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Exposure of Corruption and Swindling.

During the Presidential canvass of 1860 the party now in power were profuse in their professions of honesty and intense in their condemnation of the extravagance in public expenditures which they charged upon the Administration of Mr. BUCHANAN At the Chicago Republican Convention, which nominated Mr. LINCOLN, the following resolution was made one of the prominent planks in its platform:

That the people justly view with alarm the reckless extravagance which pervades every department of the Federal Government; that a return to rigid economy and accountability is indispensable to arrest the systematic plunder of the public treasury by favored partisans; while the recent startling developments of frauds and corruptions at the Federal metropolis show that an entire change of administration is imperatively demanded.

On the 4th of March, 1861, an entire change of administration took place. The government was placed under Republican rule. And what has been the result? Corruption and robbery have run riot in every branch of the government. Thievery has been the rule and honesty the exception, since the cormorants who now have the control of the government came into power. In to-day's paper we publish statements, mostly from Republican sources, of some of the robberies by public officers, which have been recently exposed. And these rascalities are but a trifle when compared with the vast frauds which have been practiced under the LINCOLN dynasty.

From the report of the Senate proceedings which we copy from the New York Times, Republican, it will be noticed that a prominent Republican Senator and Chairman of the Naval Committee, introduced a resolution charging enormous frauds in the Navy Department, and asking for the power to send for persons and papers necessary to institute a thorough investigation. That Senator charges that some one hundred and seventy millions of dollars had been almost uselessly disbursed and he felt constrained to state that "a feeling of despair comes over the people on account of naval movements."

The Cincinnati Gazette, of a late date, in commenting upon the late astounding developments of gross frauds in various branches of the public service, expresses the following sentiment:

It is our conviction, and it is the popular belief to day, that the Government is in more danger from corruption among its officials, than from the power of the rebels. Rascalities committed by officials not only discourage the people, but have a demoralizing effect upon society. This is so apparent that we need not argue the point.

What an astounding confession is this. Says a leading Republican organ, "the government is in more danger of corruption among its officials than from the power of the rebels." In the language of the Chicago platform, we inquire, do not "the recent startling developments of frauds and corruptions at the Federal Metropolis (and elsewhere) show that an entire change of administration is imperatively demanded"? To say nothing of the immense frauds and robberies that have been committed upon the public treasury under the present administration, its reckless extravagance has no parallel in the history of the nation. Senator HALE says that in one department of the service "one hundred and seventy millions have been almost uselessly spent," and equal, if not greater, mal-administration has characterized all others.

With such evidences of incompetency to successfully and honestly administer the affairs of the government, and startling developments of frauds and corruptions which have almost paralyzed the public mind with their very enormity, the country is called upon to continue the present Administration in power. There must be responsibility somewhere for the reckless extravagance which pervades every department of the government. What claim have those who have thus administered public affairs upon the confidence of the country? Are not those who administer the government solely responsible "for the systematic plunder of the public treasury by favored partisans"? That the public treasury has been so plundered, and to an extent that has had no parallel, is admitted by the leading members of the party in power—corruptions among its officials more dangerous to the government than the power of the rebels, says a leading Republican organ—yet the men who have winked at this systematic plunder of the public treasury, ask the people to continue them in power. And the very persons who denounce these frauds and corruptions as calculated to demoralize the country and endanger its liberties, are advocating the re-election of Mr. LINCOLN and continuing power in the hands of the very officials who, either through ignorance or venality, have permitted these robberies of the public treasury. We ask the Republicans who honestly supported Mr LINCOLN in 1860 because they thought a resolution was necessary to restore purity and economy in the administration of the government, in view of the astounding developments which have already been made of the reckless extravagance, gross frauds and corruptions which have characterized every department of the public service since the advent of the Republican party into power, whether an entire change of administration is not imperatively demanded to preserve the Government Nothing but a change will save the nation from bankruptcy and the Government from destruction.

Governor Morton's Eligibility.

The Goshen Times, a Republican print, thus elucidates the eligibility of Governor MORTON to *hold* the office of Governor for another term:

"This objection to Morton's eligibility is untenable from the fact that he has not been filling the *office of Governor* during the last four years, but has been performing the *duties* of the position, being still, in fact, Lieutenant Governor."

The argument of the Times in favor of the eligibility of Governor MORTON has some force in one respect. It says "he has not been *filling* the office of Governor during the last four years," hence he is eligible to serve another consecutive term. There is a sarcasm in this remark of the Times, whether intended or not, which will not be very palatable to His Excellency.

The Terre Haute Express heads an article upon the same subject, "Eligibility of Lieut. Governor MORTON," and remarks:

Lieut. Gov. Morton was never elected *Governor*, as is well known. Henry S. Lane *was* elected Governor—took the oath of office—was inaugurated—held the office for some days, and then resigned.

