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Garfielde Vs. United States

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Court : US Supreme Court

Decided On : 1876

Appeal No. : 93 U.S. 242

Appellant : Garfielde

Respondent : United States

Judgement :

Garfielde v. United States - 93 U.S. 242 (1876)
U.S. Supreme Court Garfielde v. United States, 93 U.S. 242 (1876)

Garfielde v. United States

93 U.S. 242

APPEAL FROM THE COURT OF CLAIMS

SYLLABUS

The Post Office Department, by public notice, invited proposals for conveying the mails on route No.

"43,132, from Portland, Oregon, by Port Townsend (W.T.) and San Juan, to Sitka, Alaska, fourteen hundred miles and back, once a month, in safe and suitable

steamboats."

The notice, after fixing the time of departure and arrival from the terminal ports, contained the following: "Proposals incited to begin at Port Townsend (W.T.), five hundred miles less. Present pay, $84,800 per annum."

HELD

1. That under sec. 243 of the Act of June 8, 1872, 17 Stat. 313, this was a sufficient notice that proposals were desired for carrying the mails between Port Townsend and Sitka.

2. That the acceptance by the Post Office Department of the proposal of a bidder to so carry them created a contract of the same force and effect as if a formal contract had been written out and signed by the parties.

In addition to the facts set forth in the opinion of the Court, the court below found that the appellant's proposal was as follows:

"The undersigned, Selucius Garfielde, whose post office address is Port Townsend, County of Jefferson, Territory of Washington, proposes to convey the mails of the United States from July 1, 1874, to June 30, 1878, on route No. 43,132, between Port Townsend, and Sitka, Alaska, under the advertisement of the Postmaster General, dated Oct. 1, 1873, in safe and suitable steamboats, 'with celerity, certainty, and security' (law of June 8, 1872), for the annual sum of $26,000. "

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"This proposal is made with full knowledge of the distance of the route, the weight of the mail to be carried, and all other particulars in reference to the route and service, and also after careful examination of the laws and instructions attached to advertisement of mail service."

"Dated, Port Townsend, W.T., Jan. 8, 1874."

"SELUCIUS GARFIELDE, *Bidder* "

He made no proposal under the first part of the advertisement for carrying the mail between Portland, Oregon, by Port Townsend, W.T., and San Juan to Sitka, Alaska.

In March, 1874, the following notice of acceptance was sent to said Garfielde:

"U.S. POST-OFFICE DEPARTMENT"

"OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL"

"WASHINGTON, D.C., March 2, 1874"

"SIR -- The Postmaster General has accepted your proposal, under advertisement of Oct. 1, 1873, for conveying the United States mail, from July 1, 1874, to June 30, 1878, on [Washington Territory] route No. 43,132, between Port Townsend and Sitka, Alaska, at $26,000 a year, 'with celerity, certainty, and security.'"

"Contracts will be sent in due time to the postmaster at your place of residence, which you must execute and return to the department by the first day of June; otherwise you will be considered a failing bidder, and the service will be relet at your expense."

"You will request the postmaster at the beginning and end of the route to inform this office when you make the first trip."

"Respectfully, &c.;,"

"J. L. ROUTT"

" *Second Assistant Postmaster General* "

"MR. SELUCIUS GARFIELDE"

"PORT TOWNSEND, JEFFERSON CO., W.T."

"Recorded and sent March __, 1874"

And on the eighteenth day of April, 1874, Garfield was informed by telegram that his "proposal" was suspended; and on the 30th of May, 1874, a contract was entered into between the Post Office Department and one Otis for carrying the mails from Portland by Port Townsend and San Juan, to Sitka and back, at $34,800 per annum.

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The Court of Claims dismissed the petition, whereupon Garfielde appealed here.

MR. JUSTICE HUNT delivered the opinion of the Court.

The Court of Claims holds that the proposal on the part of Garfielde, and the acceptance of the proposal by the department, created a contract of the same force and effect as if a formal contract had been written out and signed by the parties. Many authorities are cited to sustain the proposition. We believe it to be sound, and that it should be so held in the present case.

That court held that the contract alleged by the petitioner was invalid, for the reason that the Postmaster General exceeded his authority in making it without the previous publication required by the Act of Congress of June 8, 1872. 17 Stat. 313, sec. 243.

That act required,

"That, before making any contract for carrying the mail, . . . the Postmaster General shall give public notice . . . such notice shall describe the route, the time at which the mail is to be made up, the time at which it is to be delivered, and the frequency of the service."

