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### Accounts of the Treasury Dept

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IN THE SENATE OF THE UNITED STATES.

JUNE 6, 1876.—Ordered to be printed.

Mr. SHERMAN, from the Committee on Finance, submitted the following

REPORT:

The Committee on Finance, pursuant to instructions of the Senate by its resolution of the 24th of January last, "that the Committee on Finance be instructed to investigate the books and accounts of the Treasury Department, particularly with reference to discrepancies and alterations in amounts and figures that have been made in them, especially in the annual statements of the expenditures of the Government, revenue collected, and the public debt contained in said reports; and if any such discrepancies and alterations be found to exist, to report the same and the extent and nature thereof, the years wherein they occur, by what authority made, if any, the reasons that induced them, and to report generally such other and further information bearing upon the subject as to them may seem best, and that said committee have power to send for persons and papers," have given the subject as careful attention as their official duties permitted.

The substance of the information received by them is embodied in the following letters and statements hereto annexed and made a part of this report. The references in these statements to the various documents referred to, and especially to the annual reports of the Secretary of the Treasury on the state of the finances, made it necessary to examine all these statements, but they are too voluminous to embody in this report.

Your committee think it would best answer the purpose of the inquiry to state in general terms the result of their investigation.

The primary object in the organization of the Treasury Department is to secure the safe custody and legal disbursement of all the public money. A secondary object, and yet a very important one, is to secure an accurate accountability and full public statement of all receipts and expenditures by the Government. These are separate and distinct questions, the first referring to the actual custody and disbursements; the second to the proper accounts of such receipts and expenditures. Both objects are intended to be secured by the Constitution in the seventh clause of section 9, article 1, that "no money shall be drawn from the Treasury but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time."

By the several acts organizing the Treasury Department, it was intended to secure the safe keeping and custody of the public money, and a full statement and account of all receipts and expenditures. All money was to be covered into the Treasury; and all claims and demands whatever by the United States, or against them, and all accounts what-

ever in which the United States are concerned, either as debtor or creditor, were to be settled and adjusted in the Treasury Department.

When money is covered into the Treasury it is under the safeguard of the Constitution and the law. It cannot be disbursed without an appropriation by Congress; and when the appropriation is made it can only be paid out when an organized corps of accounting-officers shall concur, first, that the appropriation has been made; second, that the expenditure is within the meaning and intent of the law; third, that the amount is justly due, as shown by the voucher. Then it can be paid out by the Treasurer, and then alone can he be credited for the payment. When the payment is made the transaction is registered not only by the Treasurer himself, but by the officers specially designated to register and keep an account "of all receipts and payments by the Treasurer of the United States."

So far as the safe keeping and custody of public money covered into the Treasury is concerned, it would be difficult to point out a better mode than is provided for by existing law. Every safeguard that has been suggested has been furnished. No law can prevent the neglect or violation of their public duties by Comptrollers, Auditors, or Registers; but the guards and checks upon such misconduct are as perfect as human ingenuity could devise.

When money is covered into the Treasury it can only be paid out on a warrant of the Secretary of the Treasury, countersigned by the Comptroller and registered by the Register; which warrant is based either, first, on a proper requisition in favor of a disbursing-officer; or, second, in payment of a claim duly audited by the accounting-officers. Each of these officers performs duties independent of the other, and the signature of each is requisite to authorize and attest payments of public money. This mode, in force since the organization of the Government, is very satisfactory.

Money is covered into the Treasury by a warrant, (based upon a certificate of deposit,) countersigned by the Comptroller and registered by the Register, as in case of a pay-warrant. As stated before, moneys covered into the Treasury cannot be again taken out, except through an appropriation; and even moneys erroneously covered in, as in case of customs or internal revenue, can only be recovered through an appropriation, which, in the two cases mentioned, is authorized by law; but an account has to be stated against the appropriation, as in the case of expenditures; so that by *no process* can receipts covered into the Treasury be diminished, but the expenditure is increased to the extent of the erroneous payments. In the case of moneys refunded as excess of deposits made in the customs service, the whole amount of the receipts is charged as received into the Treasury, and the amount refunded is charged to an appropriation. These are not actually and properly expenditures, yet, under the inflexible system which is controlled by the Constitution itself, every payment from the Treasury must be made through an appropriation.

One of the most troublesome propositions before the Treasury Department is to make the expenditures of a certain fund or the accounts of a particular transaction conform to the direction of the law. The system of accounts must, then, be so universal as to be able to accommodate itself to any particular case that may arise. The act of 1836 directed that more than \$28,000,000 surplus revenues be deposited with the States. It would have been much more convenient for the Department to have charged off from the accounts these amounts of money to

each of these States with which it was deposited; but the law directed that the money should remain on deposit with the States; and hence to this day that amount of money in the public accounts is included in the account of "cash in the Treasury," although the probable intention was that it should not be repaid.