* * * * * *

This is clear. O. P. Morton is not, nor has he been Governor of the State of Indiana *under the Constitution*, but by reason of the resignation of Governor Lane, the duties of Governor devolved on him, as Lieutenant Governor.

His Excellency took a different view of the question when he assumed the position of Governor. On the 14th of January he was inaugurated Lieutenant Governor. On the 17th of the same month, three days afterwards, on the resignation of Gov. LANE, he was inaugurated Governor, took the oath of office as such, and delivered an inaugural message. In that address he said: "Called by the Constitution to perform the duties of the office of Governor," &c. Since that time, he has signed every official document, "O. P. MORTON, Governor," and he has in every way performed the functions of that position. No one can deny that he has *held* the office of Governor since the 17th day of January, 1861. But says the Express, "O. P. MORTON is not, nor has he been, Governor of the State of Indiana, *under the Constitution*." Where then did he get his authority to act as Governor? What an ass or toady must be the biped who thus argues. If, as the Goshen Times, Dr ELLIS' paper, contends, His Excellency, is "still, in fact, Lieutenant Governor," why has he not performed the duties of that position? O. P. MORTON has been just as much the Chief Magistrate of Indiana, and has been so recognized, as any one who has filled that position since Indiana became a State. And the Constitution says, Art. 5, Section 1: "The executive power of the State shall be vested in a Governor. He shall *hold* his office during four years, and shall not be eligible more than four years in any period of eight years." Gov. MORTON has exercised the executive power of the State from January 17, 1861. Up to the 17th of January, 1865, he will have *held* the office of Governor four years. And the Constitution says the Governor shall not be eligible to *hold* the office more than four years in any period of eight years. But, say the Republican friends of the Governor, we will nominate him for another term, notwithstanding this provision of the Constitution. If elected, a Supreme Bench of the same political faith will be, likewise, and that body can put an "eligible" construction upon the Constitution Will this not be a convenient Supreme Bench?

Unconditional Union Men.

The Republican State Central Committee has issued a call inviting the "Unconditional Union Men of Indiana" to meet in convention, on the 22d day of February, in this city. How many unconditional Union men can be found among the Republicans of Indiana? Not a Corporal's guard. If one individual of that political faith can be found who is willing to restore or maintain the Union except upon conditions, he will be a rare bird indeed, and a curiosity worth exhibiting. Even BARNUM, the prince of humbugs, would give a big price for him. How many Republicans can be found within the limits of this Commonwealth who are entirely willing that the rebel States shall be restored to their position and rights in the Union as they were before the rebellion, except upon the *condition* that slavery shall be abolished? If the rebels should lay down their arms and return to their allegiance to the Constitution, the "unconditional Union man" would not consent to receive them back unconditionally, but on the other hand, would attempt to enforce their allegiance to the laws of Congress and the proclamations of the President in reference to slavery. And how many Republicans can be found who would consent to an unconditional Union with the rebel States, if the Administration of the Government should pass into the hands of the Democracy? The meaning of the term "Unconditional Union men" with the Republicans is, unconditional allegiance and submission to Republican rule. A Republican paper before us says, and it speaks the common sentiment of the Republican party, "No peace until negro slavery is abolished throughout the rebel States," and "a Government represented and controlled by honest, loyal and free-labor men." Here it is admitted that there can be no Union, so far as the Republican party is concerned, except upon the condition that slavery is abolished throughout the rebel States and the Government controlled by who? "Loyal" men, is the answer and no one is loyal in Republican estimation, but those who will fall down and worship ABRAHAM and the party he represents. The term "unconditional Union men" is an unconditional humbug—it is a falsehood so transparent that it can deceive none but those who look through a glass darkly, unwilling to arrive at a knowledge of the truth. The very name of the Administration party is based upon error and deception; it obtained power through fraud and seeks to perpetuate its rule through the same agencies that error obtained a foothold upon earth.

The National Democratic Convention.

NEW YORK, January 12, 1864

At a meeting of the National Democratic Committee, held at New York, it was unanimously voted that the next National Democratic Convention, for the purpose of nominating candidates for the Presidency and Vice-Presidency of the United States, be held at Chicago, Illinois, on Monday, July 4, 1864.

By vote of the Committee at a meeting held September 7, 1863, the number of delegates for each State was fixed at double the number of its electoral votes.

AUGUSTUS BELMOT, Chairman.
FRED. O. PRINCE, Secretary.

All Democratic and conservative papers are respectfully requested to publish the above.

—A citizen from Kentucky says that Hon. GARRETT DAVIS, U. S. Senator from that State, recently made the following remark:

Gentlemen, I am now satisfied that, since Lincoln has defined his war policy, that your liberties are in more danger under this government than under Jeff. Davis' government.

