice my purpose to have the figures closely approximated.

An early reply will greatly oblige me.

Very truly, yours, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

The HOLYOKE ENVELOPE COMPANY,
Holyoke, Mass.

No. 51.

HOLYOKE, MASS., January 29, 1885.

SIR: Replying to yours 22d instant, we say:

(1) Sizes of official envelopes submitted, viz, 1, 2, 3, 4, are practically trade sizes; though they do not conform to our sizes exactly, yet we could readily arrange for their manufacture at a cost of about \$200, equally divided between changes of machinery and cost of new knives. Nos. 5 and 8 are not trade sizes. One machine at cost of \$350 will produce desired quantity of No. 5 annually. No. 8, owing to small quantity used, should be made by hand, as the cheaper way to manufacture.

Knives for 5 and 8 sizes, both \$35.

We fill both, conforming to your request.

Respectfully,

HOLYOKE ENVELOPE COMPANY,
By JAMES T. ABBE,

President.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

Description.	Size.	Number to be produced during one year.	Estimated cost of entirely new machinery required for production.	Estimated cost of altering existing machines to conform to these sizes.
	<i>Inches.</i>			
Number 1.....	3½ by 5½	11,677,500	\$2,200	} \$200
Number 2.....	3½ by 6½	5,593,300	1,250	
Number 3.....	3½ by 8½	7,887,600	1,250	
Number 4.....	4½ by 10½	503,200	700	} 55
Number 5.....	3½ by 6½	1,270,000	365	
Number 8.....	4½ by 6½	370,250	20	.....
Total.....			5,785	255

No. 52.

NEW YORK, January 28, 1885.

DEAR SIR: In reply to yours of the 22d, I beg to say that my knowledge of the matter is that the theory of your people away back in the beginning of making these envelopes, was that they be different sizes and color from those in general use and known to the trade, for the purpose of preventing fraud and counterfeit as much as possible. Yet the cost of altering knives and changing machinery to do this line of work is quite small, comparatively, and is a feature of our business which occurs almost every week by reason of orders for envelopes of special sizes. However, this does not invalidate your original plan, for no manufacturer would make envelopes of these sizes and color in use by the United States Post-Office Department, without question that would call a halt.

I send a diagram of our sizes, and notice that in three instances we are making sizes quite similar. I believe there are additions to the original line, and probably the first intention was lost sight of. I shall fill out your schedule as near as possible and mail it to you.

Yours, very truly,

E. P. MARTIN.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General, Washington, D. C.

No. 53.

WORCESTER, MASS., January 24, 1885.

DEAR SIR: In reply to your inquiry, would say the sizes are all regular except Nos. 5 and 8, which are not usual in the trade. I have estimated for six machines which would cost, in round numbers, \$6,500; knives, to cut the same, \$150; total \$6,650.

Then you would require cutting presses and other machinery, gumming tables, gum-mixer, &c., say \$1,350. This would give a plant of \$8,000. You might pick up machinery in the market, second-hand, some less. We might supply machinery from our factory to make the plant, or could make to order. If the above is not explicit enough, write again, and writer will go more into details.

Yours, truly,

G. HENRY WHITCOMB.

General A. D. HAZEN,
Washington, D. C.

Description.	Size.	Numbers to be produced during one year.	Estimated cost of entirely new machinery required for production.	Estimated cost of altering existing machines to conform to these sizes.
	<i>Inches.</i>			
Number 1.....	3½ by 5½	11,677,500	\$2,000	(*)
Number 2.....	3½ by 6½	5,593,300	1,000	(*)
Number 3.....	3½ by 8½	7,887,600	1,500	(*)
Number 4.....	4½ by 10½	503,200	1,000	(*)
Number 5.....	3½ by 6½	1,270,000	} (†) 1,000	\$200
Number 8.....	4½ by 6½	370,250		
Total.....			6,500	

* Regular size.

† One machine with changes.

Six machines in all.

No. 54.

ROCKVILLE, CONN., January 24, 1885.

DEAR SIR: I am in receipt of your favor of the 22d instant. Our trade sizes do vary somewhat from patterns and sizes used by the Department. I send you herewith samples of our manufacture for the general trade, that you may compare them and learn the difference between them. I have filled out your blank, showing cost of new machinery, also for altering over old. The dies for cutting would cost from \$18 to \$25 each size, additional to the foregoing estimate. I think this covers all the points which you inquire for; if not, please let me know, and I will give you what information I can.

Awaiting your further commands, I remain yours, very truly,

WM. H. PRESCOTT.

Hon. A. D. HAZEN,
Washington, D. C.

Description.	Size.	Number to be produced during one year.	Estimated cost of entirely new machinery required for production.	Estimated cost of altering existing machines to conform to these sizes.
	<i>Inches.</i>			
Number 1.....	3½ by 5½	11,677,500	\$1,200	\$200
Number 2.....	3½ by 6½	5,593,300	1,200	200
Number 3.....	3½ by 8½	7,887,600	1,400	250
Number 4.....	4½ by 10½	503,200	1,400	250
Number 5.....	3½ by 6½	1,270,000	1,200	200
Number 8.....	4½ by 6½	370,250	1,400	250
Total.....			7,800	1,350

No. 55.

TREASURER'S OFFICE, 35 LYMAN STREET,
Springfield, Mass., January 27, 1885.

DEAR SIR: In answer to your inquiries I remark that official envelopes Nos. 1, 2, 3, and 4 are sizes known to the general trade. Nos. 1 and 2 are not exactly the same patterns as used by the trade, and to make them would require new knives, costing \$35; for Nos. 5 and 8 new knives, costing \$40; to alter our envelope machines, adapting them to make these official envelopes, would necessitate an expense of \$100; a new plant would cost about \$8,300, including folding machinery and knives for making the quantities of envelopes required by the Post-Office Department, exclusive of printing presses. For printing the envelopes the presses required would cost, probably, \$3,000, making the cost of an entire new plant, about \$11,000.

This is for the most improved machinery. A plant could be secured to do the work for half the above estimate, and probably less.

The additions and alterations of machinery which we now have adapted to the work, and in quantities required, would cost \$1,200 to \$1,500.

Yours, truly,

L. J. POWERS.

Hon. A. D. HAZEN.

Description.	Size.	Number to be produced during one year.	Estimated cost of entirely new machinery required for production.		Estimated cost of altering existing machines to conform to these sizes.	
			Folding.	Printing.	Knives.	Machines.
	<i>Inches.</i>					
Number 1.....	3½ by 5½	11,677,500	\$2,400	\$1,000	\$15	
Number 2.....	3½ by 6½	5,593,300	1,200	1,000	20	
Number 3.....	3½ by 8½	7,887,600	1,500	1,000	20	\$100
Number 4.....	4½ by 10½	503,200	1,500		20	
Number 5.....	3½ by 6½	1,270,000	1,500			
Number 8.....	4½ by 6½	*370,250				
Total.....			8,100	3,000	75	100

* Made by hand; no folding machine required.

No. 56.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., January 31, 1885.

MY DEAR SIR: It is within my personal knowledge that the company of which you are the head, the Whiting Paper Company, of Holyoke, Mass.—I am glad to say, one of the largest and most reputable concerns of its kind in the country—has made all, or the greater part, of the paper used by the envelope contractors in the manufacture of ordinary and official stamped envelopes ever since the first contract was awarded to the Plimpton Manufacturing Company, of Hartford, Conn., in October, 1874.

The first contract, beginning on the 1st of October, 1874, provided, as to the quality of the envelopes, that they "must be made in the most thorough manner, equal in every respect to the samples furnished to bidders by the Department, and that the paper must be of approved quality, especially manufactured for the purpose." This is the only reference in the contract to the kind of paper that was required.

With regard to the second contract, for four years, beginning on the 1st of October, 1878, the specifications furnished to bidders, and the contract awarded upon the same, provided as follows: "The paper in the Nos. 1, 2, 3, 4½, 5, 7, and 8 sizes of envelopes, and in the official stamped envelopes, must be made specially for the purpose, of the best grade of white linen and the best grade of white domestic cotton rags, in the proportion of 35 per cent. of linen and 65 per cent. of cotton (excluding all other materials except the necessary coloring matter), must be loft-dried, animal-sized, and in all respects equal to that in the samples, and must weigh not less than the following, in sheets of 22½ by 30 inches, uniform in thickness and weight, or in that proportion, viz:

Pounds.

First quality	per ream..	50
Second quality	do	43
Third quality	do	37
Official stamped envelopes	do	50

“The paper in Nos. 4, 6, and 9 (for circulars and newspaper wrappers), must weigh not less than 37 pounds per ream, in sheets 22½ by 30 inches, or in that proportion, and be fully equal in every respect to that in the samples furnished to bidders.”

In the contract for the four years beginning on the 1st of October, 1882, are the following specifications:

“The paper in the Nos. 1, 2, 3, 4½, 5, 7, and 8 sizes of envelopes must be made specially for the purpose, of the best grade of white linen and the best grade of white domestic cotton rags, in the proportion of 35 per cent. of linen and 65 per cent. of cotton (excluding all other materials except the necessary coloring matter); must be loft-dried, animal-sized, and in all respects equal to that in the samples, and must weigh not less than the following, in sheets of 22½ by 30 inches, uniform in thickness and weight, or in that proportion, viz:

Pounds.

First quality	per ream of 500 sheets..	50
Second quality	do	43
Third quality	do	37

“The paper in the Nos. 4, 6, and 9 (for circulars and newspaper wrappers), must weigh not less than 37 pounds per ream of 500 sheets, in sheets 22½ by 30 inches, or in that proportion, and be fully equal in every respect to that in the samples furnished to bidders.”

The only difference, as you will observe, between the last two contracts is that the contract of 1882 omits the official stamped envelopes, which were in both the previous contracts. Prior to 1879 there were two styles of official envelopes in use, and furnished under different contracts, the official stamped envelopes, being in use at the larger or “Presidential” offices, and the plain post-office envelopes, on which official adhesive stamps were affixed, being used by the fourth-class offices. These latter were provided for by separate contract, known as the “Post-Office envelope contract.” The use of the penalty envelopes having, by the act of March 3, 1879, been extended to officers outside of Washington, the issue of the adhesive official stamps and stamped envelopes was discontinued May 1, 1879, and all the postmasters were supplied with the penalty envelopes out of the Post-Office envelope contract.

You will doubtless remember the circumstances leading to the adoption of the formula in the contract of 1878. I desired that an exact standard of paper should be established, and felt that it was to the best interests of the Government, and fairer to bidders, that the Department should reserve to itself the least possible discretion. My observation and experience had been that in determining whether envelopes that should be offered for inspection and acceptance were equal to the requirements of the contract when judged merely upon sample, it would not be safe to depend upon the judgment of even the best experts, among whom wide differences of opinion might exist. The contract was likely to go to a distance from Washington, and the Department was, therefore, compelled to rely, for a faithful performance of the contract upon the capacity, fidelity, vigilance, and integrity of an agent to be stationed at the place of manufacture—the contracts expressly providing for the appointment and defining the duties of such agent. The contract, in the necessities of the case, expressly clothed the agent with all the power possessed by the Postmaster-General, in passing upon the quality of the goods. The agent is made the direct representative of the Postmaster General, whose commission he holds, and the contract is very unreserved in delegating to him (the agent) the power of inspection and acceptance, subject only to the special intervention of his principal. If the envelopes are accepted by the agent, and shipped to destination, the contract is executed, and the Department left without a legal remedy if he has failed to perform his whole duty. Hence, the expediency of restricting, as far as possible, the discretion of the agent, by prescribing the bounds within which he is to act.

The views I have expressed having met with the approval of the then Postmaster-General, Hon. David M. Key, I was instructed by him to visit New England to ascertain the best means of accomplishing the desired end. I called upon you, not only as a gentleman in whom I felt I could place the most implicit reliance, but as the manufacturer of the paper then in use for the envelopes being furnished under the Plimpton contract, and solicited your aid in the matter. This was most cheerfully and fully accorded me, and I will not omit this opportunity to renew my expressions of the great obligations under which you placed the Government and myself personally by your kind and cordial co-operation in the matter. It was determined that the paper then being furnished was of such quality as to satisfy all reasonable require-

ments, and that it should continue without material alteration to be used as the standard in the new contract. You gave me the constituent parts of the paper, and together we drew up a descriptive formula, to be inserted in the specifications, which was done subsequently. I had meanwhile, however, submitted the details of the plan to a number of paper manufacturers and envelope-makers in New England and New York, and without exception it met, not only with their unqualified approval, but heartiest commendation.

The paper for the sample envelopes to accompany the specifications to bidders was made specially by you, and verified by your affidavit, and the sample envelopes identified with this paper by the affidavits of the envelope manufacturers by whom such sample envelopes were made. The agent at Hartford was directed to personally supervise the manufacture of the paper, and to see that the envelopes intended for samples were made of the paper prepared for that purpose. His report accompanied your affidavit and that of the envelope manufacturers, and is now on the files of this office. The result was most gratifying, the contract having been awarded without annulment or contest. The same course was followed, and with equally good results, in the succeeding contract, beginning October 1, 1882, and now in force.

The introduction of the paper formula in the stamped-envelope contract was a departure from a long-established rule that has prevailed, and still prevails, as I have ascertained, in all the Departments of the Government, in awarding stationery contracts, the general practice being to invite bidders to submit samples of their products, and to make selections at will among these, price and quality being taken into consideration. The result of introducing the paper formula into the contract of 1878 you well know.

Up to 1869, from the time stamped envelopes were first introduced under act of Congress of August 31, 1852, the envelopes had been furnished by George F. Nesbitt & Co., of New York, under contracts which had been extended from time to time by order of the Postmaster-General. These extended contracts had been the subject of much contention. Near the close of 1869 the Nesbitt contract was rescinded by order of Postmaster-General Creswell to take effect March 31, 1870, and under date of January 10, 1870, proposals were invited for a new contract to begin on the 1st of July, 1870, provisional arrangements having been made with Nesbitt & Co. for a temporary supply meanwhile (from April 1 to June 30), at a reduction of 15 per cent. from previous prices. This contract was awarded to George H. Reay, of New York, but it was annulled by act of Congress approved July 11, 1870, and the Department was required to make a new contract "upon samples to be furnished by the Postmaster-General." Fresh proposals were accordingly invited for a new contract to begin October 1, 1870, and the award was made to Messrs. Dempsey & O'Toole, of this city, who were the lowest bidders. A temporary contract was made with Mr. Reay for the envelopes required during the quarter ended September 30, 1870, at the prices paid Nesbitt & Co., for envelopes furnished during the preceding quarter. Mr. Reay, it is to be observed in passing, made formal protests under date of August 11 and 12, 1870, against an award to Dempsey & O'Toole, but these protests were disregarded. Messrs. Dempsey & O'Toole not being ready to do the work when the time arrived for entering upon the execution of their contract, the same was annulled by a formal order of the Postmaster-General, bearing date of October 7, 1870, and on the same date an award was made to the next lowest bidder, Mr. Reay, upon the terms contained in his bid offered at the time of the award to Dempsey & O'Toole. The annulment of Dempsey & O'Toole's contract led to an investigation by a committee of Congress (see Misc. Doc. No. 29, H. R., Forty-first Congress, third session), and to a claim by Dempsey & O'Toole for damages, in which claim they were finally successful.

Toward the close of Mr. Reay's contract in 1874 proposals were again invited for a new contract to begin October 1, 1874, and at the time appointed to receive them it was found that the Morgan Envelope Company, of Springfield, Mass., were the lowest bidders. The bid of the Morgan Envelope Company having been overruled for some informality, no award was made at this time, and proposals were again invited for the contract by public advertisement. Such proposals were received in September, and the lowest bidder, Mr. Ladd, of Holyoke, Mass., and the next lowest bidders, Messrs. Gill & Hayes, of Springfield, Mass., having withdrawn their bids, after an inquiry into their ability to carry out the contract, the award was made to the Plimpton Manufacturing Company, of Hartford, Conn., the next lowest bidders. The award was, however, contested by Mr. Reay, the next lowest bidder, but without avail. When the Plimpton Manufacturing Company were found to be unable to begin the execution of their contract on the 1st of October, strenuous efforts were made by Mr. Reay to secure the annulment of their contract and the award to himself. In this he was not successful, although the Plimpton Manufacturing Company were not ready to begin the delivery of envelopes until near the close of October. The Postmaster-General, however, purchased from Mr. Reay a temporary supply of envelopes for use in October, at the prices in Mr. Reay's late contract. The difference between the prices in the Reay and Plimpton contracts, amounting to nearly \$12,000,

was charged against the Plimpton Manufacturing Company, but this amount was subsequently recovered by the company in a suit before the Court of Claims.

It will thus be seen that up to 1874 the award of the stamped-envelope contracts had not been without a contest. In 1878, however, the formula having been introduced into the specifications accompanying the advertisement for proposals, the award was made, as I have already stated, without dispute, to the lowest bidders, the Plimpton Manufacturing Company and the Morgan Envelope Company, who successfully carried out the contract. In 1882 the contract was again awarded, after public advertisement, to the same companies, who were again the lowest bidders, and, as before, no question was raised as to the propriety of giving them the contract.

The award of this latter contract was made the subject of special commendation by Postmaster-General Howe, who used the following language in his report for the year ending June 30, 1882 (page 20):

“REDUCED PRICES OF STAMPED ENVELOPES.

“A new contract was made in June last for stamped envelopes. The average reduction in price is nearly 7 per cent. That reduction is the more gratifying, because it follows a reduction of about 20 per cent. made in the last contract over the one which preceded it. Estimating the number of the different kinds of envelopes to be issued under the new contract upon the basis of the number actually issued during the year which ended on the 31st of March last, the aggregate cost will be \$456,197.58. Five bids were received for the manufacture of such envelopes. The cost of the same number and kind under the highest proposal submitted would be \$476,585.40. There was thus only a little more than \$20,000 between the highest and the lowest offer made for a contract, which will amount to something like a half million of dollars.

“That fact furnishes plenary proof, both that bidders were equally well informed of the services expected, and that the bid accepted, while it was the best offer, was not likely to subject the contractor to a loss.”

The subject was more fully adverted to in my own report for that year, as follows (page 335):

“NEW CONTRACT FOR STAMPED ENVELOPES AT REDUCED PRICES.

