CUSTOM HOUSE EXPOSURES.

WHY NEW YORK MERCHANTS ARE REDUCED TO TEARS.

What a Grand Juror Learned about Frauds upon the Government—What the President said to Appraiser Palmer, and what the President Did.

The Senate Committee of Investigation met yesterday morning at 10½ o'clock.

Senator Stewart—The other side wants to examine witnesses now.

Bayard—Is there another side?

Stewart—Certainly.

Casserly.—There are two sides in this committee, are there?

Stewart—I think so.

Casserly—I am glad to have that admission. There are two sides, then, in a committee which is sent here in the interest of the public?

Stewart (stroking his long, red beard, which makes him look like the veritable Bluebeard)—Yes, sir.

John D. Terry, an import clerk in the Auditing Department of the Custom House, was called in reference to some testimony of Mr. Whitelaw Reid. He denounced the statements of Capt. Grant, whose letter has been published in THE SUN, as false. He said, in answer to a question of Mr. Casserly, "He didn't know it from his own knowledge."

Q.—Do you not know many things to be true which you don't know from your own knowledge? A.—No, sir; I don't call such things of the kind to mind.

Q.—You know that President Grant lives at the White House? A.—No, sir; I don't know it. (Laughter.)

Q.—You said when you began testifying that you wished to be cross-examined; who told you that you wished to be cross-examined? A.—Nobody. I stated simply that I wished to be examined.

Q.—Why did you wish to be examined? A.—Because Capt. Grant's statements (quoted by Mr. Reid) were false.

CUSTOM HOUSE WEIGHERS' WAYS.

John B. McKenzie, importer of tea, testified that United States weighers do not weigh the goods, but sign blank returns to the Government. The Government weighers examine and weigh the goods, but take the weights of the City Weigher.

Recd.—If the goods are weighed by the City Weigher, I should be glad to know what the Custom House weighers are for? A.—Well, sir, you are in a good way to find out. I can't tell you.

Tayloe—Do you suppose it adds to the efficiency of the Custom House when the Custom House officials are so easy to political influence or to assist at the polls? A.—No, sir; there is a great deal of delay occasioned by the absence of clerks.

Q.—Do you mean to say that this is the cause of there being two? A.—Well, sir, I think it is the cause of there being two. Sometimes I have seen a clerk recently I would mention. I had an entry delayed, and my clerk, Mr. Bradley, told me, "Mr. McKenzie, if you want to have your entry done at the New York Custom House you must pay for it. The clerks know who pays them and who does not." He mentioned two or three other firms who did not pay anything to the entry clerks.

Q.—Do I understand you to say that it is the rule among merchants to pay the clerks? A.—Yes, sir, it is the rule.

Q.—Does the system extend over all the departments of the Custom House? A.—I know it does over a good many.

Q.—Do you know of gratuities—as they have been styled—being paid to officers? A.—I never paid any money, but I know of many firms who did.

Q.—Who handled the goods which the United States weighers caught to have weighed? A.—The city weighers.

Q.—Then the United States weigher made the returns of goods which he never touched? A.—Yes, sir.

THE HABITUAL BRIBE-TAKERS.

Q.—What are the names of the other firms who your clerk told you didn't pay anything to the clerks. A.—I don't remember exactly. I think Bayard & Cumming, Bulmer, Berry & Co., and others.

Pratt—With regard to these bribes, how were these things managed? A.—By giving them the money. (Laughter.)

Casserly—The clerks are pretty bold about it? A.—My opinion is if a man will take a bribe he won't hesitate to take money.

Q.—Are the clerks who are in the habit of taking bribes from merchants, entry clerks? A.—Yes, sir; those to whom my clerk referred.

Q.—Will you make any other statements? A.—Yes, sir. A short time before the Presidential election he was Grand Juror in the United States Circuit Court. A few years ago, books were placed before him which showed that the United States Government had been defrauded of a large amount by the Custom House, and this has settled the matter for $50,000. I told him last week that I would give his name to the Sub-Committee. Is it a matter of public or private interest?