The Carnival of Corruption—Unparalleled Robbery of the Government by High Republican Officials—Thousands and Hundreds of Thousands Stolen—Frauds in the Treasury Department—Frauds in the Navy Department—Frauds in the War Department—Frauds in Every Department—Congressional Investigation Proposed by a Republican Senator.

[From the Washington Republican, Administration Organ.]

THE ROBBERIES IN THE TREASURY DEPARTMENT.

For reasons satisfactory to the Government, Dr. Stuart Gwynn, of Boston, employed in the Department of the Treasury where the Treasury notes are printed, was arrested last night, charged with having abstracted a large amount of said notes. The amount stolen by Gwynn is not yet known. An investigation is going on. Gwynn has been furnishing the presses upon which the "greenbacks" have been printed for some time, and has had charge of the printing of them. His opportunity to cheat the Government has been great if he was so disposed to do, but he was supposed to be strictly honest. His apprehension may lead to the arrest of others.

[Special to the New York Times, Republican.]

THE GWYNN FRAUD.

Gwynn's offense in the Treasury is said to be a diversion of SEVENTY THOUSAND DOLLARS of public money from the payment of presses and materials purchased for this bureau into his own pocket. ☞ *The detectives have traced paper and ink from the bank note printing department in which he and another were principal employes directly to a counterfeit establishment in New Jersey* ☜ There was produced the flood of fraudulent postage currency that exercised the Department last Summer.

[Special to the N. Y. Herald, Ind.]

SERIOUS FRAUDS IN THE TREASURY DEPARTMENT.

Various rumors are in circulation in reference to investigations into alleged frauds and dishonest practices in the Treasury Department. In addition to the arrest of Dr Gwynn, the names of gentlemen occupying very responsible positions in the department have been mentioned as implicated upon serious charges. It has been known for several months that charges had been made against these same parties, but they were dismissed as frivolous or emanating from purest personal malice and without any foundation. Since that time all the parties have been subjected to strict surveillance, but it is asserted by their friends that they will upon proper investigation be completely vindicated from any criminality.

[From the Newark (Ohio) Advocate.]

THE ROBBERIES OF CORNWALL, HEAD OF THE REDEMPTION BUREAU.

We knew Cornwall during our residence in Columbia county. He was at that time cashier of the Salem Branch Bank, and had previously been an officer of a bank at that other exceedingly "loyal" place, Athens, Ohio. Cornwall was a bitter enemy of every thing that bore the name of Democracy.

[From the N. Y. World.]

THE ROBBERIES IN THE CUSTOM HOUSE.

Who ever can discover the men who make up the custom-house *ring* which receives the £500 which letters printed in the Times and Tribune say is paid as bribes to custom-house officials for each cargo cleared from this port, will do a work hardly less important that the winning of a battle in the field. As yet but three of the *ring* are uncovered, to wit: Stanton, Smalley, and Palmer; and their branch of the business appears to be only management of drawing, signing, cancelling, and abstracting bonds. Who in the custom house attended to the out door work? Who procured the clearance papers? Who superintended and permitted the loading of the contraband cargo? The public has already fastened its suspicions on certain officials in the surveyor's department, and it will be satisfied with nothing less than the most rigid scrutiny. If this be resolutely and impartially done by government officers, then there will be no need for the appointment of a congressional committee. Otherwise, the people must act through their representatives in Washington.

[Special to the New York Times, Rep.]

THE ROBBERIES IN THE WAR DEPARTMENT.

About twenty arrests in all have been made in connection with the case of the delinquent Quartermasters of Alexandria. Two officers connected with the cavalry camp at Glesboro Point have also been locked up for being concerned in the recent swindle as to horse contracts.

[Special to the New York Herald.]

THE ABUSES IN THE NAVY DEPARTMENT.

WASHINGTON, Jan. 9, 1864.

The proceedings of the Senate to-day partook somewhat of a sensational character, and are to night the topic of conversation. Mr. Hale's expose of the operations of navy agents, and the exorbitant prices paid for articles unnecessarily, occasioned great surprise, though not more than has been caused by the efforts of Senators to prevent an investigation. The purchases of the Navy Department have from time to time excited comment here by their extraordinary character, and the feeling is generally entertained that an investigation has not only become necessary, but that it cannot be averted.

[Special to the N. Y. World, Conservative.]

The searching resolutions offered by Winter Davis in the House yesterday, and Mr. Hale in the Senate to day, looking to the investigation of frauds in the Navy Department, are creating quite an excitement. The Senate debate was especially spicy, so far as those were concerned who did not favor an investigation, and denounced those who did as professed friends of the Administration who caused more harm than its opponents. Senator Conness made his first effort in this debate, but did not create a very favorable impression.

