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Letter from the Secretary of the Interior,
transmitting, in response to Senate resolution of
January 22, 1880, certain information relative to
contracts for Indian supplies, &c

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L E T T E R
FROM THE
SECRETARY OF THE INTERIOR,

TRANSMITTING,

In response to Senate resolution of January 22, 1880, certain information relative to contracts for Indian supplies, &c.

FEBRUARY 18, 1880.—Ordered to lie on the table and be printed.

DEPARTMENT OF THE INTERIOR,
Washington, February 17, 1880,

SIR: I have the honor to acknowledge the receipt of a resolution of the Senate, dated January 22, 1880, in the following words:

Resolved, That the Secretary of the Interior be, and he is hereby, directed to inform the Senate whether at any time since March 4, 1877, any contract to furnish Indian supplies of any kind or character has been made with any member of the Board of Indian Commissioners or with any firm or corporation with which any member of said board was at the time connected or interested in; and, if any such contract was made, with whom it was made, at what time, and the terms of said contract.

I reply, I transmit herewith a communication from the Acting Commissioner of Indian Affairs, together with copies of all replies received from members of the Board of Indian Commissioners.

Very respectfully,

C. SCHURZ,
Secretary.

The PRESIDENT OF THE SENATE.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, February 13, 1880.

SIR: I have the honor to acknowledge receipt of Senate resolution making inquiry as to the interest had by members of the Board of Indian Commissioners in contracts awarded for the Indian service since March 4, 1877, by your reference of the 22d ultimo, and to return the same, with eight true and literal copies of all replies received from members of said board bearing upon the subject.

Mr. Lang, late of said board, died since the last annual letting in New York.

Very respectfully,

E. J. BROOKS,
Acting Commissioner.

The Hon. SECRETARY OF THE INTERIOR.

CONTRACTS FOR INDIAN SUPPLIES.

BOARD OF INDIAN COMMISSIONERS,
3 Broad St., New York, Feb. 6th, 1880.

DEAR SIR: In acknowledgment and reply to your favor of 3d inst., enclosing Senate resolution of inquiry whether any member of the Board of Indian Commissioners has had connection with or been interested in any Indian contract, I beg leave to state that I have never had any interest whatever, direct or indirect, in any Indian contract. I know of but one member of the board during my service in said board for six years who has been thus interested, and that member is the Hon. A. C. Barstow, of Providence, R. I., whose statement in relation thereto has already been placed in your hand.

I have the honor to be, with very great respect, your obedient servant,

CLINTON B. FISK.

Hon. E. J. BROOKS,

Act'g Commissioner of Indian Affairs.

BOARD OF INDIAN COMMISSIONERS,
Providence, Jan. 31st, 1880.

Hon. E. J. BROOKS *Acting Com'r*:

MY DEAR SIR: I am in receipt of your letter of 29th inst., covering a copy of resolution of U. S. Senate, and asking for such information as I can give touching the inquiry.

The resolution is very broad. It asks if "any contract to furnish Indian supplies of any kind or character has been made with any member of the Board of Indian Commissioners, or with any firm or corporation with which any member of said board was at the time connected or interested in," &c.

You are aware that Indian supplies embrace a very wide sweep of articles. Large quantities of sheetings, shirtings, calcoes, duck, and other cotton fabrics; of blankets, flannels, sattinets, kerseymeres, Kentucky jeans, hose, and other woolen fabrics; of plows, harrows, wagons, mowers, reapers, hoes, shovels, and other agricultural implements; as also nails, horseshoes, and every variety of hardware, &c., shoes, boots, hats, stoves, &c., &c. These articles come from the great manufacturing corporations of the country, and the stock of many of them is very widely distributed. Contracts are also made for transportation in large amount by rail, steamers, canal, and wagon, and the stocks of these public conveyances are still more widely distributed.