#### UNAVAILABLES.

All money in the Treasury, wherever it may be deposited or placed for disbursement or custody, is charged to the Treasurer of the United States. It is obvious, however, that this money may be lost without fault on the part of the Treasurer, by robbery, accident, defalcation of a subordinate officer, misconduct of depositaries having it in charge, or otherwise. Still, under the law, the Treasurer is responsible, and is charged with these sums. Such a deficit would in the accounts of a firm be a simple, plain entry in the profit and loss account by crediting cash and debiting the defaulter. But from the fact before stated that money cannot be taken from the Treasury except by an appropriation, this course could not be pursued. An account called "unavailables" was created, which was charged with the amounts, and the Treasurer credited in his general account through the statement of an account by the accounting-officers. This method of relieving the Treasurer is, your committee are informed, a practice which has grown up, and is not authorized by law, and for some years past has been prohibited by the Comptroller, and has been discontinued. It is plain that the Treasurer should be relieved from this responsibility, and that Congress should in some proper way provide by law for the dropping of these unavailable funds, by authorizing a credit to the Treasurer, and a corresponding charge against the defaulting officer, who fails to pay the money on demand.

#### TRUST-FUNDS.

Again, when large sums of money were paid into the Treasury as trust-funds, they were considered, not as general assets in the Treasury from which general expenditures could be made, and hence a system after 1842 grew up of attempting to keep separate the trust-fund account. The moneys deposited with the States, trust-funds and unavailable balances, had swollen to so large an item in the cash-account that in 1842 it was dropped from the *annual statement* made in the Finance Report, but still retained (as it could not be excluded for reasons before given) in the official statement of the Treasury receipts and expenditures. In 1866 the trust-funds and unavailables, amounting to \$2,217,732.94, were again included in the yearly statements of the Secretary of the Treasury, (see Finance Report for that year, pages 2 and 32, a detailed statement of which will be found in the accompanying papers,) and the examination by a detail of clerks, in 1870, was made in order that these trust-funds might be added to the general balance in other years. (See Finance Report 1870, and accompanying papers.)

In view of the varying opinions of Secretaries of the Treasury as to the manner in which these funds should be treated, and the confusion in statements created thereby, your committee are of the opinion that it would be better that all money belonging to the United States, of which the interest alone is to be disbursed for the benefit of others, should be covered at once into the Treasury, so that its expenditure may be under the general safeguard of the law, to be paid out only in pursuance of an appropriation by Congress. For instance, the fund

received for the Smithsonian Institution was originally invested in State stocks, through which investment the fund lost interest for a number of years, and notably in the case of Arkansas, which still owes the amount invested in the bonds of that State. Congress was compelled to direct that the whole of this fund as fast as collected should be paid into the Treasury, and assumed the debt to the whole amount of funds received, and obligated the Government to pay 6 per cent. interest upon the same. By this method the transaction is very much simplified; absolute security is given to the fund and the proper accountability is required at the Treasury.

The Navy pension-fund, amounting to \$14,000,000, now by law invested in the temporary loan at 3 per cent. interest, should be covered into the Treasury, and, to meet the purpose for which the fund was created, the obligation of Congress be given to appropriate the interest each year; and it would appear to your committee that all trust-funds now outstanding, unless there is some clear reason to the contrary, ought to be covered into the Treasury, and all appropriations from such trust-funds be made by Congress.

These are the only changes your committee can recommend in the laws regulating the safe-keeping and disbursement of public money.

These explanations will appear more intelligible by reference to the following scheme of accounts of the Treasury Department from 1861 to 1870, which comprises the years in which the alleged discrepancies occurred, and a comparison of which will show the perfect harmony of the public accounts.

General Fund.

DR.

CR.