THE DEMAND FOR INVESTIGATION AND DEBATE IN THE SENATE.

[From the N. Y. Times' (Rep.) Congressional Report.]

SENATE.

Mr. Hale, of New Hampshire, (Administration) submitted the following:

Resolved, That a Select Committee be appointed, with instructions to inquire into the condition of the navy, the efficiency of the steam engines lately constructed for the use of the navy, the mode and manner of procuring supplies for the navy, and the conduct of the department generally, and that they have power to send for persons and papers.

Mr. Hale said there had been a report of an argument furnished to him, made by Mr. Dickerson, of New York, in which he gave facts, dates and figures, to show a total want of negligence in the Navy Department, in regard to the construction of its engines for marine purposes, that the vessels constructed by the present mode are failures; and that a hundred and seventy millions of dollars were almost uselessly spent. This would go to show corruption, or want of capacity in some quarters. He would have been glad had the Secretary of the Navy called for an investigation. This was a question which stirred the nation. We were called upon to appropriate $170,000,000, and he thought something should be done with this paper, if it contained anything at all. He felt it proper to call the attention of the Senate to it. He had no disposition to take the thing in hand, nor would he shrink from it. The attention of the country it had and would have. While we would not endorse any of the statements, he believed, from his intercourse with men conversant with the subject, that something was wrong. A feeling of despair, he said, comes over the people on account of naval movements. I hope the Senate will dispose of the matter as I have suggested, or in any way to accomplish the end desired in my resolution.

Mr. Doolittle, of Wisconsin, (Administration) hoped the resolution would lie over until Monday, as he had a desire to look into the matter carefully before discussing it here.

Mr. Grimes, of Iowa, (Administration) said the Navy Department shrank from no investigation into its conduct. It courted it. And when it was made, it would turn out that we had as fast, if not faster, vessels as any navy of the world. I assert, said he, that this is now the case. Under these circumstances, as a friend of the Navy Department and the navy, I hope that the resolution will be adopted in some form. Whether the matter is given to a Select Committee, or otherwise, is for the Senate to determine. That there may have been faults, I do not deny; but I do assert from the commencement of the present war to this time, the Navy Department has been managed better than any other Department of this Government. The Morgan steamer subject was introduced into the Senate yesterday. The Morgan steamers were the best to be obtained, and the only thing for which the Secretary of the Navy was to blame was the principle he laid down on which purchases were to be made. Among the very best purchases are some of these steamers. They rendered most important service at New Orleans and other places. I do not approve of the principle of the Secretary in paying the agents instead of the principals, but the purchases made were of benefit to the Government, I do not doubt. Mr. Welles has not a disposition to engage in a controversy. He would rather be abused than to fight back. He ought to have stated for his own defense that the principal commercial men of New York, Boston, and other places, appealed to him that one man should be allowed to purchase these vessels, because if he allowed all to engage in the purchase, it would raise the price of vessels so much as to interfere seriously with commercial pursuits. Let one man, said they, purchase all the vessels you desire. Mr. Welles has never stated these facts. With regard to the subject of these steam engines, it is a matter of which I am totally ignorant. When I was in Charlestown some time ago, I went on board the Ticonderoga, and talked with the Chief Engineer. He told me that this vessel had made 13 1 2 knots in a sea way. Now, when any one can have a steamer, with her full supply and ordnance, to travel at a greater speed than 13 knots in a sea way, I am willing to acknowledge a deficiency in some quarter of the Navy Department. I deny that there has been any collusion between the Chief Engineers and the head of the Department.

Mr. Doolittle said this was new to him. It is based mainly upon a pamphlet which I find lying on my desk. I doubt whether there is sufficient reason to make the inquiry. I have no doubt the Navy Department is properly conducted, for I have full confidence in the integrity of the head of the Navy Department. These inquiries, unless they be necessary, are a blow at the prosperity of the country. Before we go into an investigation we ought to have some reasonable grounds of belief. I know that the Senator is anxious to prevent fraud and corruption, but is sometimes imposed upon by others, and in the hight of debate makes wholesale charges against the officers of the Government that are without foundation. We heard yesterday for half an hour charges read, proceeding from the honorable Senator, which I believe were without foundation, and were read by the Senator from Kentucky (Davis) to destroy the confidence of the country in the Administration.