Some of the members of the board are men of considerable means who are still in active business, and others who have retired from business. How their means are invested I do not know. It would be strange if some of them had not some investments in choice manufacturing property, steamers, railroads, or other conveyances, who have direct or indirect interest in contracts for Indian supplies or transportation. I don't know that they have; but, if they have, they are gentlemen of honor, and, as judges, would not be likely to sit in a case where their personal interest was likely to warp their judgments. In a recent case of large importance before the supreme court of this State every judge was found to have some personal interest in it, direct or remote, that was liable to bias his judgment. They did not resign their offices, but declined to sit in the case, and finally postponed it until they could relieve themselves in some way of these personal interests.

For myself, I have no private business, and am not a member of any commercial firm, but I have considerable investments in quite a number of manufacturing corporations. No one of these corporations has had any contract with the government for Indian supplies. For the last two years—which were very dull years—the wares of several of them have been offered by their customers at the annual lettings, and in two instances the offerings have resulted in contracts. When I have seen these wares thus offered I have named the fact to the purchasing committee of this board and declined to act in the award.

The sensational items which came over the wires yesterday touching this matter led me to write an article for the Providence Journal, which appeared in its issue of this morning. I send you a copy of the paper herewith. Though written in haste, I will venture to make it a part of this statement. The records of your office will show what your contracts for stoves were the last two years, and the inspector and chairman of the purchasing committee will give you any other information. I am not one cent the richer for any contract, but the government is a great many dollars richer for them.

Very truly, yours,

A. C. BARSTOW.

P. S.—I have no time for copy. Please save a copy for me.

[From the Evening Bulletin, Saturday, January 31, 1886.]

HON. AMOS C. BARSTOW'S CONNECTION WITH INDIAN CONTRACTS.

To the Editor of the Journal :

I am obliged to the editor for calling my attention this day, noon, to Washington dispatches to the Boston papers touching my connection with certain Indian contracts, which it is said I acknowledged in a letter to General Fisk. I have written no letter to General Fisk upon this matter. There was no occasion. General Fisk is and has been a member of the purchasing committee of the Board of Indian Commissioners for several years past, and certainly has no occasion to seek or wait for information on any subject from one who is only an *ex-officio* member of that committee.

All the contracts for Indian supplies are made at public lettings, through sealed bids, which are publicly opened and read on a day appointed. The awards are made by the Board of Indian Commissioners, consisting of ten men of honest and good report, or by its purchasing committee, consisting of five men, acting with the Commissioner of Indian Affairs and the Secretary of the Interior, or some representative of his office.

Samples of goods and wares offered accompany the bids, and of course bear the manufacturers' marks upon them. These samples may be and are examined by the large crowd who attend the opening of the bids, or who visit the ample warehouses of the government for days, and sometimes for weeks afterwards. Moreover, they must be examined by those who sit in judgment on them and make the awards.

I am a stockholder in at least seven corporations, most of which sell their wares in every part of the land. I saw the wares of at least four of these corporations offered by their customers in competition last April, but only one of the offerings was accepted, and that one because, in the judgment of the professional inspector of this class of wares, whom I do not know and never saw, as well as of the purchasing committee of the Board of Indian Commissioners and of the department, the wares were *best and cheapest*. I never sat as judge in any case in which I had the most remote personal interest. Nor had I any real pecuniary interest in this small contract thus obtained, as it was taken at prices that could yield no profit.

When the selling agent in New York and others of this corporation desired to put in a bid for stoves, I objected on the ground that I wanted nothing to do with government contracts. When the matter was further pressed, I finally consented, *providing they were offered at cost by the last inventory*. The wares were wanted in the dullest part of a *very dull* season, and the corporation, through its selling agent, was willing to serve the government in a small way, at cost, as a means of giving employment to a few more men. By an examination, I find that the wares were sold at prices more than twenty per cent. less than the corporation sold or offered them to its customers or to any other party during the year, and at least ten or fifteen per cent. lower than I ever sold wares of the same class and quality to any person or firm during a business of forty-three years. In my opinion they were worth twenty per cent. more than any wares that were offered at the same time, while offered at lower prices.