“During the year the preliminary steps were taken for obtaining a new contract for stamped envelopes and newspaper wrappers, the old contract expiring on the 30th September. Substantially the same course was pursued as when the late contract was entered into, four years ago. Under date of May 1, 1882, advertisements were published in various newspapers in the principal cities, inviting sealed proposals from envelope manufacturers, until 12 m. of the 8th day of June, for all the stamped envelopes and wrappers that the Department might order during the contract term of four years, commencing on the 1st October. Full and explicit specifications as to the requirements accompanied the blank form of proposals furnished to bidders, to which were attached samples of the various sizes and grades called for. The standards of the several grades of paper were prescribed, the character of the materials entering into their composition, the weight per ream of specified sizes, and other particulars connected with the manufacture of the paper being fully set forth. Other specified requirements related to the manufacture of the envelopes and wrappers, the preparation and control of the dies for embossing the stamps, the security of the building used for manufacture, the sufficiency of stock to be kept on hand, the place and manner of delivery, the mode of packing for shipments, the destruction of spoiled work, the manner of inspection by the agents of the Department, and, in short, to all the particulars needful to secure the interests of the Government in connection with the contract. Bids were to be made for each item separately, and it was provided that the award should be made as a whole to the lowest responsible bidder in the aggregate on the basis of the actual number of each of the several kinds issued during the year ended March 31, 1882, the total issues of that year having aggregated 249,303,750 envelopes and wrappers. The forfeiture for failure of the successful bidder to enter into contract was placed under guarantee at \$50,000, and the penalty of the bond for non-performance of contract at \$200,000. On the day fixed for the receipt of bids (June 8) five sealed proposals were submitted, and on being opened and examined by the Postmaster-General and myself, in the presence of the bidders and others, the names of the bidders and the amounts of their respective bids, on the basis referred to, were found to be as follows:

1. The Plimpton Envelope Company, of Hartford, Conn., and the Morgan Envelope Company, of Springfield, Mass.....	\$456,197 58
2. White, Corbin & Co., of Rockville, Conn.....	461,812 90
3. The Holyoke Envelope Company, of Holyoke, Mass.....	464,421 21
4. Geo. F. Nesbitt & Co., of New York City.....	470,927 62
5. Wade H. Hill, of Worcester, Mass.....	476,585 40

"The closeness in amount between these several bids bears evidence to the exactness with which the requirements of the contract were established by the specifications. The lowest bidders were the Plimpton and Morgan companies, who had held the contract for the two previous terms of four years each, and the new contract was accordingly awarded to them. The contract was duly executed, and its performance, entered into on the 1st October, is now satisfactorily progressing. The prices in the new contract average a reduction of nearly 7 per cent. from those in the old one. The law requires that stamped envelopes shall be sold at the cost of procurement, as near as may be, and accordingly a new schedule of prices has been adopted for the sale of the envelopes to the public at reduced rates. The present reduction follows one of about 20 per cent. four years ago under the contract then made. Under the new schedule the best quality note size envelopes will be sold, exclusive of the postage value, at \$1.60 per 1,000; of full letter size, at \$2 per 1,000; of commercial size, at \$2.20 per 1,000; of extra letter size, at \$2.40 per 1,000; of official size, at \$3.60 per 1,000; and of extra official size, at \$4 per 1,000. The second quality envelopes are sold at 20 cents per thousand less than these prices, and the third quality envelopes at 20 cents per thousand less than the second quality, for corresponding sizes.

"The full letter and extra letter sized un gummed envelopes for circulars are sold at \$1.20 and \$1.40 respectively, and the newspaper wrappers at \$1 per 1,000, in addition to postage.

"To illustrate the great reduction in the price of stamped envelopes during the past few years, a letter size envelope, which in 1869 was sold at \$4.80 per 1,000, is now furnished in an equally good, if not better, grade at \$1.80 per 1,000. An extra letter size envelope, which then sold at \$6 per 1,000, can now be furnished in as good quality at \$2.40. The official size, then sold at \$3.60 per 1,000, is now offered in an equally good quality at \$3.40 per 1,000. The public has received the pecuniary benefits of these reductions, the envelopes being sold by the Department, as before stated, at the cost of procuring them. Equally great reductions have been attained in the cost of other supplies. Adhesive postage-stamps, which in 1869 cost 27½ cents per 1,000, are now obtained at 9.19 cents per 1,000, and postal cards, first introduced in 1873, and then costing \$1.39¾ per 1,000, are now procured at 54.43 cents per 1,000."

Though occasional complaints have been made as to the quality of the envelopes furnished since the formula was adopted in 1878, there is the best reason to believe that there has not been a serious departure, if indeed any departure at all, from the standard of paper prescribed by the formula, and the accompanying specifications with regard to it. Indeed I have heard frequent expressions of satisfaction from stationers and others engaged in the paper trade, at the uniform manner in which the standard of the stamped-envelope paper had been maintained. But once only has the paper been seriously questioned, and that was in July last, when, as you will doubtless remember, you came to Washington, in response to a summons to make a defense of the quality of the papers furnished by you to the contractors for the manufacture of stamped envelopes. You will also remember with what vigor you made the defense, and the unqualified manner in which the complaint was withdrawn, after having been very positively urged. That occasion would have convinced me, had I been left in any doubt, of the wisdom of my action in establishing an unvarying standard of paper, and explicitly defining it in the letter of the contract.

In the light, therefore, of the experience of the past six years, I consider the success of the plan as fully and conclusively assured, and firmly believe that the public interests would be greatly subserved by uniformly adopting it in lieu of the present irregular and incongruous methods in all contracts made by the Government in the line of papers and envelopes. I shall, at least, endeavor to have it prevail in the contract, to be let at no distant day, for the supply of postal-cards for the four years beginning on the 1st of July next. I am the more firmly persuaded with this idea by reason of the difficulty experienced during the past few years, and which I have previously explained with reference to the subject in general, in enforcing compliance with a contract which is to be judged merely by sample, too much being left necessarily to the opinion of the inspector, and a wide door being left open for controversy.

With this end in view and with the confidence born of my past experience with you, and the knowledge that your company does a large business in the line of card-boards, I venture to solicit your aid in preparing the samples and specifications to be furnished to bidders for the contract. Will you be kind enough, therefore, to send me at your earliest convenience samples of such card-board as you may have in stock, or such samples as you may wish to manufacture specially for the purpose, and as you may think best adapted to the uses of a postal-card. I would like to have with each different sample a memorandum showing what materials it is composed of, with the proportions; also an estimate of the cost per pound of the paper, so that I may determine approximately the cost of the finished cards. In estimating the cost of the paper it will be well to consider the great quantity of postal-cards required, the issues for the year ended June 30, 1884, having amounted to 379,516,750. The weight of the

present cards, I may add, is $6\frac{1}{2}$ pounds per thousand, or exactly 1 ounce for each ten cards, exclusive of bands and wrappers. This standard is, therefore, very convenient in testing the weights, besides being in other important respects seemingly a very good one.

Should you be willing to undertake the work of making the samples, it might perhaps be well for you to examine the different styles of foreign postal-cards, of which I have specimens in this office, and which I will most gladly submit for your inspection. As the time for action is becoming somewhat short, I should be pleased to have you take the matter immediately in hand. The advertisement for proposals should be issued not later than the middle of March, as the contract could not then well be awarded before the middle of April, it being usual to advertise for four weeks, and the successful bidder would have no spare time in which to make necessary preparations to carry out the contract. Some time also may be required in making proper inquiries into the ability of the bidders to comply with their proposals. Hence the necessity for early action. Under present circumstances, I am not, of course, prepared to give assurances that such style of card as may please me will be adopted; but at the same time I desire that the result of my best efforts shall be ready for consideration when the proper moment for final action shall arrive.

But I have written more at length than I intended at the outset, the special object of this letter being to ask you if in preparing the the canary-colored paper for the official stamped envelopes in the contract of 1878 you duplicated the paper used in the contract of 1874 for the same class of envelopes, the contract of the last-mentioned year contemplating the same quality of paper in the ordinary and official stamped envelopes alike, the only difference being in color.

By favoring me with an early reply to this inquiry you will place me under renewed obligations.

Very sincerely, yours, &c..

A. D. HAZEN,
Third Assistant Postmaster-General.

Hon. WILLIAM WHITING,
House of Representatives.

No. 57.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 21, 1885.

DEAR SIR: Your favor of the 31st ultimo came duly to hand, giving a history of the different stamped envelope contracts.

I was much interested in your account, and so far as I am acquainted with the circumstances, your recital is correct, and requires no comment from me. You ask, however, one question which needs an answer. The question is, "If in preparing the canary-colored paper for the stamped envelopes in the contract of 1878 you duplicated the paper used in the contract of 1874 for the same class of envelopes?"

I shall have to answer from memory, but think I can do so accurately. Before the proposals for the contract of 1878 were issued, you visited Holyoke, and instituted a careful inquiry as to the quality of the paper which had been furnished during the preceding four years. You examined the stock and the process of manufacture, and from the knowledge obtained by the inquiries and inspection, you caused proposals to be issued for paper, requiring the composition of the paper to be 35 per cent. linen and 65 per cent. cotton. The paper has been made of those materials since, and is substantially the same as that made under the contract of 1874.

Permit me to say that it was the first time, within my knowledge, of a contract having been let by the Government, prescribing the material of which the paper should be made, and that it is an absolute protection to the Government against the furnishing of an inferior article. It defines an exact standard of paper, and not only protects the interests of the Government, but is absolutely fair to bidders for the contract.

If such a plan were adopted by all of the Departments, there would be no trouble on account of a poor quality of paper.

Very respectfully,

WM. WHITING,
Treasurer Whiting Paper Company.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General.

No. 58.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., June 1, 1878.

SIR: Yours of the 27th ultimo, inclosing affidavit in regard to the materials of paper for samples of stamped envelopes to be furnished the Department during the four years beginning on October 1 next, is received.

Please accept the thanks of the Department for same.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

WM. WHITING, Esq., *Holyoke, Mass.*

No. 59.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., June 1, 1878.

SIR: I inclose herewith affidavit of Mr. William Whiting, treasurer of the Whiting Paper Company, of Holyoke, Mass., in regard to the paper for samples of stamped envelopes to be furnished the Department during the four years beginning on the 1st of October next, with request that you have attached thereto an affidavit from Mr. Chapman, showing that the paper described by Mr. Whiting was received and used in the manufacture of the samples referred to.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, &c., Hartford, Conn.

No. 60.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., June 5, 1878.

SIR: Yours of the 1st instant, forwarding 50 sets of samples of stamped envelopes, is received. Upon reference to my letter of the 8th ultimo, ordering samples of stamped envelopes, you will see that the number called for is 250. Please send remainder without delay.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, *Agent, Hartford, Conn.*

No. 61.

[Telegram.]

HARTFORD, CONN., *June, 1878.*

A. D. HAZEN,

Third Assistant Postmaster-General:

Affidavits covering the whole matter of samples sent to-day.

M. S. CHAPMAN.

No. 62.

UNITED STATES STAMPED ENVELOPE AGENCY,
Hartford, Conn., June 4, 1878.

DEAR SIR: Herewith I send you affidavits of Mr. Whiting, Mr. Chapman, and myself in regard to the paper and envelopes for samples.

I think they cover all the points indicated by yourself while I was in Washington recently.

Very truly, &c.,

H. T. SPERRY, *Agent.*

Hon. A. D. HAZEN,

Third Assistant Postmaster-General, Washington.

No. 63.

HOLYOKE, MASS., *May 27, 1878.*

DEAR SIR: I inclose herewith my affidavit of the stock of which the sample paper from which the sample envelopes are to be made on which bids will be based for furnishing the Government with stamped envelopes for the next four years. I hope it is what you want in every respect, and remain,

Very truly, yours,

WM. WHITING,
Agent Whiting Paper Company.

HON. A. D. HAZEN,
Third Assistant Postmaster-General.

P. S.—“No. 1 domestic rags” is the term used by paper manufacturers to distinguish from foreign stock, and is well understood by the trade.

W. W.

AFFIDAVIT.

I, William Whiting, of Holyoke, Hampden County, and Commonwealth of Massachusetts, on oath declare and say that I am agent and treasurer of the Whiting Paper Company, a corporation established at said Holyoke, and further declare and say that the paper made for samples on which the bids are to be made to furnish the United States Government with stamped envelopes for the next four years, is made of stock as follows, viz: Thirty-five per cent. of Fabricottis No. 1 P. P. Leghorn linen rags; 65 per cent. of No. 1 domestic white rags; and all paper of which the samples are made are tub-sized and loft-dried.

WILLIAM WHITING,
Agent and Treasurer of the Whiting Paper Company.

MAY 27, 1878.

COMMONWEALTH OF MASSACHUSETTS,
Hampden Co., ss:

Personally appeared before me the within named William Whiting, and made oath that the foregoing affidavit by him subscribed is true.

[SEAL.]

E. W. CHAPIN,
Notary Public.

No. 64.

AFFIDAVIT.

I, William Whiting, of the city of Holyoke, county of Hampden, State of Massachusetts, on oath do declare and say that I am agent and treasurer of the Whiting Paper Company, a corporation established and doing business at said Holyoke, and I do further declare that at the request of the Plimpton Manufacturing Company, of Hartford, Conn. (contractors for stamped envelopes), I caused to be made, under my personal supervision, paper containing the water-mark of the Post-Office Department as follows, viz, 2 reams of amber, 2 reams of white, 2 reams of canary, 2 reams of cream, 2 reams of blue. The said amber, white, and canary being equal in weight to a ream in size 22½ by 30 inches, 50 pounds to the ream; the said cream equal in weight to a ream 22½ by 30 inches, 43 pounds to the ream; and the said blue equal in weight to a ream 22½ by 30 inches, 37 pounds to the ream. I further declare that the said paper was made of stock as follows, viz, 35 per cent. of Fabricottis No. 1 P. P. Leghorn linen rags, and 65 per cent. of No. 1 domestic white rags, and the paper thus made was tub-sized and loft-dried.

I do further declare that on the 24th day of May the said 10 reams of paper were packed in one case, marked C, case number 9656, and addressed to the United States Stamped Envelope Works, Hartford, Conn., and said case was delivered to the American Express Company for transmission to Hartford, as per receipt herewith appended.

WILLIAM WHITING,
Agent and Treasurer of the Whiting Paper Company.

JUNE 4, A. D. 1878.

COMMONWEALTH OF MASSACHUSETTS,
Hampden Co., ss:

Then personally appeared before me the above-named William Whiting and subscribed the above affidavit in my presence, and made solemn oath that the same is true.

[SEAL.]

E. W. CHAPIN,
Notary Public.

AMERICAN EXPRESS COMPANY,
Holyoke, Mass., May 25, 1878.

Received of Whiting Paper Company, 1 case, No. 9656, said to contain paper valued at ———, marked U. S. Stamp'd Envel. Co., Hartford, Conn.
591. No. Mark.
For the Company,

F. T. RICHARDSON.

No. 65.

AFFIDAVIT.

I, Maro S. Chapman, of the town of Manchester, county of Hartford, and State of Connecticut, on oath declare and say that I am superintendent for the Plimpton Manufacturing Company (contractors for stamped envelopes), a corporation doing business in the city of Hartford, county and State aforesaid, and that at the request of the Post-Office Department to the contractors, I caused to be made by the Whiting Paper Company (according to directions received from the Department) paper of the various colors used for stamped envelopes to be used for samples upon which bids are to be based for the contract for the next four years. I further declare that on the 25th day of May, 1878, I was notified by the said Whiting Paper Company that such sample paper had been made and shipped by American Express the 24th day of May. On the morning of May 27 there was delivered by Adams Express Company to the contractors one case, marked C, No. 9656, which, on being opened, was found to contain paper for stamped envelopes, as follows, viz, 2 reams white, 2 reams amber, 2 reams canary, 2 reams cream, 2 reams blue. I further declare that from said paper were made under my personal oversight samples of stamped envelopes as per arrangement with the Post-Office Department, and that fifty sets of said samples were put in manila box envelopes, and the whole packed in a wooden case, strapped with iron, was delivered to the special agent (Mr. H. T. Sperry) for transmission to the Third Assistant Postmaster-General.

M. S. CHAPMAN,
Superintendent for the Plimpton Manufacturing Company, Contractors.

HARTFORD, June 4, 1878.

STATE OF CONNECTICUT,
County of Hartford, ss :

Personally appeared the above-named M. S. Chapman, and made oath to the truth of the foregoing statement before me.

[SEAL.]

THEODORE LYMAN,
Notary Public.

This is to certify that we, the Adams Express Co., received from the American Express Co., at Springfield, Mass., one case marked United States Stamped Envelope Co., Hartford Conn., numbered 9656, said to contain paper, and that we delivered the same to the United States Stamped Envelope Works in this city on the morning of the 27th of May, 1878.

ADAMS EXPRESS COMPANY,
By R. P. REED, *Agent.*

HARTFORD, June 5, 1878.

No. 66.

POST-OFFICE DEPARTMENT,
UNITED STATES STAMPED ENVELOPE AGENCY,
Hartford, Conn., —, 1878.

Personally appeared H. T. Sperry, agent in charge of the United States Stamped Envelope Works, at Hartford, Conn., and made oath that he examined a case marked C, No. 9656, received by the contractors for stamped envelopes from the Adams Express Company, on the 27th day of May, 1878; that said case contained 10 reams of water-marked Government P. O. Dept. envelope paper; that he knows, of his own knowledge, that the said paper was made into envelopes which Third Assistant Postmaster-General Hazen had ordered for "samples"; that those envelopes were put into paper boxes, and that 50 (fifty) of those boxes were put into a case and de-

livered to him June 1st, 1878, and that on that day it was registered, No. 25507½, and marked Third Assistant Postmaster-General, Washington, D. C., and delivered to the postal clerk on the 12.25 p. m. train for New York on the same day.

H. T. SPERRY, *Agent.*

Sworn to before me this 4th day of June, 1878.

[SEAL.]

THEODORE LYMAN,

Notary Public.

No. 67.

Copy of contract with Morgan Envelope Company and Plimpton Manufacturing Company for furnishing stamped envelopes and newspaper wrappers for four years beginning October 1, 1878.

This article of contract and agreement, made this 19th day of July, 1878, between the United States of America (acting in this behalf by D. M. Key, Postmaster General), of the first part, and The Plimpton Manufacturing Company and The Morgan Envelope Company, doing business in the city of Hartford and State of Connecticut, by Linus B. Plimpton, president, of the first, and E. Morgan, treasurer, of the last named company, as principals, and Aaron Bagg and William Whiting, of the county of Hampden and State of Massachusetts, as sureties, of the second part, witnesseth:

Whereas the Postmaster-General, in compliance with law, caused a certain advertisement, bearing date the 1st day of June, 1878, to be published in certain newspapers within the United States, inviting proposals for furnishing, in accordance with specifications therein referred to, stamped envelopes and newspaper wrappers for and during a term of four years beginning on the 1st day of October, 1878, a printed copy of which advertisement and specifications is hereto annexed and made part hereof:

“Proposals for stamped envelopes and newspaper wrappers.

“ADVERTISEMENT.

“POST-OFFICE DEPARTMENT,

Washington, D. C., June 1, 1878.

Sealed proposals will be received from envelope manufacturers until 12 o'clock m. on Tuesday, the 2d day of July, 1878, for furnishing all the stamped envelopes and newspaper wrappers which this Department may require for public and official use during a period of four years, commencing on the 1st day of October, 1878.