Mr. Conness, of California, (Administration)—I believe nothing strikes deeper at the Government than this constant repetition of attacks from its professed friends. I was much surprised at the expression of the Senator, that the country was heart sick at the manner in which the naval forces of the country were being administered. I entirely disagree with that belief. I do not believe it pervades the country. If it did it would be the worst sign of the times, worse than the fear of organized rebellion; for there is nothing that lies deeper, as a crime against the Government, than this sapping of the confidence of the people in the officers of the Administration The Senator from Kentucky (Mr. Davis) should not be furnished with such data as the speech of Mr. Hale, containing charges of the most terrible character against the Navy Department, to weaken the confidence of the country in the Administration. It becomes the duty of loyal men here to put an end to this abuse. Loyalty to the Government is, in my opinion, one of the duties of the citizen and of the State. If the investigation is to be bad, I hope the Senator will take back his remarks, "that the country is heart-sick." I think it ill becomes the Senator to make use of such an expression.

Mr. Hale would take it back as the Senator understood it. He said that the country was heart-sick with the Navy Department, so far as the failure of the steam vessels was concerned.

Mr. Conness also took exception to another term of expression of the Senator. He understood the Senator to refer to the Secretary of the Navy as the "so-called head." If it could be proved by facts that there was maladministration there, or in any other department, the Senator could have his vote for its correction.

Mr. Hale differed with those who thought the charges ought not to have been introduced He said: The Senator from Wisconsin says I made wholesale charges against the Administration. I deny it. I brought before the Senate a particular transaction, two years ago, in which names, dates and figures are given, after the Secretary's own report had been given of the transaction. Let me tell the honorable Senator from Wisconsin, and others, that *he will do infinitely more to weaken the Administration when he shall shrink from an examination into public affairs.* I have done nothing but what I conceive to be my duty in introducing the resolution. The affair is before the Senate.

Mr. Davis of Kentucky, (Dem.) I have been referred to so frequently by the Senator from California and others, that I deem it necessary to say a few words. I have observed the extreme restiveness of Senators about examinations being made into the acts of the Administration. They are proper subjects of comment, and while I have a seat on this floor, and reason and voice, they shall, to the extent of my ability, and according to my judgment, be examined; and this as a Senator I intend to do, let the consequences be what they may. Has it come to this, that a great government, organized and instituted by the people, and based upon a free constitution, cannot be investigated as to its line of policy and administration without incurring vehement abuse? When this becomes the policy of the friends of the Administration, liberty is gone forever. While there is life in me I will never submit to it. The gentleman says it ill becomes me to weaken the confidence of the people in the Government. There is something still more unbecoming than that. It is to endeavor to screen from investigation, those in whom the public have lost confidence The pure gold loses nothing by friction; it shines the brighter. Men who are conscientious in the discharge of their duties, and faithful to their trusts, have nothing to fear, but court investigation. It has been my lot to be with minorities. I dare do my duty in exposing the maladministration of the Government. I disciplined myself in opposition when the Old Hero was President. I have heard the old lion of the Hermitage roar, and I am not now to be frightened by the howling of jackals. I am earnest and honest in the expression of my opinions. I ask only the freedom of an American citizen to investigate the administration of my Government; the administration of Abraham Lincoln as well as James Buchanan and Franklin Pierce. That right I intend to claim.

Mr. Doolittle—If the Senators from Kentucky and New Hampshire think there is any disposition to screen or cover up the truth, they are mistaken. There is no such purpose. All I have said is, that attacks made upon the Administration by any member of this body, and especially upon the Navy Department by a Chairman of the Naval Committee, is what I most deeply deplore. The Senator from Kentucky has heard the lion of the Hermitage roar, and I don't think anything could terrify him. He was always skilled in opposition to the mal-administration of President Jackson. He opposes everything and proposes nothing, and from a long education in this school he may have acquired the habit of finding fault and nothing else. I do not undertake to say there have been no mistakes or frauds in the administration of the Government during this war. Such a state of things never existed on earth. Whenever there has been expenditures of public money, there has always been more or less fraud. "When the carcass is there the vultures gather."

Mr. Davis—I think the Senator who preceded me spoke of the duty of a loyal man to sustain the Administration in the performance of its duty. I support every just measure of the Administration to carry on the war to a speedy and successful issue. But there is a higher view of loyalty than that. Where a Senator, where any individual believes he discovers that the administration of the Government, in any department, and especially in its executive department, is in conflict with the liberty of the people, it is a higher perogative of loyalty to oppose such aggression upon the Constitution than it is to approve its measures when right. I make my acknowledgements to the gentlemen from California for his frankness.

Mr Conness remarked that the gentleman, in having fallen from glory to his present degradation, in having once heard the lion roar, and was now compelled to listen to the howling of the jackal—(to what base uses do we come at last!)—it could not be fairly deduced from him that he would ever shrink from any of the facts regarding the proper administration of the Government.