June 30, 1861	To appropriations to date .....	\$2,324,050,879 04	June 30, 1861	By receipts to date .....	\$2,267,450,570 98
				By amount carried to the surplus fund .....	43,606,605 26
				By amount erroneously carried to the surplus fund in 1847 and restored in 1850 .....	152,249 94
				By amount of repayments with no corresponding expenditures, 1851 .....	21,621 05
				By amount of repayments, with no corresponding expenditures, 1852 .....	14,179 45
				By balance .....	12,805,652 36
		2,324,050,879 04			2,324,050,879 04
July 1, 1861	To balance .....	\$12,805,652 36	Fiscal year 1862	By receipts (a). { Ordinary .....	\$581,628,181 26
Fiscal year 1862	To appropriations (b) .....	673,448,954 36		{ Trust funds ...	51,734 67
1863	do .....	1,774,341,938 91	1862	By surplus fund (d) .....	375,814 27
1864	do .....	799,640,714 58	1863	By receipts ... { Ordinary .....	888,082,128 05
1865	do .....	2,061,582,607 14		{ Trust funds ...	1,297,524 47
1866	do .....	812,768,122 52	1863	By surplus fund .....	553,928 40
1867	do .....	1,055,611,178 54	1864	By receipts ... { Ordinary .....	1,389,466,963 41
1868	do .....	986,197,619 27		{ Trust funds ...	3,994,054 16
1869	do .....	589,480,722 56	1864	By surplus fund .....	7,459,845 16
1870	do .....	689,652,190 08	1865	By receipts ... { Ordinary .....	1,801,792,627 51
July 1, 1870	To balance .....	92,996,304 90		{ Trust funds ...	4,146,718 42
			1865	By surplus fund .....	3,457,463 03
			1866	By receipts .....	1,270,884,173 11
			1866	By surplus fund .....	1,317,884 95
			1867	By receipts .....	1,131,060,920 56
			1867	By surplus fund .....	935,305 81
			1868	By receipts .....	1,030,749,516 52
			1868	By surplus fund .....	62,587,965 49
			1869	By receipts .....	609,621,828 27
			1869	By surplus fund .....	58,739,194 63
			1870	By receipts .....	696,729,973 63
			1870	By surplus fund .....	3,592,259 44
		9,554,526,005 22			9,554,526,005 22

ACCOUNTS OF THE TREASURY DEPARTMENT.

*Appropriation accounts, under which an account is kept with each appropriation.*

EXPENDITURES.

APPROPRIATIONS.

June 30, 1861	To amount of warrants issued to date.....	\$2,236,953,176 27	June 30, 1861	By appropriations to date.....	\$2,324,050,879 04
	To surplus fund.....	43,606,605 26			
	To amount erroneously carried to the surplus fund in 1847 and restored in 1850.....	152,249 94			
	To amount of repayments when there were no expenditures, 1851.....	21,621 05			
	To amount of repayments when there were no expenditures, 1852.....	14,179 45			
	To balance of appropriations.....	43,303,047 07			
		<u>2,324,050,879 04</u>			<u>2,324,050,879 04</u>
Fiscal year 1862	To amount of war- { Ordinary .. \$570,841,700 25 } rants issued (c) . { Trust fund 17,040 75 }	{ 570,858,741 00	July 1, 1861	By balance of appropriations.....	43,303,047 07
1862	To surplus fund (d) ..	375,814 27	Fiscal year 1862	By appropriations (b) ..	673,448,954 36
1863	To amount of war- { Ordinary .. 895,796,630 65 } rants issued (f) . { Trust fund 30,729 59 }	{ 895,827,351 24	1863	By appropriations ..	1,774,341,938 91
1863	To surplus fund.....	553,928 40	1864	do ..	799,640,714 58
1864	To amount of war- { Ordinary .. 1,298,056,101 89 } rants issued .... { Trust fund 88,554 11 }	{ 1,298,144,665 00	1865	do ..	2,061,582,607 14
1864	To surplus fund.....	7,484,845 16	1866	do ..	818,768,122 52
1865	To amount of war- { Ordinary .. 1,897,674,224 09 } rants issued .... { Trust fund 7,242,242 00 }	{ 1,904,916,466 09	1867	do ..	1,055,611,178 54
1865	To surplus fund.....	3,457,463 03	1868	do ..	986,197,619 27
1866	To amount of warrants issued ..	1,141,072,665 09	1869	do ..	589,480,722 56
1866	To surplus fund.....	1,317,884 95	1870	do ..	689,652,190 08
1867	To amount of warrants issued ..	1,093,079,655 27			
1867	To surplus fund.....	935,305 81			
1868	To amount of warrants issued ..	1,069,889,970 74			
1868	To surplus fund.....	68,587,965 49			
1869	To amount of warrants issued ..	584,777,996 11			
1869	To surplus fund.....	58,739,194 63			
1870	To amount of warrants issued ..	702,907,842 88			
1870	To surplus fund.....	3,592,259 44			
July 1, 1870	To balance.....	85,532,079 43			
		<u>9,492,027,095 03</u>			<u>9,492,027,095 03</u>

UNAVAILABLES.

Fiscal year 1862	To unavailables (e).....	\$11,110 81	Fiscal year 1869	By receipts from unavailables.....	\$6,493 63
1863	do ..	6,000 01	July 1, 1870	By balance.....	924,267 82
1864	do ..	9,210 40			
1865	do ..	6,095 11			
1866	do ..	172,094 29			
1867	do ..	721,827 93			
1869	do ..	4,422 90			
		<u>930,761 45</u>			<u>930,761 45</u>

Treasurer's general account.

RECEIPTS.

EXPENDITURES.