Specimens of the envelopes and wrappers for which proposals are invited, showing the different qualities and colors of paper required, the cuts, and style of gumming, with blank forms of bids, and specifications giving full information, may be had on application to the Third Assistant Postmaster-General, Washington, D. C.

“D. M. KEY,

Postmaster-General.

“SPECIFICATIONS—FURNISHING STAMPED ENVELOPES AND NEWSPAPER WRAPPERS.

“The following are the different sizes and qualities of stamped envelopes and newspaper wrappers referred to in the foregoing advertisement:

Stamped envelopes and wrappers:

- No. 1. Note size, $2\frac{1}{4}$ by $5\frac{1}{2}$ inches—one quality.
- No. 2. Ordinary letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches—three qualities.
- No. 3. Full letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches—three qualities.
- No. 4. Full letter size (for circulars), ungummed on flap, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches—one quality.
- No. 4½. Commercial size, $3\frac{3}{8}$ by $5\frac{7}{8}$ inches—three qualities.
- No. 5. Extra letter size, $3\frac{1}{2}$ by $6\frac{1}{2}$ inches—three qualities.
- No. 6. Extra letter size, $3\frac{1}{2}$ by $6\frac{1}{6}$ inches (for circulars), ungummed on flap—one quality.
- No. 7. Official size, $3\frac{3}{4}$ by $8\frac{3}{4}$ inches—two qualities.
- No. 8. Extra official size, $4\frac{3}{8}$ by $10\frac{1}{6}$ inches, one quality.
- No. 9. Newspaper wrappers, $6\frac{3}{8}$ by $9\frac{7}{8}$ inches.

Official stamped envelopes:

- No. 1. Size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches.
- No. 2. Size, $3\frac{1}{2}$ by $6\frac{1}{6}$ inches.
- No. 3. Size, $3\frac{1}{2}$ by $8\frac{3}{8}$ inches.
- No. 4. Size, $4\frac{3}{8}$ by $10\frac{3}{8}$ inches.

"Paper, style of manufacture, &c.—The paper in the Nos. 1, 2, 3, 4½, 5, 7, and 8 sizes of envelopes and in the official stamped envelopes, must be made specially for the purpose of the best grade of white linen and the best grade of white domestic cotton rags, in the proportion of 35 per cent. of linen and 65 per cent. of cotton (excluding all other materials except the necessary coloring matter); must be loft-dried, animal-sized, and in all respects equal to that in the samples, and must weigh not less than the following, in sheets of 22½ by 30 inches, uniform in thickness and weight, or in that proportion, viz: Of first quality, 50 pounds per ream; of second quality, 43 pounds per ream; of third quality, 37 pounds per ream; official stamped envelopes, 50 pounds per ream.

"The paper in the Nos. 4, 6, and 9 (for circulars and newspaper wrappers) must weigh not less than 37 pounds per ream in sheets 22½ by 30 inches, or in that proportion, and be fully equal in every respect to that in the samples furnished to bidders.

"All of the above envelopes and wrappers must be embossed with postage stamps of such denominations, styles, and colors, must have such water-marks or other devices to prevent imitation, and must bear such printing as the Postmaster-General may direct. The envelopes must be made in the most thorough manner, equal in every respect to the samples. They must be thoroughly and perfectly gummed, the gumming on the flap (except for circulars) to be not less than half an inch the entire length. The wrappers must be gummed not less than three-fourths of an inch in width across the end. All the envelopes and wrappers offered for acceptance under the contract are to be subject to the approval of the Postmaster-General or his duly authorized agent. The Postmaster-General reserves the right to make any changes that he may deem proper in the color or colors of any of the stamped envelopes to be furnished under the contract, which changes shall be conformed to by the contractor without extra charge.

"Dies.—The original and working dies from which stamped envelopes and wrappers are now embossed, being the property of the United States, will be placed in the keeping and custody of the contractor on or before the 1st day of October, 1878, the same to be held subject to the order and control of the Department, as hereinafter provided; and the contractor will be required, with the said dies, or with such dies as it may be necessary to reproduce therefrom, to be ready to issue, on the day the contract term commences, such envelopes of the several denominations and kinds as may be necessary to fill the current daily requisitions from the Department without hindrance or delay.

"The contractor will be further required, at his own expense, to keep in repair, and to renew when necessary, or when it shall be requested by the Department, all dies from which the stamped envelopes and wrappers are embossed; and should new designs be required at any time to take the place of the present series of stamps, or any of them, or for denominations of stamps not now in use, the same shall be prepared and furnished in the highest style of art, and in a reasonable time; all of which shall be done at the expense of the contractor, and under such regulations as the Postmaster-General shall prescribe. All dies made or used at any time in filling the contract shall be the absolute property of the United States, and shall be delivered in good working order to the Postmaster-General or his authorized agent whenever demanded.

"Building; place of manufacture, &c.—The envelopes and wrappers will be required to be manufactured and stored in apartments separate and distinct from those in which any other work is done, in a strictly first-class building of such construction as to insure security against loss by fire or theft—the whole to be subject to the approval of the Postmaster-General. The contractor, his employes and agents, shall conform to such regulations as the Department may from time to time adopt for the security of the Government in any respect.

"Agent; office rooms; inspection.—A resident agent of the Department will have supervision of the manufacture, storage, and issue of the stamped envelopes and wrappers, who shall at all times have full and free access to the apartments, safes, and vaults where they, or anything entering into their construction, are manufactured and stored, for the purpose of inspecting the same; and the contractor shall furnish him and his clerks suitable and properly furnished rooms for the transaction of the business of his agency, without cost to the Government. The contractor may also be required to furnish, without charge, suitable and properly furnished rooms for use of the post-office in registering packages of envelopes and wrappers to be forwarded through the mails. The Postmaster-General shall also have the right at any time to cause an inspection to be made by any agent or agents whom he may specially designate for the purpose, of the rooms, apartments, or vaults used for the manufacture and storage of stamped envelopes and wrappers, and envelopes and wrappers in course of manufacture or in stock. He shall also have the right to cause an inspection to be made, when and in such manner as he may desire it, of the process of manufacturing the paper in all its several stages, and of stationing an agent for the purpose of inspection at the mill or mills where the paper is made; in which latter case the contractor shall be required to furnish such agent with a properly-furnished room

in the mill, without charge, and give him every needful facility for carrying out his duty.

"Stock on hand.—The contractor shall at all times keep on hand a stock of the several kinds and denominations of envelopes and wrappers, subject to the control of the agent of the Department, in all stages of manufacture, sufficient to meet all orders of the Department, and to provide against any and all contingencies that may be likely to occur during the existence of the contract, so that each and every order of the Department may be promptly filled; and the Department shall have the right to require the contractor, at the expiration of the contract, or at any time during its existence, to furnish such extra quantities of envelopes and wrappers as may be called for, not exceeding a supply for three months.

"Packing.—All envelopes and wrappers must be banded in parcels of twenty-five and packed in strong pasteboard or straw boxes, securely bound on all the edges and corners with cotton or linen cloth glued on, each box to contain not less than two hundred and fifty of the note, letter, commercial, and extra-letter sizes, and one hundred each of the official or extra official size, separately. The newspaper wrappers to be packed in boxes, to contain not less than two hundred and fifty each. The boxes are to be wrapped and securely fastened in strong manila paper, and sealed so as to safely bear transportation by mail for delivery to postmasters. When two thousand or more envelopes or wrappers are required to fill the order of a postmaster, the straw or pasteboard boxes containing the same must be packed in strong wooden cases, well strapped with hoop-iron, and addressed; but when less than two thousand are required, proper labels of direction, to be furnished by an agent of the Department, must be placed upon each package by the contractor. Wooden cases containing envelopes or wrappers to be transported by water routes must be provided with suitable water-proofing. The whole to be done under the inspection and direction of an agent of the Department.

"Delivery.—The envelopes and wrappers must be ready for delivery on the 1st day of October, 1878, and thereafter must be promptly furnished and delivered complete in all respects, each denomination, quality, and size being kept separate, in such quantities as may be required to fill the daily orders of postmasters; the deliveries to be made either at the Post-Office Department, Washington, D. C., or at the office of an agent duly authorized to inspect and receive the same, or at the post-office in the place where the envelopes are manufactured, or at the nearest adjacent large post-office with adequate facilities for handling and mailing the same; the place of delivery to be at the option of the Postmaster-General, and the cost of delivering, as well as all expense of storing, packing, addressing, labeling, and water-proofing, to be paid by the contractor.

"Reports.—The contractor may be required to report, as often as the Postmaster-General may direct, the number, denomination, and kind of stamped envelopes and wrappers manufactured (finished, unfinished, and spoiled), the number issued, and the number available for issue; all spoiled or rejected stamped envelopes to be destroyed by the agent of the Department in presence of the contractor or his representative, or mutilated so as to be unfit for use.

"Award.—The contract will be awarded on the basis of the number of the several sizes and qualities of stamped envelopes and wrappers issued during the twelve months ending March 31, 1878, of which those for sale to the public were as follows:

No. 1, first quality	2, 675, 600	No. 5, first quality	37, 093, 200
No. 2, first quality	17, 445, 950	No. 5, second quality	1, 132, 500
No. 2, second quality	2, 670, 500	No. 5, third quality	927, 250
No. 2, third quality	211, 000	No. 6, unguimed on flap	12, 977, 500
No. 3, first quality	37, 932, 050	No. 7, first quality	372, 100
No. 3, second quality	2, 480, 500	No. 7, second quality	869, 300
No. 3, third quality	987, 000	No. 8, first quality	86, 920
No. 4, unguimed on flap	7, 498, 750	No. 9, newspaper wrappers	27, 562, 250
No. 4½, first quality	24, 730, 000		
No. 4½, second quality	3, 801, 500	Total	183, 846, 120
No. 4½, third quality	2, 392, 250		

And of which the official stamped envelopes were as follows:

No. 1, letter size	8, 334, 050	No. 4, extra official size	194, 900
No. 2, extra letter size	4, 386, 000		
No. 3, official size	1, 502, 350	Total	14, 417, 300

“Of the above 183,846,120 envelopes, 116,062,620 were plain, or printed with a blank request, and 67,783,500 were printed with special request, the latter being furnished in lots of not less than 500 in any case. The number of different forms of such special requests was 59,056.

"Bids must be made for each size and quality of stamped envelopes and wrappers separately, the bidders stating in their proposals the price per thousand envelopes, including everything required to be done and furnished, as set forth in these specifications: and the contract will be awarded as a whole to the lowest responsible bidder in the aggregate, the amount of a bid to be ascertained by extending the above issues at the prices bid respectively, and then aggregating the amounts of the several items. If, however, it should be decided, within the period fixed above for the reception of proposals under this advertisement, to discontinue the use of official stamped envelopes, the bids for the same will not be considered in making the award.

"It must be understood that proposals shall include all the stamped envelopes and wrappers needed by the Department during the contract term, without reference to the above issues. Should the use of any of the above kinds or qualities be discontinued after the award is made, either before or during the contract term, the contractor will not be entitled to damages on account of such discontinuance.

Proposals—agreement—bond.—Each proposal must be signed by the individual or partnership making it, and when made by a partnership the name of each partner thereof must be disclosed; and it must be accompanied by a guaranty, signed by at least two responsible guarantors, that the bidder shall, within ten days after being called upon to do so, execute a contract, with at least two good and sufficient sureties, to furnish promptly, and in quantities as ordered, the article or articles to be furnished by him, the responsibility and sufficiency of the signers to such guaranty to be certified to by the postmaster or United States attorney where the bidder resides; and in such contract the contractor and his sureties shall covenant and agree that in case the said contractor shall fail to do or perform all or any of the covenants, stipulations, and agreements of said contract on the part of the said contractor to be performed, as therein set forth, the said contractor and his sureties shall forfeit and pay to the United States of America the sum of two hundred thousand dollars, for which said forfeiture the said contractor and his sureties shall be jointly and severally liable, as liquidated damages, to be sued for in the name of the United States.

"If the bidder to whom the first award may be made should fail to enter into a contract, as herein provided, then the award may be annulled, and the contract let to the next lowest responsible bidder, if not deemed too high by the Postmaster General, and so on until the required contract is executed; and such next lowest bidder shall be required to fulfill every stipulation embraced herein as if he were the original party to whom the contract was awarded.

"The contract will also provide that if at any time during its continuance the sureties, or either of them, shall die, or become irresponsible, the Postmaster-General shall have the right to require additional and sufficient sureties, which the contractor shall furnish to the acceptance of the Postmaster-General within ten days after notice; and in default thereof the contract may be annulled.

Reservations.—The Postmaster-General reserves the right to reject any and all bids if, in his judgment, the interest of the Government requires it; also the right to annul the contract if, in his opinion, there shall be a failure at any time to perform faithfully any of its stipulations, or in case of a willful attempt to impose upon the Department stamped envelopes or wrappers differing in any respect from those required by the contract.

Payments.—Payments for stamped envelopes and wrappers actually issued and delivered will be made quarterly after proper examination and adjustment of accounts.

Contract not assignable.—The contract cannot, in any case, be lawfully transferred or assigned.

Extension.—Should the interest of the Government require, the contract may be extended beyond the time named, not exceeding three months, by order of the Postmaster-General, and the contract prices and all conditions herein set forth shall govern in such extended contract.

Address.—All proposals must be made on blank forms furnished by the Department, to which must be attached the advertisement and these specifications, together with a set of the sample envelopes furnished by the Department; the whole securely enveloped and sealed, indorsed on the back 'Proposals for stamped envelopes and newspaper wrappers,' and addressed to the Third Assistant Postmaster-General, Washington, D. C.

"D. M. KEY,
"Postmaster-General."

And whereas, on the 2d day of July, 1878, between the hours of 12 o'clock m. and 3 o'clock p. m., upon the public opening and examination of the proposals submitted in pursuance of said advertisement and specifications, it appeared that the proposal of the Plimpton Manufacturing Company and the Morgan Envelope Company was the lowest in the aggregate for all the different kinds of envelopes called for:

And whereas the Postmaster-General, by an order dated the 3d day of July, 1878,

awarded the contract to the said the Plimpton Manufacturing Company and Morgan Envelope Company, which order is in the following words, to wit:

“POST-OFFICE DEPARTMENT,
“ Washington, D. C., July 3, 1878.

“Ordered, That the contract for furnishing stamped envelopes and newspaper wrappers for the four years commencing October 1, 1878, be awarded to the Plimpton Manufacturing Company and the Morgan Envelope Company, of Hartford, Conn., upon the terms contained in their proposal bearing date June 28, 1878, and received at the Department on the 21 day of July, 1878, in pursuance of a public advertisement, bearing date June 1, 1878.

“D. M. KEY,
“Postmaster-General.”

Now, therefore, in consideration of the premises, the said The Plimpton Manufacturing Company and Morgan Envelope Company, and their sureties, parties of the second part, do hereby jointly and severally undertake, covenant, and agree to and with the said United States of America, and do bind themselves in manner following, to wit:

1. That they will furnish and deliver for and during the term of four years, commencing on the 1st day of October, 1878, all the stamped envelopes and newspaper wrappers that may be required by the Post Office Department for public and official use, of the descriptions contained in the following printed list:

Post-office No.	Description.	Quality.	Color.	Size (inches).
STAMPED ENVELOPES AND NEWSPAPER WRAPPERS.				
1	Note size.....gummed	First.	White	2 $\frac{1}{8}$ by 5 $\frac{1}{2}$
2	Ordinary letter size.....do	First	White or amber	3 $\frac{1}{8}$ by 5 $\frac{1}{2}$
2	.....do.....do	Second	Cream	3 $\frac{1}{8}$ by 5 $\frac{1}{2}$
2	.....do.....do	Third	Blue	3 $\frac{1}{8}$ by 5 $\frac{1}{2}$
3	Full letter size.....do	First	White or amber	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
3	.....do.....do	Second	Cream	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
3	.....do.....do	Third	Blue	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
4	.....do.....ungummed		Dark buff	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
4	Commercial size.....gummed	First	White or amber	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
4	.....do.....do	Second	Cream	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
4	.....do.....do	Third	Blue	3 $\frac{1}{2}$ by 5 $\frac{1}{2}$
5	Extra letter size.....do	First	White or amber	3 $\frac{3}{8}$ by 6 $\frac{1}{2}$
5	.....do.....do	Second	Cream	3 $\frac{3}{8}$ by 6 $\frac{1}{2}$
5	.....do.....do	Third	Blue	3 $\frac{3}{8}$ by 6 $\frac{1}{2}$
6	.....do.....ungummed		Dark buff	3 $\frac{3}{8}$ by 6 $\frac{1}{2}$
7	Official size.....gummed	First	White or amber	3 $\frac{3}{8}$ by 8 $\frac{1}{2}$
7	.....do.....do	Second	Cream	3 $\frac{3}{8}$ by 8 $\frac{1}{2}$
8	Extra official size.....do	First	White	4 $\frac{1}{8}$ by 10 $\frac{3}{8}$
9	Newspaper wrappers (round cut).....do	Manila	Light buff	6 $\frac{1}{8}$ by 9 $\frac{1}{8}$
OFFICIAL STAMPED ENVELOPES FOR POST-OFFICE DEPARTMENT.				
1	Letter size.....gummed		Canary	3 $\frac{1}{4}$ by 5 $\frac{1}{4}$
2	Extra letter size.....do		do	3 $\frac{1}{4}$ by 6 $\frac{1}{4}$
3	Official size.....do		do	3 $\frac{1}{4}$ by 8 $\frac{1}{4}$
4	Extra official size.....do		do	4 $\frac{1}{8}$ by 10 $\frac{3}{8}$

2. That they will manufacture and store such envelopes and wrappers in a strictly first-class building, of such construction as to insure security against loss by fire or theft, to be subject to the approval of the Postmaster-General, and in apartments separate and distinct from those in which any other work is done; that they will provide for the use of the resident agent of the Department and his clerks, without cost to the Government, suitable and properly furnished rooms for the transaction of the business of his agency; and that, in case it should be required by the Postmaster-General, they will also provide, without expense to the Government, suitable and properly furnished rooms for the use of the post-office in registering the envelopes and wrappers to be forwarded through the mails.

3. That the paper in the Nos. 1, 2, 3, 4 $\frac{1}{2}$, 5, 7, and 8 sizes of envelopes in the printed list attached to the first clause of this contract, and in the official stamped envelopes, shall be made specially for the purpose, of the best grade of white linen and the best grade of white domestic cotton rags, in the proportion of 35 per cent. of linen and 65

per cent. of cotton (excluding all other materials except the necessary coloring matter); that it shall be loft-dried, animal-sized, and in all respects equal to that in the samples attached to the proposal, and shall weigh not less than the following in sheets, 22½ by 30 inches, uniform in thickness and weight, or in that proportion, viz: Of the first quality, 50 pounds per ream; of the second quality, 43 pounds per ream; of the third quality, 37 pounds per ream; official stamped envelopes, 50 pounds per ream. Also that the paper in the Nos. 4, 6, and 9 sizes (for circular and newspaper wrappers), shall weigh not less than 37 pounds per ream in sheets 22½ by 30 inches, or in that proportion, and shall be fully equal in every respect to and the same as that in the samples attached to the proposal.