Mr. Grimes said he was in favor of an investigation. He did not think this resolution concluded in proper terms. Is this a committee upon all subjects mentioned in the resolution? Then its range of inquiry would be wide indeed. If the Senator (Hale) wants to take up the subject of supplies, I will go with him. On the subject of the construction of ships I will go with him. He did not think the Senate ought to adopt the resolution in such broad phraseology, as it would render "confusion more confounded."

Mr. Hale thought there were one or two other matters which required explanation. The matter of furnishing supplies is one. The Secretary of the Navy was going to abolish the present system, he understood. He had seen a list furnished by proposal, where the price varied from one to one hundred per cent. on the same articles. He had seen an article costing twelve dollars furnished at one hundred and fifty, and in that same list cotton waste, purchased at twenty cents, furnished on advertised proposals at eighty cents. He could not tell whether that grew out of a defective system, or otherwise. He wanted to know.

The discussion here terminated, and the resolution was not acted upon.

[From the New York News.]

FRAUDS IN THE NAVY YARD—PEREMPTORY REMOVAL OF THE MASTER CARPENTER, HIS BROTHER, AND TWO OF HIS FOREMEN

The Navy Yard, like the Custom House, is prolific in fraud It is said that revelations will soon be brought to light which will throw the financial and commercial operations of Palmer completely in the shade. Rumors have been afloat for more than a year past, implicating Mr. Steele the master carpenter, and numerous other parties in the yard, with having been engaged in a most extensive system of plunder, which at common law is technically called "robbery." The charges brought against Mr Steele were numerous and of a very grave character, and, if substantiated by proof, ought to consign him to hard labor at Sing Sing for a term of years. These charges have been undergoing an investigation at the Navy Yard; and the fact of his sudden removal yesterday, and also the removal of his brother and two of his confidential foremen, would seem to indicate that the investigation has shown some of the charges to be true. It would require a great deal of time and space to enumerate all the charges made against Mr. Steele, but, as the subject is likely to be thoroughly ventilated, it will do no harm to state a few of the most prominent:

In the first place, it was charged that he has been in the habit of transporting large quantities of material from the yard to vessels in different parts of New York; and of having repaired the vessels of private parties by the workmen of his department, while they were at the same time drawing their wages from the Government. It is said that the amount of government property appropriated in this manner is immense, and that Mr. Steele retires from the Yard a wealthy man. In addition to this, he is charged with having conveyed lumber and other materials from the Yard to his house in Williamsburg and used government employees to repair and embellish it.

Some of these facts leaked out at a recent meeting of the Republican General Committee, and several members of that body publicly charged him with being guilty of all manner of swindling and peculation. Mr. Steele, however, secured a sufficient number of partisans in the committee to table a resolution calling for a public investigation of the whole matter, and the committe went into secret session excluding the reporters. As the same system was adopted by the authorities at the Navy Yard, the public have been left to judge for themselves as to the guilt or innocence of Mr. Steele and his subordinates.

Now that the whole party has been decapitated, the Navy Yard authorities owe it to themselves as well as to public opinion to make a full exposition of the affair. It is said that the District Attorney will recommend the Grand Jury, which will be impanelled in the Oyer and Terminer on Monday next, to inquire into the matter, and by that process it is hoped that the public will be made aware of the manner in which their money is being used by the "loyal" men who rule in every department of the Government.

Mr. Steele, even if all that is charged be true, is not the only man in the yard who has been guilty of frauds, and is at present enjoying perfect immunity, although the naval officers who have control there are well aware of the facts. And further, notwithstanding an established law of the yard prohibits the employment of any person who has ever been caught in the act of stealing, an individual who was caught in the very act, and was put in the guard house all night, and discharged the following day because his brother presided over one of the departments, was re-employed in two days afterward and promoted to a better position, with the full knowledge and consent of the Captain or commandant of the yard, without whose signature he could not be reappointed.

Mr. Steele, it will be remembered, was the Republican candidate for Sheriff of Kings county at the late election.

Bitter Letter—The Administration and the Army of the Potomac.

The following letter is from the correspondence of General McClellan with the War Department, lately published:

"HEADQUARTERS ARMY OF THE POTOMAC,
SAVAGE'S STATION,
June 28, 1862—12:20 A. M.

"I now know the full history of the day. On this side of the river, the right bank, we repulsed several strong attacks. On the left bank our men did all that men could do, all that soldiers could accomplish, but they were overwhelmed by vastly superior numbers, even after I brought my last reserves into action. The loss on both sides is terrible. I believe it will prove to be the most desperate battle of the war. The sad remnants of my men behave as men; those battalions who fought most bravely, and suffered most, are still in the best order. The regulars were superb, and I count upon what are left to turn another battle in company with their gallant comrades of the volunteers. Had I (20,000) twenty thousand, or even (10,000) ten thousand fresh troops to use to morrow, I could take Richmond; but I have not a man in reserve, and shall be glad to cover my retreat and save the material and personnel of the army. If we have lost the day, we have yet preserved our honor, and no one need blush for the Army of the Potomac. I have lost this battle because my force was too small.