June 30, 1861	To receipts to date.....	\$2,267,450,570 98	June 30, 1861	By amount of warrants paid.....	\$2,236,486,713 15
				By balance in Treasury.....	30,963,857 83
		2,267,450,570 98			2,267,450,570 98
July 1, 1861	To balance in Treasury.....	30,963,857 83	Fiscal year 1862	By warrants paid (c).....	565,667,358 08
Fiscal year, 1862	To receipts (a).....	581,679,915 93	1862	By unavailables (e).....	11,110 81
1863	To receipts.....	889,379,652 52	1863	By warrants paid (f).....	899,815,911 25
1864	do.....	1,393,461,017 57	1863	By unavailables.....	6,000 01
1865	do.....	1,805,939,345 93	1864	By warrants paid.....	1,295,541,114 86
1866	do.....	1,270,884,173 11	1864	By unavailables.....	9,210 40
1867	do.....	1,131,060,920 56	1865	By warrants paid.....	1,906,433,331 37
1868	do.....	1,030,749,516 52	1865	By unavailables.....	6,095 11
1869	do.....	609,621,828 27	1866	By warrants paid.....	1,139,344,081 95
1869	To receipts from unavailables.....	6,493 63	1866	By unavailables.....	172,094 29
1870	To receipts.....	696,729,973 63	1867	By warrants paid.....	1,096,351,566 66
			1867	By unavailables.....	721,827 93
			1868	By warrants paid.....	1,069,372,245 36
			1869	By warrants paid.....	585,133,289 12
			1869	By unavailables.....	4,422 90
			1870	By warrants paid.....	703,155,391 44
			July 1, 1870	By balance in Treasury.....	178,731,643 96
		9,440,476,695 50			9,440,476,695 50

OUTSTANDING WARRANTS.

June 30, 1861	To balance outstanding.....	\$466,463 12	June 30, 1861	By amount issued but unpaid to date.....	\$466,463 12
July 1, 1863	To outstanding warrants paid during the year (f).....	3,988,560 01	July 1, 1861	By balance.....	466,463 12
July 1, 1865	To outstanding warrants paid during the year.....	1,527,190 23	July 1, 1862	By warrants issued in year but not paid (c).....	5,191,382 92
July 1, 1867	do.....	3,271,911 39	July 1, 1864	By warrants issued in year but not paid.....	2,603,550 14
July 1, 1869	do.....	355,293 01	July 1, 1866	do.....	1,738,909 09
July 1, 1870	do.....	247,548 56	July 1, 1868	do.....	517,725 38
July 1, 1870	To balance.....	1,127,527 45			
		10,518,030 65			10,518,030 65

BALANCES.

July 1, 1870	Unappropriated balance.....	\$92,996,304 90	July 1, 1870	Unavailables.....	\$924,267 82
July 1, 1870	Balance of appropriations.....	85,532,079 43	July 1, 1870	Balance in Treasury.....	*178,731,643 96
July 1, 1870	Outstanding warrants.....	1,127,527 45			
		179,655,911 78			179,655,911 78

\* Includes amounts deposited with the States.



First is the general account, to which *all* receipts are credited. The proper debit of this account is the appropriation warrants in aggregate.

The next is that of the individual appropriation accounts, which by law the Secretary is directed to carry to the credit of particular accounts. All pay-warrants are charged to their appropriate appropriations and credited to the Treasurer in his general account when paid. If unpaid at the end of the year, they are credited to an account of outstanding warrants. When warrants outstanding from a former year are paid, they are credited to the Treasurer and charged to the outstanding account. The Treasurer is also charged with all receipt-warrants paying money into the Treasury. When an appropriation has any balance remaining undrawn for the time limited by law to which the appropriation is available, a "surplus-fund" warrant is issued charging the appropriation account and crediting the general fund.

As there is no way by which money can be taken out of the Treasury except through an appropriation, the only way the Treasurer can receive credit for moneys for which he is responsible which have been lost through the defalcation of depositaries, or by which such defaulting officers can be personally charged on the books of the Department, is through the medium of an account designated "unavailables," to which all unavailable funds are charged whenever the Treasurer receives credit for them. If any amounts are afterward recovered on this account, the "unavailable" account is credited and the Treasurer charged.

An inspection of these accounts will show that the expenditures of the Government may be stated from either the appropriation account or the Treasurer's general account of receipts and expenditures, the difference being that the Treasurer's account will only show warrants *paid*, while the appropriation account will show all warrants *issued*. The harmony, then, between these two accounts, will always be complete when the outstanding warrants are taken into account.

For the years 1862, '63, '64, and '65 the receipts and expenditures of the Government were published in the finance reports, excluding the trust-funds. This was done in accordance with the custom referred to, which had obtained since 1842, and which was changed to the present system in 1866. (See Finance Report, 1865, p. 2.)