Among the instructions issued by the authority and official sanction of the Postmaster General are the following, which were referred to and proved or admitted by the parties at the trial:

"SPECIAL NOTICE -- All instructions and regulations promulgated by the Postmaster General, conformably to law, for the guidance of persons employed by the department, are entitled to the same respect and obedience as acts of Congress. . . ."

"SEC. 263. The Postmaster General may order an increase or extension of service on a route, by allowing therefor a *pro rata* increase on the contract pay. He may change schedules of departures and arrivals in all cases, and particularly to make them conform to connections with railroads, without increase of pay, provided the running time be not abridged. He may also order an increase of speed, allowing, within the restrictions of the law, a *pro rata* increase of pay for the additional stock or carriers, if any. The contractor may, however, in case of increase of speed, relinquish

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the contract, by giving prompt notice to the department that he prefers doing to carrying the order into effect. The Postmaster General may also discontinue or curtail the service, in whole or in part, in order to place on the route a greater degree of service, or whenever the public interests, in his judgment, shall require such discontinuance or curtailment for any other cause; he allowing, as a full indemnity to the contractor, one month's extra pay on the amount of service dispensed with, and a *pro rata* compensation for the amount of service retained and continued."

"SEC. 267. Bidders should first propose for service strictly according to the advertisement, and then, if they desire, separately for different service, and, if the regular bid be the lowest offered for the advertised service, the other proposition may be considered."

"SEC. 275. The law provides that contracts for the transportation of the mail shall be awarded to the lowest bidder tendering sufficient guaranties for faithful performance, without other reference to the mode of such transportation than may be necessary to provide for the due celerity, certainty, and security thereof."

The notice in the present case called for proposals for carrying the mails on route No. 43,132, from Portland, Oregon, to Sitka, Alaska. The distance was stated to be fourteen hundred miles. The duty was required to be performed each way once in each month, in safe and suitable steamboats, by the way of Port Townsend and San Juan. The time of departure and arrival at each terminus was specified, and ten days was allowed for the passage. It was then added, "Proposals invited to begin at Port Townsend (W.T.), five hundred miles less."

We are of the opinion that this was a sufficient notice, under sec. 243, *supra,* that proposals were desired for carrying the mail from Port Townsend to Sitka. The rigorous and strained construction which would defeat it would defeat the reasonable intent of the statute. Each terminus was given -- to-wit, Port Townsend and Sitka -- as was the route to be followed -- to wit, by way of San Juan -- and the length of time to be occupied -- to-wit, ten days for the whole distance, of which this distance bore the proportion of nine to fourteen -- and the time of making up and delivery, upon the same principle. The steamer should leave Portland on the first day of every month; of the ten days allowed for the passage to Sitka, five-fourteenths would be

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occupied in reaching Port Townsend, and nine-fourteenths would be allowed for the residue. The whole time and the whole number of miles being given, it was a simple arithmetical question of when the steamer would leave Port Townsend, and when, on its return, it would reach that port.

The object of the statute was to secure notice of the intended post routes, of the service required, and the manner of its performance, that bidders might compete, that favoritism should be prevented, that efficiency and economy in the service should be obtained. It was not required that papers of this character should be drawn, as if they were subject to the criticism or dissection of a demurrer in a court of law.

Accordingly it appears that this notice for the abridged distance is in conformity to the usages of the Post Office Department for many years past, proof having been made of nine hundred similar advertisements published by the Postmaster General. Long practice and constant usage favor the construction we have given to these proposals.

Great aid is also given by the two hundred and sixty-third regulation, above recited. It is there provided, that the Postmaster General may, in his discretion, change the schedule of departures and arrivals, without increase of pay, if the running time be not abridged. Under this authority, he had the power to name the precise days of the month on which the steamer of Garfielde, the claimant, should leave Port Townsend or Sitka, or both of these places. The supposed defects in the advertisement are capable of a remedy, if needed, under this authority.

The damages are regulated by the same section. The claimant states in his proposal that he has full knowledge of the laws and regulations of the department on the subject of mail transportation. He no doubt knew that this regulation provided that the Postmaster General could discontinue entirely the service for which he proposed, whenever in his judgment the public interests required it, and that for such discontinuance one month's pay was to be deemed a full indemnity to the contractor. There was reserved to the Postmaster General the power to annul the contract when his judgment advised that it should be done, and the compensation to the contractor was specified. An indemnity agreed upon as the amount to be

paid for cancelling a contract, must, we think, afford the measure of damages for illegally refusing to award it.

Judgment reversed and cause remitted that a judgment may be rendered in favor of the appellant for a sum equal to one month's compensation under the proposal made by him and accepted by the Postmaster General.

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