4. That all the envelopes and wrappers shall be embossed with postage stamps of such denominations, styles, and colors, shall have such water-marks or other devices to prevent imitation, and shall bear such printing as the Postmaster-General may direct; that they shall be made in the most thorough manner, and equal in all respects to the samples furnished and kept by the Department; that they shall be thoroughly and perfectly gummed, the gumming on the flaps of the envelopes (except for circulars) to be not less than half an inch the entire length—that on the wrappers to be not less than three-fourths of an inch in width across the end—and that they shall in every particular, when issued or offered for acceptance, be subject to the approval of the Postmaster-General or his duly authorized agent.

5. That they will be ready to commence the delivery of envelopes and wrappers on the 1st day of October next, when the contract term begins, and thereafter to promptly furnish and deliver them, complete in all respects (each denomination, quality, and size being kept separate), in such quantities and of such kinds as may be required to fill the daily orders of postmasters—such deliveries to be made at the option of the Postmaster-General, either at the Post-Office Department, Washington, D. C., or at the office of an agent duly authorized to inspect and receive the same, or at the post-office in the place where the envelopes are manufactured, or at the nearest adjacent large post-office with adequate facilities for handling and mailing the same.

6. That the envelopes and wrappers shall be banded in parcels of twenty-five, and packed in strong pasteboard or straw boxes, securely bound on all the edges and corners with cotton or linen cloth glued on, each box to contain not less than 250 of the note, ordinary letter, full letter, commercial, or extra letter sizes, or of the newspaper wrappers, and 100 each of the official or extra official sizes separately; that such boxes shall be wrapped and securely fastened in strong manila paper, and sealed so as to safely bear transportation by mail for delivery to postmasters; that when 2,000 or more envelopes or wrappers are required to fill the order of a postmaster, the straw or pasteboard boxes containing the same shall be packed in strong wooden cases, well strapped with hoop iron, and suitably waterproofed when they are to be transported by water-routes, and addressed; but when less than 2,000 are required, proper labels of direction, to be furnished by an agent of the Department, shall be placed upon each package, the whole to be done under the inspection and direction of an agent of the Post-Office Department.

7. That they will report, as often as the Postmaster-General may direct, the number, denomination, and kind of stamped envelopes and wrappers manufactured (finished, unfinished, and spoiled), the number issued and the number available for issue, and that they will destroy or mutilate so as to be unfit for use, in presence of the agent of the Department, and under such regulations as he shall prescribe, all envelopes and wrappers that may be rejected or spoiled in the process of manufacture.

8. That they will at all times keep on hand a stock of the several kinds and denominations of stamped envelopes and wrappers, subject to the control of the agent of the Department, in all stages of manufacture, sufficient to meet all orders of the Department, and to provide against any and all contingencies that may be likely to occur during the existence of the contract, so that each and every one of such orders may be promptly filled.

9. That they will safely keep, subject to the order and control of the Department, all dies, original or working, that may be placed in their custody, or that may be used by them in the manufacture of stamped envelopes and wrappers, and repair and renew the same whenever necessary or requested by the Department; and should new designs be required at any time to take the place of the present series of stamps, or any of them, or for denominations of stamps not now in use, that they will prepare and furnish the same, in the highest style of art, and in a reasonable time, under such directions or regulations as the Postmaster-General shall prescribe.

10. That they will not prepare or permit to be prepared in their manufactory, or in any other establishment or place under their control, any dies or engravings, or other materials from which stamped envelopes or newspaper wrappers similar to those furnished to the Post-Office Department can be made or produced, but that they will use every possible means to prevent the issue, by any one not duly authorized, of

stamped envelopes and wrappers from the dies or other materials used for the Post-Office Department, or of any other envelopes or wrappers in any way resembling them.

11. That they will faithfully account to the Post-Office Department for all stamped envelopes and wrappers printed or produced from such dies or other materials, and that they will not dispose of any of them otherwise than as the Department shall direct, but that they will use every endeavor to prevent the appropriation or abstraction by any person or persons whatsoever, of such envelopes or wrappers, or of the paper of which they are made, or of any embossed stamps detached by accident or otherwise therefrom.

And the said party of the first part hereby contracts and agrees—

(1.) To pay the said parties of the second part for the stamped envelopes and newspaper wrappers accepted and delivered in pursuance of this contract and agreement, at the following rates, which shall be full compensation for everything required to be done or furnished as herein set forth—payments for the same to be made quarterly, that is to say, in January, April, July, and October of each year—after proper examination and adjustment of accounts.

For No. 1, note size, $2\frac{1}{8}$ by $5\frac{1}{2}$ inches, first quality, of white paper, gummed, \$1.60 per thousand.

For No. 2, ordinary letter size, $3\frac{1}{8}$ by $5\frac{1}{2}$ inches, first quality, of white or amber paper, gummed, \$1.80 per thousand.

For No. 2, ordinary letter size, $3\frac{1}{8}$ by $5\frac{1}{2}$ inches, second quality, of cream-colored paper, gummed, \$1.75 per thousand.

For No. 2, ordinary letter size, $3\frac{1}{8}$ by $5\frac{1}{2}$ inches, third quality, of blue paper, gummed, \$1.60 per thousand.

For No. 3, full letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, first quality, of white or amber paper, gummed, \$2.05 per thousand.

For No. 3, full letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, second quality, of cream-colored paper, gummed, \$1.85 per thousand.

For No. 3, full letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, third quality, of blue paper, gummed, \$1.75 per thousand.

For No. 4, full letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, for circulars, of dark buff paper, un-gummed on flap, \$1.30 per thousand.

For No. 4 $\frac{1}{2}$, commercial size, $3\frac{3}{8}$ by $5\frac{1}{2}$ inches, first quality, white or amber paper, gummed, \$2.25 per thousand.

For No. 4 $\frac{1}{2}$, commercial size, $3\frac{3}{8}$ by $5\frac{1}{2}$ inches, second quality, of cream-colored paper, gummed, \$2.10 per thousand.

For No. 4 $\frac{1}{2}$, commercial size, $3\frac{3}{8}$ by $5\frac{1}{2}$ inches, third quality, of blue paper, gummed, \$2 per thousand.

For No. 5, extra letter size, $3\frac{3}{4}$ by $6\frac{1}{8}$ inches, first quality, of white or amber paper, gummed, \$2.45 per thousand.

For No. 5, extra letter size, $3\frac{3}{4}$ by $6\frac{1}{8}$ inches, second quality, of cream-colored paper, gummed, \$2.20 per thousand.

For No. 5, extra letter size, $3\frac{3}{4}$ by $6\frac{1}{8}$ inches, third quality, of blue paper, gummed, \$2.10 per thousand.

For No. 6, extra letter size, $3\frac{3}{4}$ by $6\frac{1}{8}$ inches, for circulars, of dark buff paper, un-gummed on flap, \$1.50 per thousand.

For No. 7, official size, $3\frac{1}{2}$ by $8\frac{1}{2}$ inches, first quality, of white or amber paper, gummed, \$3.80 per thousand.

For No. 7, official size, $3\frac{1}{2}$ by $8\frac{1}{2}$ inches, second quality, of cream-colored paper, gummed, \$3.40 per thousand.

For No. 8, extra official size, $4\frac{1}{2}$ by $10\frac{3}{8}$ inches, first quality, of white paper, gummed, \$4 per thousand.

For No. 9, newspaper wrappers (round cut), $6\frac{1}{2}$ by $9\frac{1}{8}$ inches in size, of manila paper, gummed, \$1.10 cents per thousand.

For No. 1, official stamped envelopes for the Post-Office Department, letter size, $3\frac{1}{2}$ by $5\frac{1}{2}$ inches, of canary-colored paper, gummed, \$2.05 per thousand.

For No. 2, official stamped envelopes for the Post-Office Department, extra letter size, $3\frac{3}{4}$ by $6\frac{1}{8}$ inches, of canary-colored paper, gummed, \$2.45 per thousand.

For No. 3, official stamped envelopes for the Post-Office Department, official size, $3\frac{1}{2}$ by $8\frac{1}{2}$ inches, of canary-colored paper, gummed, \$3.80 per thousand.

For No. 4, official stamped envelopes for the Post-Office Department, extra official size, $4\frac{1}{2}$ by $10\frac{3}{8}$ inches, of canary-colored paper, gummed, \$4 per thousand.

(2.) To deliver to said party of the second part, on or before the first day of October next, all of the original and working dies now in use in any way in the manufacture of stamped envelopes and wrappers, to be retained and used, subject to the control of the Department.

It is further stipulated and agreed by and between the contracting parties, as follows:

1. That a resident agent of the Post-Office Department shall have supervision of the

manufacture, storage, and issue of the stamped envelopes and wrappers, and shall at all times have full and free access to the rooms, apartments, safes, and vaults where they, or anything entering into their construction, are manufactured and stored, for the purpose of inspecting the same and of seeing that the stipulations of this contract are faithfully carried out; and that the parties of the second part shall in all respects conform to such regulations as the Post-Office Department, or its agent, may from time to time adopt for the security of the Government.

2. That the Postmaster-General shall have the right at any time to cause an inspection to be made by any agent or agents whom he may specially designate for the purpose, of the rooms, apartments, or vaults used for the manufacture and storage of stamped envelopes and wrappers, and of the envelopes and wrappers in course of manufacture or in stock; that he shall also have the right to cause an inspection to be made, when and in such manner as he may desire it, of the process of manufacturing the paper of which the stamped envelopes are made in all its several stages, and of stationing an agent, for the purpose of inspection, at the mill or mills where the paper is made; and that in case the latter course should at any time be decided on, the contractors shall furnish such agent with a properly furnished room in the mill, without charge, and give him every needful facility for carrying out his duty.

3. That the Postmaster-General shall have the right to make any changes that he may deem proper in the color or colors of any of the stamped envelopes or wrappers to be furnished under this contract, which changes shall be conformed to by the parties of the second part without extra charge. And should he at any time change any of the denominations of stamped envelopes or wrappers, or add new denominations to those now in use, or discontinue the issue of any of the different kinds of envelopes or wrappers for which provision is made in this contract, such changes or discontinuance shall not entitle the said parties of the second part, or any of them, to any claim for damages or extra compensation.

4. That all dies, original or working, and all rolls for water-marking the paper made or used at any time during the contract term, shall be and become the absolute property of the United States, and shall be delivered in good working order to the Postmaster-General or his authorized agent, whenever demanded, and the right is expressly reserved to the Postmaster-General, whenever any dies are to be made or renewed, to have the work done at the expense of the contractors, under the supervision of himself, or of his duly authorized agent, and by such parties as he may select.

5. That the Postmaster-General shall have the right to require the said parties of the second part, at the expiration of this contract, or at any time during its continuance, to furnish such extra quantities of stamped envelopes and wrappers as may be called for, not exceeding a supply for three months.

6. That this contract may be extended beyond the time named for its continuance, not exceeding three months, by order of the Postmaster-General, if, in his judgment, the interest of the Government should require it; and the contract prices, and all the conditions herein set forth, shall govern in such extended contract.

7. That this contract shall not in any manner be transferred or assigned.

8. That if at any time during the continuance of this contract, the sureties or either of them, should die or become irresponsible for the entire amount of the forfeiture hereinafter provided, the Postmaster-General shall have the right to require new additional and sufficient sureties, which the said parties of the second part shall furnish to his acceptance, in manner and form as he shall direct, and in default thereof the contract may be annulled.

9. That in case of the failure on the part of the said parties of the second part to do and perform all or any of the covenants, stipulations, and agreements of this contract on their part to be performed, the said parties of the second part shall forfeit and pay to the United States of America the sum of \$200,000, for which said forfeiture the said parties shall be jointly and severally liable as liquidated damages, to be sued for in the name of the United States, in any court having jurisdiction thereof.

10. That in addition to the forfeiture covenanted and agreed to in the foregoing paragraph, the Postmaster-General shall have the right to annul this contract if in his judgment there shall be a failure at any time to perform any of its covenants and agreements, or in case of an attempt to impose upon the Department stamped envelopes and wrappers inferior to its requirements.

11. That no member of Congress shall be admitted to any share or part of this contract or agreement, or any benefit to arise therefrom, as provided by section 3741 of the Revised Statutes of the United States.

And for the faithful performance of this contract, and each and every of its covenants, agreements, and stipulations on their part to be performed, the said parties of the second part do hereby bind themselves, and each of them, their and each of their heirs, executors, and administrators.

In witness whereof, the said Postmaster-General has caused the seal of the Post-Office Department of the United States of America to be hereunto affixed, and has

attested the same by his signature, and the said parties of the second part have hereunto set their hands and seals on the date first hereinbefore written.

[SEAL.]

D. M. KEY,
Postmaster-General.

Attest:

A. D. HAZEN,
Third Assistant Postmaster-General.

THE PLIMPTON MANUFACTURING COMPANY,
By LINUS B. PLIMPTON,
President.

Attest:

O. K. MERRILL.

THE MORGAN ENVELOPE COMPANY,
By E. MORGAN,
Treasurer.

Attest:

DANIEL P. COLE.

AARON BAGG,
Surety.
WILLIAM WHITING,
Surety.

STATE OF MASSACHUSETTS,
County of Hampden, ss:

Aaron Bagg, one of the sureties in the foregoing contract of the Plimpton Manufacturing Company and the Morgan Envelope Company, being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of \$200,000 over all his debts and liabilities, and exclusive of property exempt from execution.

AARON BAGG.

Subscribed and sworn to before me, a notary public in and for the county and State aforesaid, this 17th day of July, 1878, as witness my hand and notarial seal.

[SEAL.]

F. H. HARRIS,
Notary Public.

STATE OF MASSACHUSETTS,
County of Hampden, ss:

William Whiting, one of the sureties in the foregoing contract of the Plimpton Manufacturing Company and the Morgan Envelope Company, being by me duly sworn, upon oath says that he is a resident and freeholder of said State, and that he is worth the sum of \$200,000 over all his debts and liabilities, and exclusive of property exempt from execution.

WILLIAM WHITING.

Subscribed and sworn to before me, a notary public in and for the county and State aforesaid, this 17th day of July, 1878, as witness my hand and notarial seal.

[SEAL.]

F. H. HARRIS,
Notary Public.

No. 68.

MORGAN ENVELOPE COMPANY,
Springfield, Mass., July 17, 1878.

SIR: We have this day returned to you, by Adams Express, the contract—only executed in part—for supplying the Post Office Department with stamped envelopes and newspaper wrappers for four years from October 1, 1878.

Please furnish us, at convenience, a copy of the same.

Respectfully,

E. MORGAN,
Treasurer Morgan Envelope Company.
L. B. PLIMPTON,
President Plimpton Manufacturing Company.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General.

No. 69.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., May 20, 1875.

SIR: Please cause to be manufactured and furnished to this office at your earliest practicable convenience five hundred of each of the several sizes of envelopes mentioned in the inclosed slip, cut from the advertisement of May 17, 1875, inviting proposals for post-office envelopes.

The paper for the Nos. 1, 2, 3, and 4 should be of the same color and standard of quality as that used in the manufacture of official stamped envelopes; for the "dead letter" envelopes it should be of the same quality, but of amber color, and all to be plain and without water-mark.

They may be cut from the pattern of the inclosed sample marked A, or from that of the official stamped envelopes, as may be found most economical.

As these envelopes are intended for samples to bidders, they should be made in the best manner, and with as much uniformity as possible.

Please see that the sizes, as described, are strictly adhered to.

Very respectfully, &c.,

WM. M. IRELAND,
Acting Third Assistant Postmaster-General.

L. B. PLIMPTON, Esq.,
*President Plimpton Manufacturing Company,
Contractors, &c., Hartford, Conn.*

No. 70.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., April 26, 1879.

SIR: Please cause the contractors to furnish at once, to this office, 500 post-office envelopes, of the sizes and with the printing on inclosed samples. As they are intended to serve as samples to bidders for the next contract, you will please see that they are carefully made, and that the printing is done in a tasteful manner. It would be well to have the style of printing somewhat different from that of the present post-office envelopes, and to have proofs of the same submitted to this office before the envelopes are finished. The standard of paper will be unchanged, except that it will be water-marked.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, &c., Hartford, Conn.

No. 71.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., April 7, 1881.

SIR: Please have the contractors furnish, as soon as possible, to serve as samples under the next contract, 250 registered-package envelopes, and 250 of a new size of post-office envelopes—4½ by 6½ inches—of canary-colored paper, and with flaps somewhat similar to the present series of post-office envelopes. These samples should be carefully made, and the paper should be fully up to the standard heretofore furnished the contractors. Be pleased to give this matter your immediate and careful attention.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Stamped Envelope Agent, Hartford, Conn.

72.

POST OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., April 20, 1881.

SIR: Please cause the contractors to furnish for the use of the Department 1,000 registered-package envelopes.

As these envelopes are to accompany proposals for furnishing post-office envelopes for the next contract term, you will please see that they are made of good paper, and that the greatest care is exercised in their manufacture.

Very respectfully, &c ,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, &c., Hartford, Conn.

No. 73.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., March 16, 1882.

SIR: Please cause the contractors to prepare and forward to this office, as soon as possible, one hundred of each of the following post-office envelopes, namely:

No. 1. For official letters and returns, size $3\frac{1}{2}$ by $5\frac{1}{2}$, as per sample marked A.

No. 2. For official letters and returns, size $3\frac{1}{2}$ by $6\frac{1}{2}$, as per sample marked B.

No. 3. For official letters and returns, size $3\frac{1}{2}$ by $8\frac{1}{2}$, as per sample marked C.

No. 4. For official letters and returns, size $4\frac{1}{2}$ by $10\frac{1}{2}$, as per sample marked D.

No. 5. For returning dead letters, size $3\frac{1}{2}$ by $6\frac{1}{2}$, as per sample marked E.

No. 6. For registered letters, size 5 by $10\frac{1}{2}$, as per sample marked F.

No. 7. Tag envelopes for registered packages, size $3\frac{1}{2}$ by $5\frac{1}{2}$, as per sample marked G.

No. 8. For international money-order advices, size $4\frac{1}{2}$ by $6\frac{1}{2}$, as per sample marked H.

As the contract for the next contract term is to be based upon these specimens, you are requested to see that they are prepared in the best manner, and are equal in every respect to the inclosed samples.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 74.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., April 18, 1884.

SIR: Please cause the contractors to furnish for the use of this office two hundred and fifty each of the following official envelopes, namely: Nos. 1, 2, 3, and 4, for official letters and returns; No. 5, for returning dead letters; No. 6, for registered letters; No. 7, tag envelopes for registered packages; and No. 8, for international money-order advices.