The Register of the Treasury, since the commencement of the Government, has pursued the system of stating the expenditures of the Government by the Treasurer's account, (warrants paid;) but as this account cannot be settled in time to be included in the finance report, the expenditures, as shown by the appropriation account, (warrants issued,) are used for the time being; but as soon as the Treasurer's account is settled, the correct amount by warrants paid is substituted in the published tables. During the war the settlement of the Treasurer's account was so far in arrears that the change from warrants issued to warrants paid was not made from 1862 until 1869, when the changes in the years 1862 to 1866, inclusive, were effected.

#### PUBLIC-DEBT STATEMENT.

This statement was, prior to 1871, prepared from the "issues and redemptions," but in that year a thorough examination was had of the receipts and expenditures from the year 1836, when there was no public debt; every item of payment on account of public debt was scrutinized. The object of the examination was to prove the accuracy of the accounts by showing the public debt to be the difference between the receipts

from loans and the payments in redemption. Various differences were, however, found to exist, not in any manner affecting the cash in the Treasury, which are fully explained in the following statement taken from the Finance Report for 1871, page 20 :

The statement of the receipts and expenditures, on account of the principal of the public debt, as per Tables M and N, shows the net receipts from the organization of the Government to June 30, 1871, to have been.....	\$7, 094, 541, 041 38
The expenditures for the same period were.....	4, 857, 434, 540 51
Leaving.....	2, 237, 106, 500 87

as the amount of the principal of the public debt outstanding and unpaid on June 30, 1871.

The amount of the principal of the public debt, outstanding and unpaid, as shown by the monthly debt statement for July 1, 1871, and Tables I and L, is \$2,353,211,332.32, showing a difference of \$116,104,831.45 more outstanding by debt statement than by the statement of receipts and expenditures. This difference is thus explained : The following stocks were issued in payment of various old debts and claims, but in the transactions no money ever came into the Treasury. On the maturity of the stock it was paid off, showing an expenditure where there had been no corresponding receipt :

Revolutionary debt of the several States, estimated.....	\$76, 000, 000 00
Mississippi stock, exact.....	4, 282, 151 12
Louisiana purchase, exact.....	11, 250, 000 00
Washington and Georgetown debt to Holland, exact.....	1, 500, 000 00
United States bank stock, exact.....	7, 000, 000 00
Six per cent. navy stock, exact.....	711, 700 00
Texas purchase, exact.....	5, 000, 000 00
Mexican indemnity, fourth and fifth installments, exact.....	303, 573 92
In addition to the foregoing, the following amount is to be added, being composed of discount suffered in placing loans, interest paid and erroneously charged as principal, and various errors in settling and stating loan accounts. All of these latter and the Revolutionary debt are now being investigated, and will be explained in a future report in detail.....	10, 057, 406 41
	116, 104, 831 45

It must be borne in mind, in reading this explanation, that the errors alluded to are not such as in any manner affect the cash account of the Government, or reflect upon the integrity of former officers of the Treasury. A part of the differences has arisen from a want of knowledge and care on the part of subordinate clerks in stating loan accounts, but much the larger proportion has occurred from a want of unity, *system*, and *proper method* in the accounts as heretofore kept in the Department. And these latter defects are partly owing to a want of sufficient legislation to enable the accounts to be properly kept. A bill was presented to Congress at its last session which was intended to supply this deficiency. It passed the House, but was not reached in the Senate. Until there is legislation, these errors and defects in the accounts must be perpetuated, and others must be made.

As an illustration of the class of differences which require legislation before they can be corrected, the two following are given : In 1850 there were \$5,000,000 in bonds issued to pay Texan indemnity. For these bonds no money was ever received, and therefore there is no entry representing them on the credit side of the account, as in ordinary loan transactions. When the stock matured it was paid out of the Treasury and charged in the loan accounts, thus erroneously reducing this account by just the amount paid. The loan of February, 1861, was sold at a discount of \$2,019,776.10. Only the difference between the amount of this loan and of this discount was received into the Treasury. The loan appears in the debt statement at the par of the issue, but in the receipts and expenditures it can only appear (for want of a premium and discount account) at the actual amount of money received for the loan.

The following copy of a letter prepared by the present Assistant Secretary of the Treasury, Mr. Conant, under the direction of the Acting Secretary of the Treasury, Mr. Richardson, explains very fully the cause of the apparent discrepancies in the statements of the public debt :

SIR: Referring to your communication of the 2d instant, calling attention to apparent discrepancies in the different statements of the outstanding amount of the public debt of the United States on July 1, 1869, as follows:

By Finance Report for 1869, page xxix.....	\$2, 656, 603, 955 73
Monthly Debt Statement, July 1, 1869.....	2, 645, 170, 294 16
Finance Report, 1870, (June 30, 1869,) page xxv.....	2, 588, 452, 213 94
Finance Report, 1870, (by the Register,) page 276.....	2, 489, 002, 480 58

and requesting information respecting the same, I have the honor to submit the following explanations:

The first statement given is a statement showing the various acts of Congress authorizing the different issues of the securities of the United States, "length of the loans," "when redeemable," "rate of interest," "price at which sold," "amount authorized," "amount issued," and "amount outstanding," and the amount above given, \$2,656,603,955.73, is correct; which, it must be borne in mind, only represents the *principal* of the outstanding issues under various acts. This statement has uniformly been made up from the loan accounts.