It has been our policy, as also that of the Board of Indian Commissioners, for the past few years, to break up the combinations of professional bidders at these lettings, and bring the solid merchants and manufacturers of the country into direct traffic with the government. By this course we have saved the government a very large amount of money. I have myself called the attention of many of the merchants and manufacturers of Rhode Island to these lettings, but the competition has been so sharp that I know of but two or three who have obtained contracts the past year :

From what I have written the reader will, I trust, get these impressions:

1st. That this thing was not done in a corner. It was open, square, and manly. All the interest I had in the matter was known to the committee, the slightest interest possible.

2d. That the wares stood upon their own merit; that the award was made on recommendation of an expert inspector, whom I never knew, saw, or conferred with, directly or indirectly, and by the purchasing committee, of which General Fisk was one, and with which I did not act in this award, or this class of awards, or in a majority of awards, though *ex officio* a member of the committee.

3d. That the government got wares nice enough for the White House, at less prices than very much inferior goods were ever bought by it or offered to it.

4th. That while the government has been well served, I have not received any pecuniary advantage from any contract with it.

5th. That if I erred in consenting to a bid being made by the selling agent of a corporation in which I am a stockholder, it was from patriotic feeling, rather than from a desire or expectation of pecuniary gain.

I have only to add that some interested motive must prompt some parties to puff into an apparent scandal, at a moment of popular excitement, a transaction like this.

At the annual meeting of the board, in Washington, on the 8th to 10th instants,

when nominated upon the committee to investigate a charge against Mr. Hayt, I declined, on the ground that I had no time to spare. When the matter was urged, with the remark that there was but a single question at issue, and that could at once be decided from the files at the department, I consented, with an agreement of the board to take a recess for one and a half hours for the committee to report. That report, I supposed, was to discharge the committee; but it was urged that the committee should read up the papers more fully, and I left my associates to do that and returned home.

I have shared with the Secretary of the Interior, and other men who have known him longer than the Secretary, full confidence in Mr. Hayt's honesty. Whatever faults he had, I had seen nothing to lead me to doubt his integrity. I was not willing to hang him on suspicion, but I am willing to judge and condemn any man on proof of guilt. If there has been any *proof of that* laid before the committee, it has been done since I left Washington. Of this I have no information except what I see in the newspapers.

I write in very great haste, so please excuse the length.

A. C. BARSTOW.

PROVIDENCE, January 30, 1880.

BOARD OF INDIAN COMMISSIONERS,
Washington, D. C., February 10th, 1880.

SIR: Yours of yesterday is received, covering a resolution of the Senate of the United States adopted January 22nd, 1880, as follows, viz. "Resolved, That the Secretary of the Interior be, and he is hereby, directed to inform the Senate whether at any time since March 4th, 1877, any contract to furnish Indian supplies of any kind or character has been made with any member of the Board of Indian Commissioners, or with any firm or corporation with which any member of said board was at the time connected or interested in; and, if any such contract was made, with whom it was made, at what time, and the terms of said contract."

Replying to your request for information on the subject of the foregoing resolution, I answer for myself that I have never been connected with any contracts to furnish Indian supplies of any kind or character in the manner stated in said resolution, or otherwise, nor have I had cognizance—at the time of making contracts—of any contracts having been made with any member of this board, or with firms with which they were connected, or in corporations in which they were stockholders.

Very respectfully,

D. H. JEROME.

To the ACTING COMMISSIONER OF IND'N AFFAIRS.

BOARD OF INDIAN COMMISSIONERS,
New York, Feb. 6th, 1880.

SIR: Yours of the 3rd inst., inquiring whether any member of the Board of Indian Commissioners is connected with or is interested in any Indian contract, or has been since March 4th, 1877, has been received. In reply I have to say that the only knowledge I have on the subject is the following:

At the annual letting of contracts in June, 1878, a contract was made with E. W. Anthony for stoves for the Indian service, and in April, 1879, a contract was made C. B. Hotchkiss for the same. These stoves were manufactured by the "Barstow Stove Co.," and I am informed that Commissioner A. C. Barstow is a stockholder in this company.

Respf'ly yours, &c.,

WM. H. LYON.