"I again repeat that I am not responsible for this, and I say it with the earnestness of a General who feels in his heart the loss of every brave man who has been needlessly sacrificed to-day. I still hope to retrieve our fortunes, but to do this the Government must view the matter in the same earnest light that I do. You must send me very large reinforcements, and send them at once.

"I shall draw back to this side of the Chickahominy, and think I can withdraw all our material. Please understand that in this battle we have lost nothing but men, and those the best we have.

"In addition to what I have already said, I only wish to say to the President that I think he is wrong in regarding me as ungenerous when I said that my force was too weak—I merely intimated a truth which to day has been too plainly proven. If, at this instant, I could dispose of (10,000) ten thousand fresh men, I could gain the victory to-morrow.

"I know that a few thousand more men would have changed the battle from a defeat to a victory. As it is, the Government must not, and can not, hold me responsible for the result.

"I feel too earnestly to night—I have seen too many dead and wounded comrades to feel otherwise, than that the Government has not sustained the army. If you do not do so now, the game is lost.

"If I save this army now, I tell you plainly that I owe no thanks to you, or to any other person in Washington.

"You have done your best to sacrifice this army. G. B. McCLELLAN.

"To Hon. E. M. STANTON."

—The proposition for consolidating and revising the statutes of the United States is likely to pass into a law, and will make three nice positions for as many good lawyers, as commissioners. The work will be prosecuted with all possible dispatch, and parts of the work will be printed as they are completed. The commissioners are to receive three thousand dollars per annum, and their labors to continue not more than two years. It is thought that Richard S. Coxe, Esq., of Washington, will be one of the commissioners.

The Subjugation of Maryland—Extracts from the Message of the Governor of that state.

We make the subjoined extracts from the message of Gov. Buford, of Maryland, to the Legislature, January 7, 1864:

"I avail myself of this occasion to advert to certain events connected with our recent election which deserves your most serious consideration. It would be much more agreeable to me to avoid all allusion to them. I cannot, however, do so consistently with my sense of what is due to the rights and honor of the State, to the office which by the favor of its citizens I occupy, or—I may with sincerity add—to the cause of the Union itself, in my opinion so intimately blended with the cause of the law and constitution that any outrage inflicted, and especially in its name, upon them, necessarily to some extent recoils upon it.

"A few days before that election a military order was issued from the army headquarters at Baltimore which in effect placed the polls under the surveillance and at the command of the military authority. I was the less prepared for any such order from the fact that, though in frequent personal communication with the military authorities of the department I had received no information whatever of such a proceeding, or any supposed necessity for it. In that part of the State against which the movement seemed to be more particularly directed (the Eastern Shore) there would seem to have been less necessity, as there certainly was less semblance of authority, than elsewhere; for, whilst martial law had been proclaimed upon the Western Shore of the State in June last, and had not been repealed up to the day of election, upon the Eastern Shore it had never been proclaimed at all.

"You will be furnished with a copy of this order, and it is not necessary further to recite it, than to state in general terms that it was executed by the military aided by the provost marshals. They were to arrest voters whom they might consider disloyal, in approaching or hanging about the polls; a prescribed form of oath was furnished, without taking which, no one, if challenged, could vote; and the several commanding officers were charged to report headquarters any judge of election who should refuse to administer that oath, or to aid in carrying out that order. The President modified the first of the order on the Monday preceding the election; but even that modification seemed to receive no attention from those intrusted with its execution, and was, in some instances, openly disregarded

"Prominent among the provost marshals to whom the execution of this order was in part committed, were several who were themselves candidates for important offices. These marshals, appointed for the purpose of the militia enrollment and draft, were placed by the law creating them under the control of the Provost Marshal General; but, to insure the right to employ them about this election order, special authority was obtained from Washington, to place them for the time being under the military authorities

"If, with these facts before me, and seeing the judges of election sworn to conduct it according to the laws of the State, openly menaced with arrest unless they recognized the military authority and conducted it by the rules which that authority prescribed, I had stood silently by and failed to assure them of the protection of the State to the extent of its ability, I should have felt myself utterly unworthy of the place of its Chief Magistrate. I, therefore, on the Monday evening preceding the election, issued a proclamation giving them that this assurance, a copy of which is herewith submitted. Before the following morning, military orders were sent to the eastern shore, directing its circulation to be suppressed, the public papers were forbidden to publish it, and an embargo was laid on all the steamers in port trading with that part of the State, lest they might carry it.