The second amount given as the debt, \$2,645,170,294.16, by the monthly debt-statement July 1, 1869, is a misrepresentation; the amount of the *principal* therein being \$2,597,722,983.37, to which is added *accrued interest*, amounting to \$47,447,310.79, making a total of principal and interest corresponding to the figures above given, \$2,645,170,294.16. It will be seen at once that the first and second amounts are obtained from different data, the first treating of *principal* of the debt, and the second of *principal and accrued interest*, and for this reason are not comparable. The discrepancy, then, to be explained is, the difference between these two amounts, representing, respectively, the *principal* of the public debt by the Finance Report, 1869, \$2,656,603,955.73, and the monthly debt-statement July 1, 1869, \$2,597,722,983.37, a difference of \$58,880,972.36, which arises in the following manner:

Included in the items which form the aggregate of outstanding principal in Finance Report, 1869, page 27, authorized under various acts, are the bonds issued to the several Pacific Railroad Companies, amounting to \$58,638,320, and \$113,915.48 of "old funded debt," which had never appeared in any of the debt statements prior to January 1, 1870. The following loan accounts, outstanding, appeared larger in the finance report by the amount opposite each, than in the monthly-debt statement of July 1, 1869, for the reason that the latter statement (as will be seen from the following words thereon: "The foregoing is a correct statement of the public debt as appears from the books and Treasurer's returns on the morning of the 1st of July, 1869") exhibited the debt as it appeared on the 1st of July, *one day* later than the former statement, and which had items of redemptions by the Treasurer deducted from it that did not, in the regular order of business, reach the books from which the former statement was made up, in time to appear in the business of the year closing with the date of that statement:

Demand-notes.....	\$2, 101 75
One and two-year notes.....	9, 220 00
Legal-tenders.....	64, 805 50
Fractional currency.....	52, 609 63

These items aggregate \$58,880,972.36, and explain the difference between the statements under consideration.

The statement by Finance Report, 1870, page xxv, that the debt on June 30, 1869, amounted to \$2,588,452,213.94, will be found, when the following explanations are considered, to harmonize with either of the former statements. It may, however, be more clearly understood by first comparing it with the monthly debt-statement July 1, 1869, the difference between them being \$9,270,769.43. By reference to the inclosed copy of that statement, it will be observed that among the assets of the Government, coin and currency, will be found "sinking-fund, in bonds bearing coin interest and accrued interest thereon," \$8,867,282.07. These bonds had been purchased by the Secretary of the Treasury between May 1 and June 30, 1869, for the "sinking-fund," and paid for from money in the Treasury, and there being, at that time, no authority of law for deducting them from the outstanding debt, they were held by the Treasurer as a cash item, and included in the monthly debt-statement as still a part of the outstanding debt. Congress, by the 6th section of the act of July 14, 1870, directed that these bonds should be canceled and destroyed, and deducted from the amount of each class of the outstanding debt of the United States to which they respectively belonged. In compliance therewith, the amount of the principal of bonds purchased up to June 30, 1869, \$8,691,000, was accordingly deducted from the principal of the debt as it appeared on that date. The further sum of \$580,769.43, consisting of a large number of items, too numerous to be here enumerated, of accrued interest and premium on loans ascertained, by a re-adjustment of the loan accounts extending over a period of fifteen years, to have been carried to the principal account, instead of the separate accounts to which

they belonged, is here deducted. These two items make the difference, \$9,270,769.43, between the second and third statements.

The fourth statement, that the Register (Finance Report, 1870, page 276) states the public debt to be \$2,489,002,480.58 on June 30, 1869, and apparently differing to the extent of \$167,601,475.15, from the amount represented by first statement, will be found, by analysis of the data from which it was made, to harmonize, instead of to conflict, with the other statements. This statement was made upon the basis of the monthly debt-statement issued July, 1869, (with which it will be found to agree,) and differs from the other three statements, in that it shows the net debt of the Government, including the accrued interest thereon, after deducting cash in the Treasury, viz:

Total debt, principal outstanding, (see second statement) .....	\$2,597,722,983 37
Accrued interest .....	47,447,310 79
<hr/>	
Total debt, principal and interest.....	2,645,170,294 16
Deduct amount in the Treasury, coin, currency, and sinking-fund..	156,167,813 58
<hr/>	
Amount of public debt, less cash in the Treasury.....	2,489,002,480 58

The four statements may be summarized in the following manner:

The first is an exhibit of the amount of the *principal* of the United States securities and Pacific Railroad bonds, issued under various acts of Congress, outstanding June 30, 1872.