To E. J. BROOKS,
Acting Commissioner, Washington, D. C.

BOARD OF INDIAN COMMISSIONERS,
Washington, D. C., February 10, 1880.

Hon. E. J. BROOKS,
Acting Commissioner, &c. :

SIR: I have the honor to acknowledge receipt of yours of 3d inst., inclosing Senate resolution directing the Secretary of the Interior "to inform the Senate whether at any time since March 4, 1877, any contract to furnish Indian supplies of any kind or character has been made with any member of the Board of Commissioners, or with any firm or corporation with which any member of said board was at the time connected or interested in; and, if any such contract was made, with whom it was made, at what time, and the terms of said contract," and to say in reply that I have never

been interested in any such contract, nor have I been at any time connected with any firm or corporation, officially or otherwise, with which any such contract has been made.

Yours, truly,

WM. STICKNEY.

BOARD OF INDIAN COMMISSIONERS,
New York, Feb. 6, 1880.

In reply to your request for information "whether any member of the Board of Ind. Com'rs has been connected with any Indian contract," I would respectfully state that as I am not a member of the purchasing committee I have no personal knowledge of the facts, but I have been informed by Mr. C. S. Barstow that two contracts for stoves have been made with a corporation in which he is interested, and that information of the facts and circumstances have been sent to the department by him.

Respectfully yours,

CH. TUTTLE,
Board of Ind. Com'rs.

E. J. BROOKS,
Acting Commissioner, Washington, D. C.

BOARD OF INDIAN COMMISSIONERS,
Sandy Spring, Mont. Co., Md., 2mo. 5th, 1880.

E. J. BROOKS,
Acting Commissioner :

Thy letter of the 3rd inst. (m. "F. Miscell.," 244, 80), inclosing copy of Senate resolution, Jan'y 22, 1880, asking for information in relation to contracts for Indian supplies, &c., has been received, and in reply I have to say that the scope of the inquiry is so extensive that it would be impossible for me from memory to give any direct answer. I can say, however, that I have no personal or present knowledge of any contract being made by the Indian Bureau in which any member of the Board of Indian Commissioners was interested (financially), either directly or indirectly. Never having been a member of the purchasing com'tee of the board, I have not been brought in contact with or become acquainted with the contractors for Indian supplies. But as a member of the executive com'tee of the board I have examined and signed many of them as approved, but have no knowledge that any member of the board could or did have even a remote interest in any which passed under my supervision.

Respectfully, thy friend,

B. RUSH ROBERTS.

BOARD OF INDIAN COMMISSIONERS,
N. Y., Jan'y 30th, 1880.

To the Hon. COM'R OF INDIAN AFFAIRS,
Washington, D. C. :

Replying to yours of the 29th, marked "F. Miscell.," I have the honor to inform you that at the annual letting of contracts in June, 1878, Commissioner Barstow called my attention to the fact that proposals for stoves of the "Barstow Stove Co." would probably be found among others submitted for the consideration of the purch'g com., of which I was then chairman. He proceeded to explain to me that the manager of the stove co. had obtained his consent to such an offering only upon the condition that the stoves should be furnished at the exact price at which the company had estimated their cost at the last annual or semi-annual inventory. Further remarks were made to the effect that it was his wish that unless it was clearly to the interest of the gov't to accept the manager's proposal it should be rejected. It was ascertained that there was no competing bidder, which led me to inquire especially concerning the stoves, and learned from the inspector (an expert) that they were excellent in quality and the prices extremely low. The award for stove-pipe was given to the same party for the reason, among others, that it was important that the pipe should fit the stoves and be shipped with them. At the letting in April, 1879, the same manufacture of stoves were offered, and the expert, who it is intended shall act without any knowledge of the bidder, selected them unhesitatingly as the cheapest and best for the service.

It is very probable that contracts for transportation were made with railways in the stock or bonds of which members of the board are interested, but I presume the resolution of the Senate does not contemplate an "interest" so common, though not more remote.

Yours, very resp'y,

E. M. KINGSLEY.

S. Ex. 87—2