These envelopes are to be printed according to the arrangement indicated on the accompanying samples, and must be equal in every respect to those inclosed herewith.

Very respectfully, &c.,

A. D. HAZEN,
Third Assistant Postmaster-General.

H. T. SPERRY, Esq.,
Agent, Hartford, Conn.

No. 75.

Comparative statement of cost of post-office and registered-package envelopes under the two contracts for the years 1884 and 1885—one made with P. P. Kellogg & Co. (annulled by Postmaster-General), and the other made with the Morgan Envelope Company and the Plimpton Manufacturing Company.

Class of envelopes.	Number furnished year ended March 31, 1884, and used as a basis of award in contracts for year ending June 30, 1885.	Plimpton and Morgan contract for year ended June 30, 1884.		Kellogg contract, year ended June 30, 1885: Annulled August, 1884.		Plimpton and Morgan's contract for year ended June 30, 1885, following Kellogg's contract annulled.		Decrease under Kellogg contract from actual cost in Plimpton and Morgan contract for 1884.		Increase of Plimpton and Morgan contract for 1885, following annulment of Kellogg contract, on prices in Kellogg contract.	
		Price per 1,000.	Amount.	Price per 1,000.	Amount.	Price per 1,000.	Amount.	Price per 1,000.	Amount.	Price per 1,000.	Amount.
No. 1. Letter size	11, 677, 500	\$1 40	\$16, 348 50	‡1 07	\$12, 494 92	‡1 82	\$21, 253 05	\$0 33	\$3, 853 58	\$0-75	\$8, 758 13
No. 2. Extra letter size	5, 593, 300	1 88	10, 403 53	1 18	6, 600 09	1 95	10, 506 93	68	3, 803 44	77	4, 300 84
No. 3. Official letter size	7, 887, 600	2 72	21, 454 27	2 00	15, 775 20	3 05	24, 058 18	72	5, 679 07	1 05	8, 287 98
No. 4. Extra official letter size	503, 200	2 91	1, 464 31	2 50	1, 258 00	3 60	1, 811 52	41	206 31	1 10	553 52
No. 5. Dead-letter size	1, 270, 000	1 87	2, 374 90	1 35	1, 714 50	2 48	3, 149 60	52	660 40	1 13	1, 435 10
No. 8. International money-order size	370, 250	2 50	925 63	2 50	925 63	3 12	1, 155 18	.....	.....	62	229 55
Total.....	.....	.....	52, 971 14	.....	38, 768 34	.....	62, 334 46	.....	14, 202 80	.....	23, 566 12
Registered packages	10, 630, 300	4 90	52, 088 47	3 80	40, 395 14	4 80	51, 025 44	1 10	11, 693 33	1 00	10, 630 30
Tag envelopes	856, 100	3 10	2, 653 91	2 75	2, 354 28	3 10	2, 653 91	35	299 63	35	209 63
Total.....	.....	.....	54, 742 38	.....	42, 749 42	.....	53, 679 35	.....	11, 992 96	.....	10, 929 93
Grand total .....	.....	.....	107, 713 52	.....	81, 517 76	.....	116, 013 81	.....	*26, 195 76	.....	‡34, 495 05

* Or 24.3 + per cent.

‡ Or 42.3 + per cent.

No. 76.

WASHINGTON, D. C., February 24, 1885.

SIR: In pursuance to the instructions contained in order No. 75 of the Postmaster-General, dated January 14, 1885, and of the instructions more in detail contained in the letter of the Third Assistant Postmaster-General, dated February 7, 1885, the undersigned, a committee appointed to visit the postage-stamp, stamped envelope, and postal card agencies, respectively, have the honor to submit the following report:

POSTAGE-STAMP AGENCY.

The postage stamps used by the United States are manufactured, under contract by the American Bank Note Company, in the sixth story of the Cooper Institute building, New York City. The paper used is made by the Union Paper Company of Holyoke, Mass., and it is consigned to the postage-stamp agent direct from the mill, and upon its receipt it is counted and stored in an apartment under the control of the resident agent of the Department. When the contractors require paper, requisition is made on the agent for the quantity needed for one day's printing, and the count as made by the employes of the agency is verified before the paper is removed from the store-room.

The following brief description will explain the different stages in the manufacture of postage-stamps:

Printing.—The paper is delivered to the head printer, who issues it to the employes under him, and by them it is counted and they must produce printed sheets for all paper received. The printers dampen the paper by placing between wet cloths and allowing it to remain for some hours. The printing is done by hand presses from steel plates which print 200 stamps at each revolution of the press. A memoranda ticket showing the number of plate and quantity of paper printed by the printers accompanies each man's work, and by this ticket the count is verified throughout the various stages of manufacture.

Drying.—The printed sheets are delivered to the drying-room from the presses, where they are counted and verified, and are dried upon racks by heat from steam pipes. When dry they are delivered to the gumming machines.

Gumming.—The gumming, formerly performed by hand-work, is now done by an automatic machine, invented by Mr. Myers, superintendent for the contractors. The sheets of stamps are fed to the machines by a girl, and are thoroughly and evenly gummed. The gum is dried by being carried over steam pipes by an endless band, from which the sheets are taken and counted.

Pressing.—Upon delivery of the sheets to this branch they are again counted and verified, after which they are placed in the hydraulic presses and subjected for several hours to a pressure of 250 tons to the square inch. From the hydraulic presses they are delivered to the perforating machines.

Perforating.—The sheets to this point contain 200 stamps each. They are counted and fed to the perforating machines, where they are divided into sheets of 100 stamps each, and are at the same time perforated.

The stamps are counted and arranged into packages containing 1,500 or 2,000 sheets, and are again pressed. The perfect stamps are delivered to the vault for issue upon requisition from the Department. The spoiled are, at the perforating machines, separated from the perfect stamps, and canceled by a line of perforation through the center of each stamp. The defective stamps discovered by handling in the different branches of the factory are placed face down on the top of each printer's work, where they are readily taken and canceled as stated. Any defect in a sheet condemns at least 50 stamps. Formerly the spoiled stamps were sent uncanceled to the Department, and were counted and destroyed by a committee of three clerks, selected from different divisions of the office, the members of the committee being changed from week to week. Less than a year since one of the members of the committee having proven a sneak thief, and purloined some of the stamps, arrangements were made with the contractors by the Third Assistant Postmaster-General to have the stamps canceled as stated above. It will be seen that this method cancels every stamp, while the former system would allow good stamps to be misappropriated. By sending the spoiled work to the Department, and counting the sheets, the Department is readily enabled to see that every sheet of paper issued to the contractors for printing is accounted for. The perfect stamps being accounted for in the aggregate by the stock on hand in the vault, and that issued to postmasters upon the orders from the Department.

REQUISITIONS FROM THE DEPARTMENT.

Supplies for postmasters are furnished by daily orders from the Department which gives the name of the post-office, county, State, the number and denomination of stamps to be sent, and the value in each. Upon the receipt of the order at the Agency

the total number of stamps called for by the aggregate sheet is verified. Envelopes for small or labels for large lots are prepared, and a receipt is made out from the order-sheet for the number of stamps called for by each post-office. These receipts and envelopes are compared with the order after being written. The total number of stamps required to complete an order are taken from the vault, under the supervision of the agent of the Department, by one of the contractor's employés, who distributes the stamps by number and denominations from the order-sheet to meet the demand for each office. The stamps and receipts are handed to another employé, who places them in the addressed envelopes. The envelopes containing the receipts and stamps are passed to another employé, where the total number of stamps is verified with the total number called for by the receipt. The envelopes with the stamps and receipt are now passed to another employé, who compares the stamps by denominations with the receipt, and also compares the address and registered number on the envelopes. The envelopes are now sealed. When a supply is to be sent to large post-offices the stamps are verified with the receipt and order and made into packages wrapped, pasted, and sealed. After sealing, the envelopes or packages are placed in iron boxes, locked and sent to the registry division of the New York Post-office for mailing, the registry numbers having been supplied at the agency. We have carefully examined the stamps in the various processes of manufacture, and it affords us pleasure to state that we found the work of printing, gumming, perforating, and of mailing performed in the most satisfactory and complete manner. We caused the stock of stamps to be counted in bulk, and the number on hand for issue on the 11th instant was 195,899,194, which number corresponded to the records of the agent and of the contractors. The number of stamps on hand in detail will be shown by Schedule G, transmitted with this report.

The system of checks used by the contractors is, in our opinion, the best that could be devised to protect the Government and themselves, it being one of individual responsibility among employés. From the time that the paper is counted until the finished and spoiled stamps are delivered, the work of each employé is counted and verified by the one into whose hands it passes. The original memoranda furnished each printer accompanies the impressions made by him through every process to which they are subjected in course of manufacture, and the number of the plate used being imprinted upon the sheet of stamps, identifies each individual printer. The stamps are stored in a vault now provided with a double combination lock—one combination known to the agent and the other to the contractors only—so that the vault cannot be opened except in the presence of both.

The contractors always have a sufficient stock of finished stamps on hand to meet all demands, and there is no delay in the filling of orders at any time during the quarter.

The agent of the Department has been instructed to take charge of all working plates every night and to deliver the same to the contractor each morning, taking receipt for those delivered. The plates are to be kept in a safe having a double combination lock, one combination known to the agent and one to the contractors only.

The dies and rolls in the possession of the contractors were delivered to the postage-stamp agent and placed in the vault in his custody. The schedule of the same, marked H, is transmitted herewith.

The canceled and unserviceable plates boxed and sealed October 27, 1877, by the chief of the Stamp Division and the agent, the seals on which had not been broken, were not opened, but those boxed on that date where the seals were broken were examined and compared with the records at the agency, found them correct, and had the boxes resealed. The schedule marked I accompanying this report will show the number and the denomination of serviceable plates received from the National Bank Note Company, together with those made by the present contractors, the condition of the plates, and the boxes in which they are packed.

We would respectfully recommend, in order to prevent further handling of the canceled plates from time to time, that they be effectually destroyed by melting in a furnace under the supervision of an officer of the Department. We found that the acting agent and his assistants were diligent, efficient, and attentive to the duties assigned them.

We have counted and destroyed by burning, in accordance with instructions, the official and uncurrent stamps, numbering 18,438,888. The schedule by denominations is herewith transmitted, marked II.

POSTAL-CARD AGENCY.

The paper used for postal cards is manufactured by the contractors at their paper factory at Castleton, N. Y., and in the same building where the cards are printed.

The paper is delivered from the mill to the printing-room in sheets of suitable sizes to print 40 cards on each. The number of sheets printed are automatically counted when going through the presses. The printed sheets are stacked until the ink is thoroughly dried, after which they are cut into strips of 10 cards each; they are then

delivered to the girls in charge of the rotary cutters, where they are cut, and made into packages of 25 cards. The packs of good cards are banded, placed in boxes containing 500, and delivered to the store-room, and the spoiled cards are each day counted and destroyed by the agent of the Department.

When an order is received from the Department for supplying post-offices, the first step taken is to verify the same. Cards equal to the daily aggregate of the order are withdrawn from the store-room and packed for mailing in accordance with the labels previously prepared by the agent's clerks. The boxes and packages are given registry numbers, which are furnished by the agent. Comparison is made with the order sheets after packing and the cards are delivered into a car at the factory. The car is in charge of a postal clerk detailed specially to accompany each shipment of cards from the agency at Castleton to the transfer at Albany.

There appears to be a necessity for some change in the system of accounting for the number of cards actually printed each day. The agent has stated to the committee that the count made of printed cards complete for storage is frequently more or less than the number accounted for by the automatic registers attached to the presses. The count by the automatic registers is the basis of all calculations by the agent, and the inaccuracy in the count is no doubt made by the girls at the rotary cutting machines. In view of the fact that any system which would rectify this mode of counting would necessarily involve a change in the cutting machines, which change in view of the early expiration of the present contract term (30 June, 1885) the committee would hesitate to recommend. We would suggest that the agent or inspector of the Department be directed to personally see that more care is taken by the girls in this matter. The apartment where the cards are stored after manufacture is not fire or burglary proof, and the contractors should be required to provide a vault in accordance with the specification of the contract. The agent of the Department at present has no control over the cards in the store-room, and can only enter the same when the contractor's superintendent is present to unlock it; furthermore, we find that while the manufacturing of postal cards begins at 7 a. m. and continues until 6 p. m., neither the agent nor any one representing him is present in the factory until 9 a. m., and during the last two months of the quarter all Government employes leave work as soon as the cards are shipped into the car, which is generally about 3.25 p. m.

We recommend that during the time when the printing and cutting of the cards is in operation the agent or inspector of the Department, or some one of his employes, should be in attendance at the factory.

The plates on one of the presses being much worn, a new set should be procured at an early date.

The paper now being manufactured we tested, and believe it to be fully up to the standard. The printing is well done, with the exception of that from the worn plates mentioned above. We would, however, report that the cutting is not smoothly done, and would be improved if the agent or inspector compelled the contractors to keep the knives sharp. The contractors have three forms of forty impressions each of one-cent plates now at the factory, all of which are in current use. We caused forty-one worn one-cent plates to be returned to the Department. We deem it impracticable to cause the plates to be removed from the presses at close of work each day and placed in the custody of the agent. There has been little or no delay lately in the filling of the orders from the Department at any time during the quarter. The factory is locked at night, and it is guarded by a watchman in the employ of the contractor, who is required to visit certain points on the outside of the building at stated times during the night.

STAMPED ENVELOPE AGENCY.

The paper used for the manufacture of stamped and Post-Office envelopes and newspaper wrappers is furnished by the Whiting Paper Company and the Parsons Paper Company, of Holyoke, Mass., and is delivered to the contractors in Hartford, Conn., where it is made into envelopes and wrappers in the following manner:

The paper for envelopes is delivered in cases, the contents of which are subdivided into reams of 500 sheets. The first process is the cutting of the paper by cutting-dies into sheets of the size and shape of the various envelopes to be made. One ream of paper is placed under the knife and 500 sheets are cut at one time. The paper as cut is taken to the envelope machines, where each pattern is separately embossed, printed, gummed, folded, and counted automatically. The envelopes, as they are delivered from the machines, are made into packages of 25, and are banded and packed in boxes by the employes attending each machine. The boxes contain from 100 to 500 envelopes each, according to the sizes. Special request envelopes are made in the same manner as ordinary stamped envelopes, with the addition of the special printing for the individual or firm ordering them. Slips giving instructions for printing accompany each special request order. The paper for newspaper wrappers is delivered from the mill in rolls, and it goes to the machine in that condition, where it is embossed, gummed, and cut into the proper shape and size and automatically counted, passing from the machine to an endless band over steam pipes, which dry the gum.

The attendant at the machine bands the wrappers in packages of 25 each, and packs them in suitable boxes. From the machines the envelopes or wrappers go to the foreman, who examines them, and if found in good condition, they are delivered to the stock and packing room on the second floor of the building.

When an order is received for supplying postmasters, the clerks at the agency verify the order from the Department and make out proper labels, on which the registry number is entered, and these are delivered to the packing-room, where the envelopes or wrappers called for are wrapped or packed, as circumstances require.

The packages and cases of stamped envelopes and wrappers are delivered to the lower floor in the registry department for mailing. The contents of the packages and cases are checked by the registry clerk with the order sheet from the Department. The wrapped packages are distributed according to a scheme furnished by the railway mail service, and after distribution they are placed in pouches and locked. The pouches and cases are transported direct from the agency to postal cars in a wagon by a regular appointed mail messenger. Up to the time of our visit it had not been the custom for any employé at the agency to accompany the through registered pouches and other registered matter from the agency to the train, and we instructed the registry clerk, in the absence of the agent, to see that one of the employés accompanied all registered matter to the cars. We would suggest, that as several trains leave Hartford daily on which these packages are sent, that some one of the employés be required to perform that special duty, as we were informed that no one had been so assigned, and the registry clerk did not deem it necessary. Post-office envelopes are prepared for mailing similar to stamped envelopes and wrappers, with the exception that they are not registered.

We are informed by Mr. Wilsey, principal registry clerk, that there is no delay in filling orders by the contractors, but the cars remain only five minutes at the depot, two minutes of which are taken up with the regular mail, leaving only three minutes to take on matter from the agency, and frequently the mail messenger is compelled to return with registered mail. He also complains that the railroad company, at times, does not furnish sufficient postal cars for heavy boxed matter.

The employés on the envelope machines are all females, and the system of checks adopted by the contractors to insure good work is as follows: If the waste from bad work exceeds 10 ounces, 1,000 envelopes are deducted from the record of the day's work; 20 ounces, deduct 2,000 envelopes; 30 ounces, 3,000 envelopes, and so on. A failure to detect a bad envelope deducts 1,000 envelopes from her daily record, and if the waste amounts to only 5 ounces or less, 1,000 envelopes are added to the daily record. One of the girls inspects all work, and receives 50 cents for every error detected by her. The name of the girl is written upon each box they pack, and before delivery to the stock room all the work is reinspected by the foreman of each division. When an error is reported by a postmaster after the envelopes have been mailed, the contractors desire that the box be returned to the factory, the name written thereon identifying the girl making the mistake.

All worn-out, unserviceable, and useless working dies were destroyed by defacing, after which they were thrown into the river. All original hubs, matrices, and engraved heads of official and uncurrent series were boxed and sent to the office of Third Assistant Postmaster-General per registered mail. All original hubs and dies of the current series were placed in the custody of the agent, as well as all of the working dies, a schedule of which, marked L, accompanies this report. We did not deem it advisable to instruct the agent and inspector to remove the dies at the close of each day from the machines, for the reason that it would incur too great a loss of time to the contractor from the delay required to remove the dies each night and replace them in the morning.

Quality of the paper and character of the work.—From such an inspection as could be made of the paper it appeared to be strictly in accordance with the requirements of the contract, the first, second, and third qualities of paper being a little over weight, and the circular paper fully up to the standard. But in a few exceptional cases the first quality white paper is made of an uneven thickness, which causes it to spring under the knife in cutting, and imperfectly folded envelopes are the result. This inequality of thickness in the paper is, in the opinion of experts at the envelope factory, caused in calendering by putting a wide sheet upon the roll set for a narrow width. The envelopes manufactured while we were at the factory, and those examined by us in stock, were found to be first class in printing, embossing, gumming, and finish, with the exception of the faulty folding of some of the larger-sized envelopes. We devoted some time in investigating the cause of this defect in folding, and are satisfied that the fault is not entirely in the envelope machines.

The contractor's superintendent very willingly consented to do all in his power to remedy this defect, and assured us that had his attention been called to the matter by the agent and inspector he would have taken action before.

POST-OFFICE ENVELOPES.