The second is a statement of the *principal* of the outstanding debt, including the *accrued interest thereon*, with the Pacific Railroad bonds excluded.

The third shows the outstanding *principal* of this debt with the *sinking-fund deducted*, in accordance with the act of Congress of July 14, 1870, and exclusive of the Pacific Railroad bonds.

The fourth is a statement of the *net debt* of the United States, *principal and accrued interest*, with the *cash* in the Treasury deducted.

The publication of these statements by this Department was in accordance with law, and while, as has been shown, they differ materially only in the data upon which they are based, they afford an opportunity to persons of dishonest motives to ignore that fact, and present them to the public as conflicting and untruthful statements made up from the same data.

Referring to that portion of your letter respecting the discrepancies in the Register's statement of the public debt, as shown by the receipts and expenditures of the Government, I submit the following in reply:

It must be obvious to any one that the difference between the receipts from loans issued and the payments, or redemptions of loans, should represent the outstanding debt, and that it should so appear by the receipts and expenditures issued by the Register's Office.

An examination into these accounts, extending back to the organization of the Government, was instituted during the early part of the present administration, disclosing the fact that the difference arose in the old and long-standing accounts, by reason of certain stocks, such as revolutionary, Mississippi stock, Louisiana purchase, United States Bank stock, 6 per cent. Navy Stock, &c., having been issued in payment of various old debts and claims, and that in the transaction no money ever came into the Treasury as a receipt, while, on the other hand, the stock, as it matured, was paid off, thus showing an expenditure where there had been no corresponding receipt.

These discrepancies have existed for many years, but were not brought to light until an attempt had been made to reconcile a statement which in itself was a contradiction. These discrepancies do not in any way affect the cash accounts of the Government, or reflect upon the integrity of former officers of the Treasury, under whose administration the discrepancies occurred. They arose from a system of book-keeping which was defective, and which has been of late years greatly improved.

This matter is more fully explained on page 20, Finance Report, 1871.

It is proper here to state that all the statements of the public debt have heretofore been made from the loan-accounts, independent of the Register's receipts and expenditures, and that, therefore, they have never been affected in any way by the differences alluded to. It is by the monthly debt-statement, which is the balance-sheet of the public-debt ledger, (and into which enter the principal of the debt, the accrued interest thereon and interest unpaid, and the cash in the Treasury,) that the debt of the United States, and the reduction thereof, have been shown by the present administration, and this is the only statement of the public debt which embraces all the data upon which it is based, showing both the assets and liabilities of the Government.

An examination of these statements will show the care and accuracy with which they have been prepared, and that they are free from all errors, and as reliable as the science of accounts can make them.

I am, very respectfully,

WM. A. RICHARDSON,  
Acting Secretary.

The present system of stating the public debt not only includes the amount of each loan, but accrued interest thereon to date, and the actual money on hand available for the purpose of paying the debt. This evidently is the true and proper mode of showing the amount of the debt, because it exhibits the exact balance due from the United States after deducting the money on hand at the date of the statement.

Whether the attempt to apply this rule of stating the public debt to former years was wise or not, it is manifest to your committee that from the time this form of statement was issued it has been conceded to be more satisfactory and more accurate than the previous statements; and, from 1871 up, the statement of the public debt exhibits all the elements to show its precise condition, as well as the amount of the available money on hand applicable either for the payment of the public debt or for current expenditures. The discrepancy between the statements under the new mode and the old is the principal one pointed out and explained in these papers, and it is a remarkable evidence of the accuracy of the books of the Treasury that, after careful analysis, these apparent discrepancies are fully explained. Your committee, in conclusion, would say that they are fully satisfied that there has not been the slightest change in the books of the Treasury.

Your committee are not prepared to recommend any change in the mode of keeping or making public these accounts. The system is the growth of the experience of the Department since its organization, and it would be a very delicate and dangerous task to propose any change in this respect. Certainly it ought not to be done without a much more full and critical examination than your committee could make without the aid of experts and the most careful study.

Your committee have found no want of intelligence in keeping these accounts or readiness to explain them and to account for every item. In making the examinations the Treasury Department has been called upon to verify the receipt and expenditure of nearly fifteen thousand millions of accounts, a task which involved much labor and time.