Pratt—Which were those frauds committed? A.—Within the last three years. A merchant in Boston, who bought tea from me, also told me that the weight on which he paid duties was more than the actual weight.

Casserly—Do the merchants of this city hesitate to come forward to make complaint? A.—Yes, sir; we do not want to be branded as informers, the same as Benedict.

—You don't think it would facilitate their business either, do you? A.—No, sir; I don't think it would.

Pratt—What sort of men were the clerks who gave to the port are not seized? A.—I would include collectors and surveyors.

A COMMISSION MERCHANT'S TESTIMONY.

Bernard B. Cairs, commission merchant, testified that he was called into the collector's office on the charge of an attempt by a third party to bribe Houston (who was afterwards one of the Assistant Appraisers) to the tune of $400 to "compromise" the matter; that the offer was made entirely on his part, at his cost him (Cairs) a great deal of money; that he was charged with the duty of the goods in question was only $2,000. A Custom House broker informed him that he could expedite his business at the Custom House by bribing the clerks, and he did so; he was charged $10 for some clerks of Cairs, which he had stored in one of the general order stores.

Gen. Geo. W. Palmer, former Appraiser, was called upon to testify in reference to the removals made on account of political reasons, mentioned by Mr. Reid of the *Tribune*.

Howe—What do you know of the case of Corrigan? A.—Mr. Corrigan was appointed to a place in the Appraiser's office. Mr. Murphy was appointed Collector of the Port. Mr. Murphy said he had been good to Long Beach and wanted to make Grant, Gen. Grant, he said, seemed to take a great interest in Long Beach people. Mr. Murphy said that I had a very important man in my employ, a man by the name of Corrigan. Gen. Grant wanted me to make a place for Corrigan. I said that I should take pleasure in doing so. Mr. Murphy inquired what I would tell him that he (Corrigan) was retained because he (Murphy) harassed the President to retain him. I said I would do no such thing. I said that it might strange that the President should attach such importance to a man like Corrigan.

Howe—Was Corrigan a Democrat? A.—In the summer of 1872 he was a leader in Tammany Hall.

Q.—Was he one of the

POLITICAL SERVICE DESIRED?

A.—There was some little difficulty between Mr. Murphy and Mr. Greeley in the Eleventh District. I think it was about securing delegates to the Convention; and Mr. Corrigan had some influence in that district.

Q.—Did you tell Corrigan what Mr. Corrigan requested you to tell him? A.—Yes, sir.

Q.—Do you know how Mr. Corrigan did vote? A.—I think he voted the Democratic ticket.

Q.—Didn't vote the right ticket? A.—I suppose so. (Laughter.)

Mr. Howe read that part of Mr. Reid's testimony which related to the discharge of three men who had worked against the Murphy interest.

Gen. Palmer—The three gentlemen, Mr. Forbes, Mr. Cohnan and Mr. Nash, were all removed by letter of the secretary of the Treasury.

Q.—Were any places assigned for their removal? A.—Yes, sir; some were assigned.

Q.—What was the cause of their removal? A.—Well, sir, I don't know anything for certain. I will tell what I think. There was a considerable contest in some localities in which the Administration, as between the two factions of the Republican party. On the evening before the election I had a consultation with Mr. Murphy, Mr. Bliss in position, and enjoying the confidence of the President. Mr. Bliss stated that he had had a consultation with the powers that be, and that he knew what the Administration wanted. He said that the President had sent him to inform me that the three men should vote as Mr. Murphy and Mr. Bliss told me to tell them that. I told them so. I think it proper to

INFLUENCE MY SUBORDINATES

in their political actions. One of them, Forbes, had been in the service of the Government for a long time. I had asked the office-holders in my district to abstain from taking any active part in the contest. I had asked them to do as much as they could for the Republican party, but to abstain from taking active part in the contest. Forbes had not done so. I had

Q.—Was Mr. Grinnell remonstrated? A.—

Q.—Do you know a man by the name of Hayner? A.—

Howe—Was he a supplier of liquors. He

Howe—Was he a supplier of liquors. He

Howe—Was he a supplier of liquors. He