The post-office envelopes and registered packages furnished postmasters for official use, for which the Plimpton and Morgan Envelope Companies have the contract, are

manufactured in the same building with stamped envelopes and wrappers and under the supervision of the Government agent and inspector. The paper for these envelopes we learn is made by the Whiting Paper Company, of Holyoke, Mass., and is of the same general character as the stamped envelopes, except that it is 20 per cent. heavier than the paper in the first quality stamped envelopes furnished for use of the public, the weight of the post-office envelope paper being 60 pounds to the ream, while the paper for the first quality stamped envelopes weighs only 50 pounds per ream. We cannot see any necessity for discrimination in favor of the stationery for the Department as against that furnished for use of the public. The smaller sizes of envelopes, which constitute the great bulk of all the official envelopes furnished, are used for making light inclosures, such as money-order advices, circulars, &c. In the stamped envelopes the cost of manufacture is added to the postage value in fixing the selling price to the public, the Department accordingly being reimbursed for its outlay for this class of envelopes, while the expenditure for official envelopes is a charge upon the postal revenue. The cost of these envelopes should therefore be restricted to the reasonable wants of the service, and we believe that envelopes can be furnished for use of postmasters which would be suitable for all official uses at a cost of at least 25 per cent. less than is now paid for this class of envelopes. The superintendent for the contractors assures us that no envelopes have been manufactured from dies that have been once discontinued, and it was impossible to ascertain from the agent and inspector any information on this point, as he had evidently given the subject no attention. We are satisfied to report that no stamps have been intentionally impressed upon envelopes of size, color, or quality not authorized by the Department, and if at any time this has been done, the contractors' superintendent assures us that it was due to accident. If any such cases have occurred they are exceptionally rare. In regard to the issue of a few stamped envelopes bearing the Postal Service water-mark, the superintendent for the contractors state that the paper must have been mixed at the paper mills, the paper being of the same color and quality to that of the stamped envelope paper, and that only a few envelopes of this kind could have been made without detection. The contractors are positive that stamps have not been embossed on paper without water-mark; that if such envelopes are in existence they are counterfeit. We were not able to discover that any such envelopes had ever been issued.

Referring to the samples of poor work done on the envelopes submitted by the Third Assistant Postmaster-General as the result of his examination of the stock returned for redemption, we report that they appear to be specimens or samples selected from large lots, and if the agent of the Department had properly inspected the work in course of manufacture, these envelopes should not have left the factory. In this connection we desire to state most emphatically that the agent and inspector (Mr. Sperry) is either ignorant of the duties required to be performed by him or he has willfully neglected them. The performance of the duties of the agent and inspector have been intrusted generally to Mr. Wilsey, the clerk in charge of registration, whose business in the registry division requires most of his time, resulting in a virtual neglect of the matters which should devolve upon the agent. Mr. Sperry has been in the habit of visiting the agency for a short time each day at irregular hours. Mr. Wilsey opens and answers all the correspondence, and in order that replies to important letters may not be delayed Mr. Sperry has furnished to Mr. Wilsey blank sheets of paper with his signature as agent subscribed. Mr. Sperry, when questioned as to his office hours, stated that he had no regular time to be in his office, but "he dropped in for an hour or so during the day." When called upon to explain why he had not given more time to the agency he stated to the committee that when he was first appointed, by the late Postmaster-General Jewell, it was not expected of him "that he should devote any time whatever from his other business, but that he should be around occasionally and see that everything was going on all right, and that the Department had sent several committees and inspectors to Hartford, and as no fault had been found with him he supposed he was doing what was required." Owing to his illness we did not see him but once, and therefore could not question him as fully in regard to important matters at the agency as we would otherwise have done.

The committee cannot suggest any practicable system for accounting for envelopes in course of manufacture from the time that the paper enters the factory until the same is manufactured into envelopes, but believe that with the constant supervision of the agent and inspector and his employés, who should devote more time in that part of the building where the envelopes are made and stored than is at present given, that some of the inferior embossed envelopes submitted by the Third Assistant Postmaster-General would not have been allowed to have been manufactured. The presence of the representative of the Department would also cause a more careful watch for imperfect work by the girls at the machines.

The manufacture of stamped envelopes is carried on before and after the office hours of the Government employés, and we recommend that in future the agent and inspector or one of his clerks be present to represent the interests of the Department whenever work is done at the factory.

In regard to the hours of labor of the clerical force, it is the custom to allow the clerks during that part of the quarter when the work is light to leave the agency after their respective work is completed, and we recommend that when necessary the agent detail one or more of his clerks, when not otherwise employed, to assist him in examining the paper as it comes from the mill, and in weighing the same, and also in making the necessary inspection of work being done on the machines, as, in our opinion, no thorough inspection can be made after the envelopes and wrappers are boxed and stored.

In making these inspections the agent and inspector should be satisfied that no worn-out dies are used for embossing, and when a die becomes worn the contractors should not be allowed to recut it.

The contractors provide a watchman for duty during the night, who has charge of the building until working hours in the morning. We would call the attention of the Department to the necessity of furnishing the agent with a safe in which to keep the dies and rolls in his custody, and for the security of important papers in his charge.

OLD ENVELOPE DIES.

The assistant treasurer has been requested to forward to the Department per registered mail the box containing the old hubs and dies referred to in Case B 999, vol. 11, which were stored in the vault in the subtreasury at New York.

We recommend that all of the old dies, hubs, and plates previously at the Department and those referred to in this report be appropriately scheduled and stored in a secure place in the Department.

PAYMENT AND ACCOUNTS.

Payment for postage-stamps, stamped envelopes, wrappers, and postal cards are made monthly for the articles actually delivered during the month as called for by the daily orders furnished from the Department. Reports are rendered the office of the Third Assistant Postmaster-General weekly and monthly by the agents showing the number, description and value of the several issues, which reports are compared with the records in the stamp division and must agree in every particular; upon the verification of the reports from the agencies with the records, the contractors' bills, duly certified by the respective agents, are approved by the Third Assistant Postmaster-General, and referred to the Auditor of the Treasury for the Post-Office Department, a certified copy of the several contracts being on file in his office. The bills of the contractors show in detail each of the numbers of each of the several description of articles delivered and the contract price and amount of the same. The bills are then audited by the Auditor and the amounts found due certified back to the Postmaster-General for payment. A warrant in payment is then drawn upon the Treasury, United States, which warrant is signed by the Third Assistant Postmaster-General, or in his absence by the Postmaster-General, and countersigned by the Auditor of the Treasury for the Post-Office Department, and by the Treasurer United States. Copies of all bills are entered upon the books of the stamp division, and the exact condition of the appropriation for the manufacture of the articles is at all times known to the office of Third Assistant Postmaster-General without reference to the books of the Auditor. Bills for the Departmental and Post-Office envelopes are paid for in like manner quarterly.

Postmasters are charged with the stock when it is ordered sent by the Department, and the receipt accompanying the articles is a check to see that the contents of the package mailed are received from the contractors. This check is an unfailling one, since the amount involved to the postmaster is much in excess of that involved to the contractors. Postmasters are therefore very likely to report to the Department errors that may be found upon the invoices accompanying the supplies.

In general we desire to state that the work of all of the several places of manufacture is in a very satisfactory condition (except as to the manner of inspection at Hartford), and that the contracts are being faithfully and honestly executed. While we have discovered a few minor things to which we have objected, we at the same time have seen many things of more important character worthy of commendation.

The detailed instructions of the Third Assistant Postmaster-General and the sample envelopes (canceled) furnished the committee and other papers are herewith returned. We transmit also for your inspection samples of stamped and post-office envelopes (canceled) taken from the machines. Schedule M.

Respectfully, &c.,

A. G. SHARP,
Chief Inspector.

GEO. W. WELLS,
Chief Division of Finance.

CHAS. M. B. HARRIS,
Pay Division, Sixth Auditor's Office.

Hon. FRANK HATTON,
Postmaster-General.

Schedule of papers accompanying the report of the committee appointed to visit the postage-stamp, stamped-envelope, and postal-card agencies.

Letter of Third Assistant Postmaster-General to the Postmaster-General, marked A.
Postmaster-General's order 75, appointing the committee to visit the several agencies, marked B.

Letter of Third Assistant Postmaster-General, suggesting that Dr. C. M. B. Harris of the pay division, Auditor's Office, be designated a member of the committee in place of C. M. Walker, chief clerk, who finds that it is impossible for him to serve, marked C.

Letter of the Secretary of the Treasury, detailing Dr. C. M. B. Harris as a member of the commission, marked D.

Detailed instructions of the Third Assistant Postmaster-General, marked E.

Copy of report of the chief of stamp division dated October 3, 1871, examination of the method of work at the postage-stamp manufactory, marked F.

Schedule of postage-stamps on hand at the factory, marked G.

Schedule of dies and rolls, marked H.

Schedule of plates, marked I.

Schedule of stamps destroyed, marked K.

Schedule of hubs, matrices, dies, &c., marked L.

Samples of envelopes (canceled) taken from the machines, marked M.

Samples of envelopes furnished the committee by the Third Assistant Postmaster-General, marked M.

A.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., January 14, 1885.

SIR: The issue and use of official postage-stamps was discontinued under the third section of the act of July 5, 1884 (Gen. Stat., first session, Forty-eighth Congress), extending the use of penalty envelopes to all classes of official correspondence.

At that time the contractors for furnishing stamps, the American Bank Note Company, of New York, had and now have in their vault at the manufactory, as shown by the weekly reports made to this office, the following numbers and denominations of official stamps, viz:

Denominations.	Executive.	State Department.	Treasury Department.	War Department.	Navy Department.	Interior Department.	Post-Office Department.	Justice Department.	Agriculture Department.
1-cent	3,500	13,500	1,292,950	37,170	421,200	56,000	2,888,750	24,300	149,585
2-cent	1,900	4,000	1,921,500	75,340	381,150	13,700	449,400	21,000	55,150
3-cent	1,100	11,900	534,000	104,463	454,800	40,500	263,100	79,700	37,950
6-cent	4,700	10,600	169,000	2,787	355,300	37,800	559,700	47,500	101,000
7-cent		7,500	201,200	161,772	276,900				
10-cent	4,950	8,000	13,300	231,947	267,290	32,050	144,250	19,400	84,935
12-cent		24,300	444,000	25,130	236,199	99,450	321,220	17,500	91,735
15-cent		22,300	610,400	108,540	216,000	52,200	146,715	20,200	87,350
24-cent		31,500	279,500	103,675	219,800	10,175	259,875	13,600	112,635
30-cent		24,700	20,600	6,159	217,300	48,700	209,045	13,100	90,535
90-cent		35,257	37,000	167,728	293,830	20,523	254,600	6,300	
\$2		472							
\$5		1,707							
\$10		1,767							
\$20		1,777							
Total	16,150	199,280	5,523,450	1,024,711	3,279,769	411,098	5,496,655	202,000	810,875

Total number, 17,024,588.

As it is not likely that these stamps will ever be needed for use by the Government, to avoid any risk that may attend their custody, I would respectfully recommend that they be counted and destroyed under the supervision of a committee to be appointed by the Postmaster-General, and the facts certified under affidavit by the committee.

There are also in the vault of the contractors certain other stamps of the regular series that have been rendered unserviceable by reason of changes at various times in the rates of postage, and as it is improbable that these stamps will ever be required for issue I would recommend that they also be counted and destroyed in like manner, and by the same committee suggested with regard to the official stamps. These stamps are in number and denomination as follows:

Denomination.	Ordinary.	Newspaper and periodical.	Total.
3-cent.....		223, 750	223, 750
7-cent.....	545, 600		545, 600
9-cent.....		101, 240	101, 240
12-cent.....	503, 750		503, 750
24-cent.....	364, 950		364, 950
Total.....	1, 414, 300	324, 990	1, 739, 290

I have excepted from this recommendation the 3-cent stamps of the ordinary series, of which there are 135,800 in the vault, for the reason that though their general issue has been discontinued, occasional calls are made for them by some of the larger offices.

The total number of stamps in the foregoing lists, recommended to be destroyed, is 18,763,878, which, at the contract price of 9.19 cents per thousand, would amount to \$204.52.

In the event that this recommendation should meet with your approval, permit me to suggest that the work of counting and destruction be performed by the committee selected to supervise the cancellation of dies, &c., at the several places of manufacture.

Very respectfully, your obedient servant,

A. D. HAZEN,

Third Assistant Postmaster-General.

Hon. FRANK HATTON,
Postmaster-General.

B.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., January 14, 1885.

Ordered (No. 75), That A. G. Sharp, Chief Post-Office Inspector, Geo. W. Wells, Chief of the Finance Division of the Office of the Third Assistant Postmaster-General, and C. M. Walker, Chief Clerk of the Post-Office Department, be designated as a committee to visit the postage stamp manufactory at New York, the stamped envelope manufactory at Hartford, Conn., and the postal card manufactory at Castleton, N. Y., and, in connection with the Government agent at each of these places, to dispose of, as hereinafter indicated, the dies, rolls, and plates of the several series of postage stamps, stamped envelopes, and postal cards heretofore and now in use.

POSTAGE-STAMPS.

At New York, the committee will effectually cancel all plates of the following series and denominations of postage-stamps, except one working plate of each:

Issue of 1847: Denominations, 5 and 10 cents.

Issue of 1851: Denominations, 1, 3, 5, 10, 12, 24, 30, and 90 cents; also, two separate designs of 1-cent carrier stamps.

Issue of 1861: Denominations, 1, 2, 3, 5, 10, 12, 15, 24, 30, and 90 cents.

Issue of 1865 (newspaper and periodical): Denominations, 5, 10, and 25 cents.

Issue of 1869: Denominations, 1, 2, 3, 6, 10, 12, 15, 24, 30, and 90 cents.

Issue of 1870 (current series): Denominations, 3, 5 (Taylor), 7, 12, and 24 cents.

Issue of 1874 (newspaper and periodical): Denominations, 3 and 9 cents.

Executive (official): Denominations, 1, 2, 3, 6, and 10 cents.

Department of State (official): Denominations, 1, 2, 3, 6, 7, 10, 12, 15, 24, 30, and 90 cents, and \$2, \$5, \$10, and \$20.

Treasury Department (official): Denominations, 1, 2, 3, 6, 7, 10, 12, 15, 24, 30, and 90 cents.

War Department (official): Denominations, 1, 2, 3, 6, 7, 10, 12, 15, 24, 30, and 90 cents.

Navy Department (official): Denominations, 1, 2, 3, 6, 7, 10, 12, 15, 24, 30, and 90 cents.

Post-Office Department (official): Denominations, 1, 2, 3, 6, 10, 12, 15, 24, 30, and 90 cents.

Department of the Interior (official): Denominations, 1, 2, 3, 6, 10, 12, 15, 24, 30, and 90 cents.

Department of Justice (official): Denominations, 1, 2, 3, 6, 10, 12, 15, 24, 30, and 90 cents.

Department of Agriculture (official): Denominations, 1, 2, 3, 6, 10, 12, 15, 24, and 30 cents.

The one plate of each kind and denomination of postage-stamp reserved as above, and the dies and rolls from which they have been produced, together with all the canceled plates, to be inventoried, waxed, and carefully boxed and sealed, and placed in the vault of the stamp manufactory in the custody and under the control of the agent, one copy of such inventory to be given to the agent, and one to be sent by the committee to the Department.

The committee will also superintend the cancellation of any worn-out and un-serviceable plates of the current series of postage-stamps that may be in the possession of the contractors.

STAMPED ENVELOPES.

At Hartford the committee will destroy all the worn-out and un-serviceable working dies and hubs of the current and discontinued series of stamped envelopes, and all working dies of stamped envelopes of kinds and denominations discontinued and no longer in use.

The denominations of ordinary stamped envelopes now in use are as follows:

One-cent, 2-cent (head of Washington), 4-cent (head of Jackson), 5-cent (head of Garfield), 6-cent, 10 cent, 15-cent, 30-cent, and 90-cent.

The kinds and denominations produced during the existence of the contracts with the Plimpton Manufacturing Company and not now in use are as follows:

1. Ordinary stamped envelopes: 2-cent (head of Jackson), 3-cent (head of Washington), 5-cent (head of Taylor), 7-cent, 12-cent, and 24-cent.

2. Official stamped envelopes of the Post-Office Department: 2-cent, 3-cent, and 6-cent.

3. Official stamped envelopes of the War Department: 1-cent, 2-cent, 3-cent, 6-cent, 10-cent, 12-cent, 15-cent, and 30-cent.

The original dies and hubs of these discontinued stamped envelopes will be carefully waxed, boxed, and labeled, and sent to the Department for preservation, with a schedule showing the contents of the boxes, the original dies and hubs of the stamped envelopes now in use to be retained by the agents and a schedule of the same transmitted to the office of the Third Assistant Postmaster-General. Where, however, there are two or more forms or varieties of dies of current denominations of stamped envelopes, only the variety at present in use will be retained by the agent; the others will be waxed, boxed, and scheduled, and sent to the Department.

POSTAL CARDS.

At Castleton the committee will obtain all plates of postal cards no longer in use, and forward them to the Department, carefully boxed and labeled.

Further instructions, more in detail, concerning all of the foregoing matters, will, if needed, be given by the Third Assistant Postmaster-General.

The committee are also instructed to examine into the methods of doing business at the several manufactories of postage-stamps, stamped envelopes, and postal cards, to see whether any additional safeguards are needed to protect the interests of the Government.

The committee will also supervise the counting and destruction of certain discontinued issues of postage-stamps, at the postage-stamp manufactory at New York, in accordance with the accompanying recommendation of the Third Assistant Postmaster-General.

Upon completing the work for which they are appointed, the committee will make a written report.

FRANK HATTON,
Postmaster-General.

C.

POST-OFFICE DEPARTMENT.
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., February 4, 1885.

SIR: Being informed that it would be impossible for Mr. C. M. Walker, your chief clerk, to serve on the committee appointed at my suggestion by your formal order dated January 14, 1885, to thoroughly examine into the affairs at the several agencies supervising the manufacture under contract of postage-stamps, stamped envelopes,

and postal cards, I beg to suggest that Dr. C. M. B. Harris, of the pay division of the Sixth Auditor's Office, Treasury Department, be designated to take the place of Mr. Walker on the committee.

Dr. Harris is the clerk whose duty it is to examine and adjust the accounts, under the direction of the Auditor, for the payment of the articles specified, and I think it would be advantageous to him and to the interests of the Government committed to his care to have an opportunity of seeing how these accounts are kept at the agencies; hence the propriety of designating him on the committee.

Should this suggestion meet with your approval, I have the honor to request that you obtain from the Secretary of the Treasury the necessary authority to detail Dr. Harris to assist in this work.

Very respectfully, &c.,

A. D. HAZEN,

Third Assistant Postmaster-General.

HON. FRANK HATTON,
Postmaster-General.

D.

TREASURY DEPARTMENT,
February 6, 1885.

SIR: In compliance with the request contained in your letter of the 5th instant, I have the honor to inform you that Mr. C. M. B. Harris, of the Office of the Auditor of the Treasury for the Post-Office Department, has this day been directed to report to you for duty as a member of the committee to examine into the affairs of the several agencies, supervising the manufacture of postage-stamps, stamped envelopes, and postal cards.