"An attempt has been made to justify the military order upon the ground that its only intent was to exclude disloyal voters who had by their conduct justly forfeited their franchise. An examination, however, of the oath which it prescribed, will show that, even had it emanated from undoubted authority, it could accomplish no such end. No matter what had been the conduct of the voter, there was nothing in the oath calculated to exclude him; it had no reference to his past conduct, and every traitor who had left the State and had but just returned from the rebel army, might have taken it with impunity. It contained only a promise for future good behavior—a promise which, as a very slight atonement, many a rebel sympathizer might and doubtless did very readily make, whilst the loyal citizen who had stood always faithful to his allegiance, would feel justly indignant at having his loyalty challenged, or being required to give any guarantee for his future conduct, to enable him to exercise a privilege he had never forfeited. How far it accomplished the purpose claimed for it, or how far the anticipations of the consequences of the order and the abuses to which it would lead, were realized, will appear by a brief reference to some of the transactions connected with its execution.

"These abuses commenced even before the opening of the polls. On the day preceding the election the officer in command of the regiment which had been distributed among the counties on the Eastern Shore, and who had himself landed in Kent county, commenced his operations by arresting and sending across the bay some ten or more of the most estimable and distinguished of its citizens, including several of the most steadfast and uncompromising loyalists of the Shore. The jail of the county was entered, the jailor seized, imprisoned, and afterwards sent to Baltimore, and prisoners confined therein under indictment set at liberty. The commanding officer referred to gave the first clue to the character of the disloyalty against which he considered himself as particularly commissioned by printing and publishing a proclamation in which; referring to the election to take place the next day, he invited all the truly loyal to avail themselves of that opportunity and establish their loyalty by giving a full and ardent support to the whole government ticket upon the platform adopted by the Union League Convention,' declaring that 'none other is recognized by the Federal authorities as loyal or worthy of the support of any one who desires the peace and restoration of the Union.' To secure the election of that ticket seemed to be the business to which he and his officers especially devoted themselves throughout the day of election.

"In the statements and certificates which have been forwarded to me from different counties in that Congressional district, I have been furnished, I presume, with an account of part only of the outrages to which their citizens were subjected. The 'government ticket' above referred to was in several, if not all, of these counties designated by its color; it was a yellow ticket, and, armed with that, a voter could safely run the gauntlet of the sabres and carbines that guarded the entrance to the polls, and known sympathizers with the rebellion were, as certified to me, allowed to vote unquestioned if they would vote that ticket, whilst loyal and respectable citizens, ready to take the oath, were turned back by the officers in charge without even allowing them to approach the polls. In one district, as appears by certificate from the Judge, the military officer took his stand at the polls before they were opened, declaring that none but 'the yellow ticket' should be voted, and excluded all others throughout the day. In another district a similar officer caused every ballot offered to be examined, and, unless it was the favored one, the voter was required to take the oath, and not otherwise: and in another again, after one vote had been given, the polls were closed, the Judges all arrested and sent out of the county, and military occupation taken of the town.

"But I will not detain you with a recapitulation of the abuses that these statements disclose. I have caused copies of them to be transmitted to you, and they cannot fail to arrest your attention. They present a humiliating record, such as I had never supposed we would be called upon to read in any State, still less in a loyal one like this. Unless it be indeed a fallacy to suppose that any rights whatever remain to such a State, or that any line whatever marks the limit of Federal power, a bolder stride across that line that power never made, even in a rebel State, than it did here on the 4th of last November. A part of the army which a generous people had supplied for a very different purpose, was on that day engaged in stifling the freedom of election in a faithful State, intimidating its sworn officers, violating the constitutional rights of its loyal citizens, and obstructing the usual channels of communication between them and their Executive

"If I have deprecated such proceedings, I have been actuated in so doing scarcely more by the sense of what was due to the laws and constitution of the State than by a regard for the safety and success of the Union, and the maintenance of that popular respect for and confidence in its constituted authorities so important to the triumph of the great cause they have in charge. The moral influence of such sentiments is worth to those administering the government far more than any results of an election where such proceedings are tolerated. But, notwithstanding their concurrence, I trust and believe they will never cause you to forget your duty to your country, cool your ardent devotion to the Union, lead you to feel the slightest sympathy with those who have assailed it, or to seek fellowship with them that do.

"Major General Dix, when in command of this department at the time of the election in 1861, and when, too, rebellion was backed by its organized supporters in our very midst, took the true and statesmanlike view of the policy proper for such an occasion, when, in directing his Provost Marshal, he said that, whilst there was no difficulty in controlling Maryland by force, this was not what was wanted, but that we wished to control it by the power of opinion, and that, to satisfy the country that the people were on our side, we must leave them to an unbiassed expression of their wishes They were left to that unbiassed expression, and such was its character that I had supposed that no one would still require evidence of their loyalty