The letter of the honorable Third Assistant Postmaster-General, transmitted by you, is herewith returned, as requested.

Very respectfully,

CHARLES E. COON,
Acting Secretary.

The Hon. POSTMASTER-GENERAL.

E.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., February 7, 1885.

GENTLEMEN: Understanding that the members of your committee, appointed at my instance by formal order of the Postmaster-General, bearing date January 14, 1885, to perform certain specified work at the various manufactories for postage-stamps, stamped envelopes, and postal cards, are ready to proceed with their duty, I beg to submit the following detailed instructions for your guidance, as contemplated by a clause in said order:

POSTAGE-STAMP MANUFACTORY, NEW YORK.—CUSTODY OF DIES, ROLLS, AND PLATES.

All the dies, rolls, and plates of postage-stamps of every description will be in the custody and control of the Government agent, to be kept by him in the vault or vaults of the manufactory. The dies, rolls, and plates in current use must never go out of the agent's custody, except when they are needed for making new plates, in which case he is to turn them over to the contractors temporarily, superintending, as far as possible, the making of the new plates, and securing such plates as soon as they are completed, together with the dies or rolls, to be placed again in the vaults. The working plates of current issues will be handed by the agent to the contractors from day to day, as they may be needed, receipts to be given for the plates, which are to be returned invariably at the close of each day to the agent.

The dies, rolls, and plates, canceled and uncanceled, of stamps that are no longer issued or in use will be carefully packed in boxes, sealed, labeled, and kept by the agent subject only to the Department's instructions. All canceled plates of current issues to be also in the agent's custody, and boxed and labeled. Duplicate schedules of all the dies, rolls, or plates, canceled and uncanceled, are to be made, one copy to be kept by the agent and the other to be sent to the Department, and whenever any new plate is made the agent is to make report of the fact to this office. The vault where the dies, rolls, and plates are kept is to have a lock with double combination, so arranged that the agent of the Government will be required to assist in opening it.

The committee will carefully look into the system of checks and balances used by the contractors to prevent the embezzlement or abstraction by employes of stamps while in course of preparation or in stock, and also as to the supervision exercised by the Government agent and his force over the manufacture and custody of the stamps, and will also report whether in their opinion any additional safeguards to those now in use can be devised for better protecting the interests of the Government.

In this connection I inclose copy of report made by myself as chief of the stamp division on the occasion of my first visit to the postage-stamp manufactory in September, 1880. You will also note the improvements made in the system since that report was made.

The committee will carefully look into the character of work being done, either of stamps in the course of preparation or of finished stock in the vaults, to see whether the same are of first quality in all respects. Also, whether the contractors always have on hand a sufficient stock at the beginning of each quarter to meet the unusually heavy requisitions coming in during the first month of the quarter. Also, whether there have been any unusual delays, at the beginning of any quarter, in making shipments, and if so, to what causes such delays have been due.

With regard to the destruction of unserviceable plates, and of stamps of discontinued issues, the instructions in the order of the Postmaster-General are believed to be sufficiently specific.

STAMPED-ENVELOPE MANUFACTORY, HARTFORD, CONN.

All original dies and hubs of current issues of stamped envelopes are to be kept by the agent, but are to be turned over temporarily to the contractors whenever needed to make new working dies. If practicable, all working dies and hubs are also to be kept by the agent, and turned over day by day as needed by the contractors. No new dies are ever to be made without the Department's knowledge and approval, and duplicate schedules are to be made of all such as are now in use, as well as those discontinued, one copy to be kept by the agent and the other to be sent to the Department. All worn out and useless working dies are to be destroyed. All original dies and hubs of denominations of envelopes no longer in use to be carefully waxed, boxed, labeled, and sent to the Department, with a schedule of contents pasted on the box, a copy also to be forwarded by mail to this office. The contractors will make affidavit that the dies and hubs, original and working, destroyed as herein required, those turned over to the agent and sent to the Department, as well as the working dies that may be retained for current use, are all the dies and hubs of every kind that have ever been made by them since the beginning of their several contracts, on the 1st of October, 1874, except such as may have been heretofore destroyed by authority of the Department, a list of which should be procured from the agent or the files of this office. The agent should also give a certificate to the same effect, such affidavit, list, and certificate to accompany the report for filing in this office. It is particularly to be understood that the agent is always to have in his personal custody and under his absolute control all dies and hubs of current issues of stamped envelopes, except such as are in actual use by the contractors, which are always to be returned to him when such use ceases.

The committee will also see that all water-marks for stamped or other envelopes for the Department, of styles not now in use, made by the present contractors since the beginning of their contracts, have been canceled.

The following will be special subjects of inquiry:

1. Whether envelopes of uncurrent series have been manufactured—that is, have dies that have once been discontinued again been taken out for reuse.
2. Have stamps been impressed upon envelopes of sizes, color, and quality not to be found upon any of the several schedules of the Department?
3. Have any envelopes been issued without water-marking? If so, how did the same occur, and is the fault of the omission of the water-mark at the paper manufactory or at the stamped-envelope factory in using other paper than that manufactured specially for stamped envelopes? Should any such envelopes be discovered, carefully examine the stamps to see whether they have been impressed by a genuine die or an imitation.
4. Examine into the character of the work being done to see that the envelopes, in quality of paper, style of manufacture, printing, &c., are fully equal in all respects to the samples attached to the contract. With reference to this latter I inclose some samples of work selected from misdirected and other envelopes returned to the Department by postmasters for credit in their accounts with the Government. These envelopes, for one cause or another, do not appear to me to be such as should have been permitted to be issued, and the agent will be required to explain why they were allowed to go into public use.

The committee are also instructed to ascertain whether there is any practicable system for accounting for envelopes in course of preparation, from the time the paper enters the manufactory until the finished work is issued, so as to prevent embezzlement or abstraction by the employés engaged in the work. They will also report whether any additional safeguards are needed to protect the interests of the Government. Also, whether the manufacture of stamped envelopes during or outside of the usual hours of business is always under the supervision of the Government agent or any of his force.

POSTAL-CARD MANUFACTORY AT CASTLETON, N. Y.

The same general instructions are given, modified only as circumstances may require.

The committee will take note of any facts within the purview of the order that may come to their attention, in which the interests of the Government can be better served, in connection with the execution of all the contracts to which the foregoing relates, and take such action or make such recommendation with reference thereto as the circumstances of the case may seem to require.

Special inquiry will be made to ascertain whether the Government agents and employés at the several places of manufacture are capable and faithful in their attention to their duties, and such as can be safely intrusted with the interests of the Government confided to them respectively.

It is proper to add that the instructions contained in the foregoing with reference to the systems in use at the several agencies are but a repetition of the existing practices, but it has been thought best to comprehend in the instructions all that is needful to provide for a full and literal execution of the contracts.

The committee will report fully in detail upon the completion of their labors.

Very respectfully, &c.,

A. D. HAZEN,

Third Assistant Postmaster-General.

Messrs. A. G. SHARP, GEORGE W. WELLS, and C. B. M. HARRIS,

Committee.

F.

POST OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,

October 3, 1871.

SIR: In accordance with your verbal instructions of the 1st September, directing me to examine into the manner of doing business at the postage-stamp manufactory, I have the honor to inform you that I visited New York for that purpose on the 19th, 20th, and 21st September, and beg leave to submit the following report:

As it is well known, the postage stamps used in the United States are not manufactured directly by the Government, but are furnished under contract with the National Bank-Note Company of New York City, who have done this work for the past ten years. Their present contract, for the period of four years, will expire February 1, 1873.

The manufactory is located in the upper (sixth) story of the Cooper Institute, and in its management and operations is kept entirely separate and distinct from all the other branches of the company's business. It is under the immediate superintendence of Mr. Charles F. Steele, who, to an experience of fifteen years—ten with the bank-note company and five with Messrs. Topham, Carpenter & Co., of Philadelphia, former contractors—adds the most correct business and personal habits and an unremitting attention to duty.

The average working force of the establishment is about sixty hands, of whom two-thirds are females.

The price paid by the Department for the manufacture of stamps is 25½ cents per thousand, with an additional 2 cents per thousand for blanks, clerical assistance, conveyance of packages to the New York post-office, and other incidental expenses necessary to their secure and proper transmission to the different post-offices to which they are directed to be sent. These figures, insignificant as they appear, realized the handsome sum of \$130,984.69 to the contractor for the fiscal year ending June 30, 1871, on a total issue of 498,126,175 stamps, representing a value of \$14,630,715.

Lest it should escape notice for the moment that these last figures do not comprise the entire revenue from this source, I will add that there were also issued during the same period 104,675,275 stamped envelopes and newspaper wrappers, amounting to \$2,998,836.25.

The paper used is manufactured expressly for the purpose by the Housatonic Mills, Housatonic, Mass., and is of superior quality, though devoid of water-marks or other devices calculated to prevent imitation.

The following is a brief outline of the process of manufacturing postage-stamps, to wit:

(1) **PRINTING.**—The first step in this operation is to dampen the paper by placing heavy wet cloths between parcels containing twenty-five sheets each, in which condition it remains about twelve hours. The printing is done by hand presses, fourteen of which are employed in the business. The daily capacity of each press, requiring two hands to work it, is about eight hundred sheets.

(2) **DRYING.**—After receiving the impressions the sheets are transferred to the drying-room, an apartment 18 by 25 feet, encased with iron, and heated by steam pipes running underneath the floor. From two to seven days, according to the atmosphere, are consumed in thoroughly drying the impressions.

(3) **GUMMING.**—Done by hand in single sheets. For hardening the gum the sheets are placed in racks made of wooden frames covered with muslin or netted wire, and transferred back to the drying-room where the racks are put up in piles of fifties.

(4) **PRESSING.**—Hoe's hydraulic presses, four in number, used; power 300 to 500 tons; sheets remain in presses about twelve hours.

(5) **DIVISION OF SHEETS.**—Up to this point each sheet of paper contains 200 impressions, but it is here divided, by hand, into two sheets of 100 stamps each.

(6) **PERFORATING.**—The machines by which this operation is performed are models of nicety and perfection. Their main features are two brass cylinders of some 12 inches in diameter, adjusted in a suitable frame, the one having raised and the other sunken dies, fitting into each other with the greatest exactness as they make their revolutions. Between these cylinders, one by one, the sheets are carried twice, in transverse directions, and the result is that each individual stamp is surrounded by a perforated border by which it may be easily separated from its fellows.

This operation has proven useful in another respect, it prevents the "curling or rolling" up of the sheets, which formerly occasioned so much trouble.

The number of machines in use is four, with an aggregate daily capacity of 18,000 sheets. The propelling power is steam.

(7) **SECOND PRESSING FOR FINISHING.**—Manner described in No. 4.

The stamps being thus completed are carefully examined by Mr. Steele, and the imperfect sheets having been thrown out, the balance are deposited in stock to be withdrawn for issue as occasion demands.

For convenience in filling orders the 2 and 3 cent stamps, constituting by far the greater portion of all the issues, are put up and stored; first, in tied parcels of 3,000 stamps, and, second, in wrapped parcels of 50,000 and 200,000 respectively.

The latter are used for filling orders for large offices, and the former for small orders, and for completing balances on large ones.

The imperfect stamps are delivered to the resident agent of the Department at New York, Mr. Daniel M. Boyd, by whom they are destroyed (in the furnace under the boiler) in presence of a representative of the bank-note company, and a certificate of their destruction sent to the Department.

A single imperfect stamp condemns at least 50, but if the half of a sheet can be saved in a perfect condition it is detached and retained; if not, the whole sheet is rejected.

No difference at what stage of manufacture a sheet becomes spoiled, it is carried regularly through all the succeeding steps, up to the very moment of entering the safe with the finished work.

THE MANNER OF FILLING ORDERS.

The orders are made up at the Department on blank forms from postmasters' requisitions, and give the names of the post-offices (in alphabetical arrangement), counties, States, postmasters, and the number, denomination, and amount of stamps required for each office. Upon receipt of an order by Mr. Boyd, his first care is to verify the aggregates, after which he makes his requisition on the contractors, accompanying it with the necessary blank receipts and addressed envelopes prepared under his directions by clerks employed, as per terms of contract, by the bank-note company.

These papers go immediately into the hands of Mr. Steele, who withdraws from the safe the exact amount of stamps required, and subdividing this amount to correspond with the aggregates of the several pages, the work of filling the order, page by page, is then begun.

When less than 5,000 stamps are required for an office they are inclosed in an envelope, but when that number and upwards are demanded they are invariably put up and forwarded in a wrapped package.

The selections are all made by Mr. Steele himself, taking as his guide the receipts

above alluded to which are inclosed with the stamps for the signature of the several postmasters, and return to the Department as vouchers in the settlement of their respective accounts.

As each page is proven by exhausting the stamps laid out for it, so the last office on the order verifies the whole by exactly taking up the balance remaining of stock withdrawn from the safe.

As a precaution against exchanges, each lot, after passing out of the hands of Mr. Steele, is again carefully counted and compared with the receipt inclosed with it.

Mr. Boyd now seals the parcels with his monogram, and locking them up in United States mail pouches they are carried to the post office in charge of a special messenger in the employ of the bank-note company.

Besides a memorandum invoice by the company, the "order sheets" (Department order) are sent with the parcels, and being compared with the latter as to the addresses, are receipted by the registry clerk, and serve as vouchers for the delivery of the goods. The registered numbers under which the parcels are to be forwarded have been previously inserted on the margin of the sheets by Mr. Boyd, a separate series for stamp packages being kept at the New York post-office, apart from all other registered matter.

The highest number of stamps forwarded under a single registered number is two hundred thousand.

Usually the stamps are delivered at the post-office for mailing on the second day after the receipt of the order by Mr. Boyd; but during the first three or four weeks of the quarter, when the orders are disproportionately large, this limit is sometimes exceeded by a day or two.

CHECKS AND BALANCES.

But the special object of my visit was directed to an examination of the means employed to prevent the misappropriation of stamps by any person connected with their manufacture and issue.

In the first place it must be taken into account that the National Bank-Note Company are a concern of the highest responsibility and standing. Besides an immense private business, and in addition to their work for the Post-Office Department, they have heavy contracts with the Treasury Department in connection with the printing of bank notes and other evidences of indebtedness.

Care was taken that every possible precautionary condition devised by law or suggested by experience should be incorporated in their official contract, to the faithful and literal observance of which they are bound in a penalty of \$20,000.

No less than thirteen different counts are made during the various stages of manufacture, from the receipt of the paper from the mills to the deposit in safe of the finished stock.

A given number of sheets of paper is counted out and charged to the printer, who, performing his work, turns them over to the dryer; from the dryer they go to the gummer, and so on to completion, each individual being required to turn over the exact number of sheets received from his predecessor, and the number turned over after the last operation agreeing with that received in the first.

Accompanying each lot from the outset is a ticket giving the number of good impressions, number of blank sheets, number and denomination of plate, and date of printing, together with a "signature," as it is termed, formed by a combination of letters and numerals, which establishes the identity of the lot from all others in course of preparation, and makes any discrepancy that may occur easily traceable to a particular lot and to the particular individual at fault.

These indices are carried into all the accounts kept in connection with the work.

A ledger account of each department separately is entered from the memorandum account of the workman having it in charge, and the accounts of the several departments must constantly agree with each other. Among these different accounts are shown daily, weekly, monthly, and semi-annual balances.

Reports of finished and unfinished work and of stock withdrawn for issues are made to the Department weekly by Mr. Boyd.

A close personal surveillance is at all times exercised over the labors of the workmen, and during the intervals of working hours the machinery is carefully guarded, the plates from which the impressions are taken being locked up in a safe under the exclusive custody of a director of the bank-note company.

These plates, as well as the dies from which they are stamped, are made in the company's workshops, and by terms of contract are constituted the property of the Department to be disposed of at will.

Each one is marked with its own distinctive number, so that it may be readily determined from the record what particular denomination of stamps were printed by a certain individual on a given day.

The entire operations of the company pertaining to this work are under the constant scrutiny of Mr. Boyd, whose duty embraces the supervision of all affairs connected with the issue and distribution of postage stamps and stamped envelopes.

Under the peculiar management of the establishment, both with reference to the mechanical arrangements and the method of accounts observed, it is considered that, except in one essential particular, the system of checks and guards is so nearly perfect as to render any concerted effort to defraud impracticable, save on the improbable condition of collusion between all concerned, employers and employes.

This exception lies in the manner of disposing of the rejected stamps, and a moment's examination will disclose in it a ready avenue to the most unlimited possible fraud.

The fault cannot, however, be regarded as chargeable upon the bank-note company, for it occurs at a point where they no longer have control of the stamps.

The plan, such as it is, was inaugurated by the Department, and the Department alone is responsible for its continuance.

Nearly 13,000,000 stamps, or about $\frac{1}{4}$ per cent. of the entire production, are condemned annually, and memorandum certificates of destruction, signed by Mr. Boyd and a subordinate employe of the bank-note company, are the only vouchers the Department has to account for a representative value of over \$300,000.

What matters it, then, that there has been maintained throughout every stage of manufacture an elaborate system of checks and balances, and that every postmaster in the country is himself a check to insure the proper accountability of the accepted stamps, if in the end the final disposition of so large a proportion of all the stamps manufactured is to be confided to the integrity of two persons, or, it may be, of one only?

If Mr. Boyd and the witness count the stamps after Mr. Steele, the question of appropriating to themselves any portion or the whole of them is a matter depending on *their* discretion.

If they neglect to perform this duty, and it is no light one, then there is nothing to prevent Mr. Steele—superintendent, book-keeper, and inspector—from applying to his own uses any quantity of stamps he may see fit to take.

It will be remembered that nearly all these rejected stamps are perfect impressions, a single bad one in many cases having condemned forty-nine good ones. But, even were it desirable to obtain whole sheets, it will be readily apparent that, under the supposition of connivance on the part of Mr. Steele, no lack of opportunity would be found wanting.

In using the names of the gentlemen mentioned, I wish it to be distinctly understood that it is in no wise in a personal sense, but simply for greater convenience in designating the positions they respectively occupy.

So far from having any desire to reflect on either of them, I take the occasion to say that all my observations have pointed to an honest and faithful discharge of duty upon the part of both; and I feel sure that any remedy the Department may provide for its own protection will be welcomed by them as a means of relieving them of all possible chance of suspicion.

The plan hereby respectfully recommended for disposing of the articles in question is that they be allowed to accumulate in the vaults of the company for a fixed period, say one quarter, when they shall be counted and destroyed by a commission consisting of three persons, viz, a director or other responsible officer of the bank-note company, the resident agent of the Department at New York (Mr. Boyd), and an officer from the Department to be designated by the Third Assistant Postmaster-General; and that this commission shall be required to certify to their results under oath and in duplicate—one copy to be retained by the bank-note company, and the other to be forwarded to the Department at Washington. I would further suggest that the time selected be during the last few days of the quarter, when there is comparatively little doing at the manufactory.

In making this recommendation I am not unmindful of the magnitude of the task sought to be imposed. The counting of such a large number of stamps, all in fragments of sheets, must necessarily consume much time, and may, perhaps, necessitate the employment of expert counters, but if any system is worth observing, and if it be desirable to close the door to the possibility of systematic embezzlement, I do not see how the difficulty can be avoided.

It may be argued, with all the probabilities in its favor, that an adequate prevention exists in the difficulty of disposing of the stamps in sufficient quantities to render the undertaking profitable; but this is an extraneous circumstance upon which the Department is not justified in placing any reliance, with a remedy within reach.

The matter is respectfully presented for such action as may be deemed suitable in the premises.

In closing this report it may not be inappropriate to say a word concerning the merits of the stamps themselves, and I can do no better than to quote from a foreign authority.

The director-general of posts of Switzerland, writing under date of May 19 last,

in acknowledgment of specimens sent him, uses the following language: "We cannot refrain from saying that these different stamps far surpass anything of that kind that we have seen, both in quality of the paper and the perfection of the engraving and workmanship in general."

Very respectfully, your obedient servant,

A. D. HAZEN,
Chief of Stamp Division.

Hon. W. H. H. TERRELL,
Third Assistant Postmaster-General.

[Indorsement.]

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL,
Washington, February 7, 1885.

Respectfully referred, with my detailed instructions of this date, to the committee appointed under order of the Postmaster-General of February 7, 1885, to examine into the condition of affairs at the several places of manufacture of postage stamps, stamped envelopes and postal cards.

A. D. HAZEN,
Third Assistant Postmaster-General.

No. 77.

EXTRACTS FROM CONTRACTS FOR POST-OFFICE AND STAMPED ENVELOPES WITH REFERENCE TO INSPECTION AND SUPERVISION OF GOVERNMENT AGENT.

Stamped envelope contract of 1882-1886.

1. That a resident agent of the Post-Office Department shall have supervision of the manufacture, storage, and issue of the stamped envelopes and wrappers, and shall at all times have full and free access to the rooms, apartments, safes, and vaults where they or anything entering into their construction are manufactured and stored, for the purpose of inspecting the same and of seeing that the stipulations of this contract are faithfully carried out; and that the parties of the second part shall in all respects conform to such regulations as the Post-Office Department or its agent may, from time to time, adopt for the security of the Government.

2. That the Postmaster General shall have the right at any time to cause an inspection to be made by an agent or agents, whom he may specially designate for the purpose, of the rooms, apartments, or vaults, used for the manufacture and storage of stamped envelopes and wrappers and of the envelopes or wrappers in course of manufacture or in stock; that he shall also have the right to cause an inspection to be made, when and in such manner as he may desire it, of the process of manufacturing the paper of which the stamped envelopes are made, in all its several stages, and of stationing an agent for the purpose of inspection at the mill or mills where the paper is made; and that in case the latter course should at any time be decided on, the contractors shall furnish such agent with a properly furnished room in the mill, without charge, and give him every needful facility for carrying out his duty.

Stamped envelope contract of 1878-1882.

1. That a resident agent of the Post-Office Department shall have supervision of the manufacture, storage, and issue of the stamped envelopes and wrappers, and shall at all times have full and free access to the rooms, apartments, safes, and vaults where they or anything entering into their construction are manufactured and stored, for the purpose of inspecting the same and of seeing that the stipulations of this contract are faithfully carried out; and that the parties of the second part shall in all respects conform to such regulations as the Post-Office Department or its agent may, from time to time, adopt for the security of the Government.

2. That the Postmaster-General shall have the right at any time to cause an inspection to be made by an agent or agents, whom he may specially designate for the purpose, of the rooms, apartments, or vaults used for the manufacture and storage of stamped envelopes and wrappers and of the envelopes and wrappers in course of manufacture or in stock; that he shall also have the right to cause an inspection to be made, when and in such manner as he may desire it, of the process of manufacturing

the paper of which the stamped envelopes are made, in all its several stages, and of stationing an agent for the purpose of inspection at the mill or mills where the paper is made; and in case the latter course should at any time be decided on, the contractors shall furnish such agent with a properly furnished room in the mill, without charge, and give him every needful facility for carrying out his duty.

Stamped envelope contract of 1874-1878.

11. * * * That the manufactory shall at all times be subject to the inspection of an agent of the Post-Office Department, who shall require the stipulations of this contract to be faithfully observed; and that the said The Plimpton Manufacturing Company, their employes and agents, shall conform to such regulations as the Post-Office Department may from time to time prescribe in relation to the manufacture, safe-keeping, distribution, and delivery of stamped envelopes and newspaper wrappers.

Post-office envelope contract for the remainder of the fiscal year ending June 30, 1885

1. That an agent shall at all times have full and free access to the apartments where the envelopes are manufactured for the purpose of inspecting the same, and whose duty it shall be to require the stipulations of this contract to be faithfully observed; and the parties of the second part further stipulate and agree that the agent of the party of the first part, whose duty it is to superintend and inspect the apartments where the envelopes or anything entering into their construction are manufactured, shall have the right at any and all times to visit the factory or factories where the paper is being manufactured for the use of the said parties of the second part in their execution of this contract.

Post-office envelope contract for fiscal year beginning July 1, 1884 (P. P. Kellogg & Co.

1. That an agent shall at all times have full and free access to the apartments where the envelopes are manufactured for the purpose of inspecting the same, and whose duty it shall be to require the stipulations of this contract to be faithfully observed.

Post-office envelope contract for 1883-1-84.

1. That an agent shall at all times have full and free access to the apartments where the envelopes are manufactured for the purpose of inspecting the same, and whose duty it shall be to require the stipulations of this contract to be faithfully observed.

No. 78.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., February 26, 1885.

AGENT AND INSPECTOR,
Hartford, Conn.:

SIR: Herewith I inclose you extract from the report made by a committee designated by order of the Postmaster-General, under date of January 14, 1885, to inspect the condition of affairs at the several places of manufacture of postage stamps, postal cards, and stamped official and registered-package envelopes. The recommendations contained in this extract with reference to your agency and the work performed under your supervision are deemed wise and salutary, and I have accordingly, by direction of the Postmaster-General, to request that you take immediate steps to carry such recommendations into effect. You will please acknowledge receipt of this order and of your compliance therewith.

Respectfully,

A. D. HAZEN,
Third Assistant Postmaster-General.

NOTE.—Letters similar to the foregoing sent to the postage-stamp agent at New York and the postal-card agent at Castleton, N. Y.

A. D. H.

No. 79.

POST-OFFICE DEPARTMENT,
Washington, D. C., August 22, 1884.

Specifications—furnishing post-office envelopes.

Sizes, quality, &c.—The sizes of the envelopes referred to in the foregoing advertisement are as follows:

- No. 1. For official letters and returns—size, $3\frac{3}{8}$ by 6 inches.
 No. 2. Do. do. size, $3\frac{1}{2}$ by $6\frac{1}{2}$ inches.
 No. 3. Do. do. size, $3\frac{1}{8}$ by $5\frac{3}{8}$ inches.
 No. 4. Do. do. size, $4\frac{1}{4}$ by $10\frac{1}{4}$ inches.
 No. 5. For returning dead letters—size, $3\frac{1}{4}$ by $6\frac{1}{2}$ inches.
 No. 6. For registered packages—size, 5 by $10\frac{1}{2}$ inches.
 No. 7. Tag envelopes for registered packages—size, $3\frac{3}{8}$ by $5\frac{1}{2}$ inches.
 No. 8. For international money-order advices—size, $4\frac{1}{2}$ by $6\frac{1}{2}$ inches.

Sizes may be slightly larger than called for herein, but *no smaller*.

Paper, style of manufacture, &c.—The paper in the Nos. 1, 2, 3, 4, 5, and 8 sizes of envelopes must be made of the best grade of white linen and the best grade of white domestic cotton rags, in the proportion of 25 per cent. of linen and 75 per cent. of cotton (excluding all other materials except the necessary coloring matter). The rags must be kept in the washing engines not less than six hours and in the beating engines not less than ten hours; the paper must be left-dried, animal-sized, color to be canary, and in all respects equal to that in the samples, and must weigh not less than 60 pounds per ream of 500 sheets in sheets of $22\frac{1}{2}$ by 30 inches, uniform in thickness and weight, or in that proportion. The paper for Nos. 6 and 7 envelopes (for registered packages and tag envelopes for registered packages) must be fully equal *in every respect* to that in the samples furnished to bidders.

The envelopes must be made in the best manner, and the quality of paper and ginning must be equal to the samples, and subject, when furnished, to the approval of the Postmaster-General or his duly authorized agent or agents. They must be banded in parcels of twenty-five, packed in strong paste-board or straw boxes, securely bound with linen or cotton cloth on the corners and edges, each to contain not less than 250 of sizes Nos. 1 and 2, and not less than 100 of the other sizes, or otherwise, as may be ordered; the boxes to be wrapped in strong manila paper and properly sealed, so as to bear safe transportation by mail to postmasters. When required to be delivered at the Department, the wrapping may be dispensed with, in the discretion of the Postmaster-General.

When 2,000 or more post-office envelopes and 1,000 or more registered-package or tag envelopes are required to fill the order of a postmaster, or when larger lots are ordered to be sent to the Post-Office Department, they must be packed in strong wooden cases and properly addressed; no case to contain more than 10,000; but when less quantities are required to be sent by mail, proper labels of direction must be placed on each package; all to be done by the contractor without additional charge.

The paper for the envelopes for official letters and returns, for international money-order advices, and for returning dead letters, must be water marked as the Postmaster-General may direct.

Agent—office room—inspection.—An agent of the Department will have supervision of the manufacture, storage, and issue of the envelopes, who shall at all times have full and free access to the apartments where they or anything entering into their construction are manufactured and stored for the purpose of inspecting the same; and the contractor shall furnish him and his clerks a suitable and properly furnished room for the transaction of the business of the agency, without cost to the Government.

The contractor, his employes and agents, shall conform to such regulations as the Department may from time to time adopt for the security of the Government in any respect.

Delivery.—The envelopes must be delivered in such quantities as may from time to time be required to fill the orders of postmasters appearing upon requisitions of the Department; the deliveries to be made either at the Post-Office Department, Washington, D. C., or at the office of an agent duly authorized to inspect and receive the same, or at the post-office in the place where the envelopes are manufactured, or at the nearest adjacent large post-office with adequate facilities for handling and mailing the same; the place of delivery to be at the option of the Postmaster-General, and the cost of delivering, as well as all expense of storing, packing, addressing, labeling, and water-proofing, to be paid by the contractor.

Special printing.—The dead-letter, international money-order, registered package, and tag envelopes must bear such printing as the Postmaster-General may direct, and

the registered package and tag envelopes will be required to be printed in vermilion or some other approved brilliant color, equal to that on the sample.

All the envelopes for official letters and returns must have printed on them the name of the Department, the words "official business," and the penalty provided by law for their misuse, besides such other printing as the Postmaster General may at any time direct. When ordered in separate quantities of 500 of the No. 1 or No. 2 sizes, or of 250 of the No. 3 or No. 4 sizes, or in larger quantities, they will, in addition to the foregoing printing, bear also the name of the post-office for whose use they are intended; when ordered in less quantities, they will bear, in addition to the other printing, the words "post-office at," with a blank space for the name of the post-office to be written in. The printing on the samples is intended to show in a general way some of the forms that will be required.

Stock on hand.—The contractors shall at all times keep on hand a stock of registered-package envelopes, subject to the control of the agent of the Department, sufficient to meet all orders of the Department, and to provide against any and all contingencies that may be likely to occur during the existence of the contract, so that each and every order of the Department may be promptly filled.

Form of bids—award.—The contract will be awarded as a whole for all the envelopes above specified (except the registered-package envelopes), on the basis of the number furnished during the year ending March 31, 1884, the amount of the bid to be ascertained by extending the number of envelopes at the prices bid, respectively, and then aggregating the several items.

The number of these envelopes is as follows:

No. 1.	Furnished during the year ending March 31, 1884.....	11,677,500
No. 2.	Do. do. do.	5,593,300
No. 3.	Do. do. do.	7,887,600
No. 4.	Do. do. do.	503,200
No. 5.	Do. do. do.	1,270,000
No. 7.	Do. do. do.	856,100
No. 8.	Do. do. do.	370,250

The number of envelopes that may be ordered cannot be positively stated. The numbers given above are merely intended as a guide to bidders, the Department reserving the right to order as many more or less of each kind as it may deem expedient.

The contractor will not be required to pay royalty on envelopes manufactured from the samples furnished by the Department.

The contract for registered-package envelopes (No. 6) will be awarded separately to the lowest and best bidder—the proposal stating the price per thousand envelopes made according to the sample, and including everything to be done or furnished as above. The number of these envelopes issued during the year ending March 31, 1884, is 10,630,300.

All persons claiming to have a superior registered-package envelope to the sample may bid; the proposals must be accompanied with a sample of the envelope.

Each proposal must be signed by the individual or partnership making it, and when made by a partnership the name of each partner thereof must be disclosed; and it must be accompanied by a guaranty, signed by at least two responsible guarantors, who shall be freeholders, that the bidder shall, within ten days after being called upon to do so, execute a contract to furnish promptly, and in quantities as ordered, the article or articles to be furnished by him; the responsibility and sufficiency of the signers to such guaranty to be certified to by the postmaster or United States attorney where the bidder resides; and in such contract the contractor and his sureties shall covenant and agree that in case the said contractors shall fail to do or perform all or any of the covenants, stipulations, and agreements of said contract on the part of the said contractor to be performed, as therein set forth, the said contractor and his sureties shall forfeit and pay to the United States of America the sum of \$20,000, for which said forfeiture the said contractor and his sureties shall be jointly and severally liable, as liquidated damages, to be sued for in the name of the United States.

Failure to enter into contract, &c.—If the bidder to whom the first award may be made should fail to enter into a contract, as herein provided, then the award may be annulled, and the contract let to the next lowest responsible bidder, if not deemed too high by the Postmaster-General, and so on until the required contract is executed; and such next lowest bidder shall be required to fulfill every stipulation embraced herein as if he were the original party to whom the contract was awarded.

The contract will also provide that if at any time during its continuance the sureties, or either of them, shall die or become irresponsible, the Postmaster-General shall have the right to require additional and sufficient sureties, which the contractor shall furnish to the acceptance of the Postmaster-General within ten days after notice; and in default thereof the contract may be annulled.

The Postmaster-General reserves the right to reject any and all bids if, in his judg-

ment, the interest of the Government requires it; also the right to annul the contract if, in his opinion, there shall be a failure at any time to perform faithfully any of its stipulations, or in case of a willful attempt to impose upon the Department envelopes inferior to those required by the contract, or for any other reason when, in his judgment, the public interest requires it.

Payments, &c.—Payments for envelopes actually furnished will be made quarterly, after proper examination and adjustment of accounts.

The contract cannot, in any case, be lawfully transferred or assigned.

Proposals must be securely enveloped and sealed, marked on the envelope "Proposals for Post-Office Envelopes," and addressed to the Third Assistant Postmaster-General, Washington, D. C.

W. Q. GRESHAM,
Postmaster-General.

No. 80.

Comparative statement of supplies furnished by the office of the Third Assistant Postmaster-General.

Articles.	Year ended June 30, 1877.		Year ended June 30, 1884.	
	Number furnished.	Cost.	Number furnished.	Cost.
Postage-stamps	704,836,524	\$110,189 59	1,469,209,996	\$135,974 47
Postal cards	170,015,500	236,463 04	362,876,750	197,466 33
Stamped envelopes and wrappers	185,401,895	428,224 63	324,013,650	619,231 21
Registered-package, post office, dead letter, and official envelopes	15,310,700	52,504 11	39,021,960	102,830 88
Total	1,075,561,619	817,382 27	2,205,152,356	1,055,502 89

Comparison.

Articles.	Increase in number furnished.	Increase in cost.	Per cent. of increase in number furnished.	Percentage of increase in cost.
Postage-stamps	774,373,472	\$25,784 88	109.8	23.4
Postal cards	192,861,250	28,997 61*	113.4	*12.8
Stamped envelopes and wrappers	138,641,755	191,006 58	74.7	44.6
Registered-package, post-office, dead-letter, and official envelopes	23,711,260	50,326 77	154.8	95.8
Total	1,129,587,737	238,129 62	105.0	29.1

* Decrease.

No. 81.

Number and cost of manufacture of postage-stamps, stamped envelopes, post-office envelopes, and postal cards issued during the four years ending June 30, 1877, as compared with the number and cost of the same articles issued during the four years ending June 30, 1884.

Articles.	Four years ending June 30, 1877.		Four years ending June 30, 1884.	
	Number.	Cost.	Number.	Cost.
Postage-stamps	3,405,141,245	\$649,803 95	4,786,000,045	\$445,550 00
Stamped envelopes	769,048,699	2,017,238 18	1,076,485,600	2,061,322 83
Post-office envelopes	126,098,492	434,613 74	140,226,155	372,504 51
Postal cards	550,619,500	771,136 25	1,402,428,000	810,891 67
Total	4,851,507,936	3,902,792 12	7,405,139,800	3,630,269 01

Number and cost of manufacture of postage-stamps, &c.—Continued.

Articles.	Increase.		Increase, per cent.	
	Number.	Cost.	No.	Cost.
Postage-stamps	1,380,858,800	\$204,253 65*	40	31*
Stamped envelopes	306,836,901	14,084 65	39	0.6
Post-office envelopes	14,127,663	62,169 23*	11	14*
Postal cards	851,808,500	39,755 42	154	5
Total	2,553,631,864	212,523 11*	52	5*

* Decrease of cost.

No. 82.

Number and cost of manufacture of postage-stamps, stamped envelopes, post-office envelopes, and postal cards, issued during the seven years ending June 30, 1877, as compared with the number and cost of the same articles issued during the seven following years ending June 30, 1884.

	Seven years ending June 30, 1877.		Seven years ending June 30, 1884.	
	Number.	Cost.	Number.	Cost.
Postage-stamps	4,444,722,490	\$935,698 45	7,238,492,054	\$688,854 41
Stamped envelopes	988,249,724	2,790,724 43	1,651,087,875	3,246,322 70
Postal cards*	550,619,500	771,136 25	2,097,405,500	1,290,220 21
Post-office envelopes	157,729,327	536,659 07	246,695,430	641,094 18
Total	6,141,381,101	5,033,618 20	11,233,680,859	5,875,491 50

	Increase.		Increase, per cent.	
	Number.	Cost.	No.	Cost.
Postage-stamps	2,793,769,564	\$246 844 04†	62	26*
Stamped envelopes	662,838,151	455,598 27	67	16
Postal cards*	1,546,786,000	528,083 96	280	68
Post-office envelopes	88,906,043	105,035 11	82	29
Total	5,092,299,758	841,873 30	83	16

* Postal cards were introduced in 1873.

† Decrease in cost.

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