The committee submit, as a part of their report, the accompanying statements:

TREASURY DEPARTMENT, *May 4, 1876.*

SIR: I have the honor to acknowledge the receipt of your letter dated February 9, 1876, transmitting a copy of a resolution adopted in the Senate of the United States, January 24, 1876, in the following words:

"That the Committee on Finance be instructed to investigate the books and accounts of the Treasury Department, particularly with reference to discrepancies and alterations in amounts and figures that have been made in them, especially in the annual statements of the expenditures of the Government, revenue collected, and the public debt, contained in said reports; and if any such discrepancies and alterations be found to exist, to report the same, and the extent and nature thereof, the years wherein they occur, by what authority made, if any, the reasons that induced them, and to report generally such other and further information bearing upon the subject as to them may seem best, and that said committee have power to send for persons and papers;" and requesting me to make statements in explanation of the discrepancies and alterations alleged to exist, together with any recommendation as to changes in the modes of keeping the accounts, and as to any further guards, if necessary, to prevent errors and secure the public moneys.

In reply, I have the honor to transmit herewith certain tabular statements and memoranda explaining the discrepancies referred to; but before inviting your attention thereto permit me to state that in no case have the changes referred to in any way affected the cash of the Treasury.

Under the law, for every deposit in the Treasury the Secretary of the Treasury is required to issue his warrant for the amount, which warrant, after being signed by the Comptroller and the Register of the Treasury, and properly entered in the books of their respective offices, is receipted by the Treasurer of the United States, and the amount then becomes a charge in his general account, and what is technically known as "covered money," and cannot thereafter be drawn from the Treasury but in con-

sequence of an appropriation made by law. Warrants thus covering the moneys into the Treasury are issued as soon as practicable after the deposit has been made.

Moneys are paid out of the Treasury upon Treasury drafts issued upon the warrants of the Secretary, which drafts when paid are credits to their amount in the Treasurer's same general account.

Under the act of June 23, 1836, certain moneys were deposited with the several States, and, though the amount is still a part of the Treasury balance, it is not subject to draft, and, as a matter of convenience, has for all practical purposes been dropped from the current cash balance.

The Treasury has also from time to time suffered losses through the failure of banks to redeem their notes or to pay over public moneys deposited with them; and also through the default of independent Treasury officers, and, in some instances, the accounting-officers have raised charges against the defaulting banks or officers for such amounts, and allowed the Treasurer credit therefor in his general account, though in fact no warrant or draft for the amount was ever issued, and such amounts are carried in the accounts as "unavailable."

With these explanations the general cash account of the Treasury from March 4, 1789, to June 30, 1875, as appears by the books of this Department, and as set forth in the Finance Report for 1875, may be stated as follows:

*Cash, Dr.*

To amount deposited in the Treasury and covered by warrants, (page 13).....	\$14,973,305,670 59
To amount deposited and not covered, (page 470).....	1,072,002 73
Total .....	<u>14,974,377,673 32</u>

*Cash, Cr.*

By amount paid on warrants, (page 17).....	\$14,797,839,742 74
By amount deposited with the States, (page 17).....	28,101,644 91
By amount unavailable, (page 13).....	2,661,866 53
By balance on hand in the several offices and depositary banks or in transit, (page 461) .....	145,774,419 14
Total .....	<u>14,974,377,673 32</u>

For the reported balance on hand June 30, 1875, as above set forth, examinations of the offices and mints made at that time or soon after, show in every instance the actual cash as stated excepting certain losses explained on page 464. For the amount in depositary banks the Government holds ample security.

From this statement it will be seen that such an accountability for the moneys received and disbursed has always been so enforced by this Department that every cent of money received by the Government since its organization is either on hand or properly accounted for, and the discrepancies in the statement of receipts and expenditures, loans, or the debt of the Government from time to time, have arisen from clerical or typographical errors, different classification of items or form of statement, or from omissions to debit and credit like amounts, which, under a better system of book-keeping, would have been done when the transactions occurred.

Some of the discrepancies referred to have actually existed for many years, in fact commencing with some of the accounts of the first loans issued by the Government, and were first shown in the reports of the years 1870 and 1871, for the reason that during that period an examination into the subject was begun, and changes were then made in the published statements as the result of such examination. It must be obvious that in case loans are issued at par, the difference between the amount of money received into the Treasury for loans issued and the amount paid out in redemption of loans should represent the outstanding debt of the Government.

The accounts of receipts and expenditures by warrants on the Treasurer, which are the cash-accounts of the Government, should also at all times exhibit the amount of the public debt. As formerly kept in the Department they do not, for the reasons that in many instances stocks were issued directly from the Treasury to public creditors in payment of old debts and claims, and therefore in the transaction no moneys came into the Treasury, and no warrants were issued. In many cases loans were placed at a discount, and only the actual moneys received therefor were credited, no discount-account having been kept. When these loans matured they were paid at their par value, and therefore the accounts of receipts and expenditures and the loan-accounts were found to differ to the extent of such transactions.

Attention is invited to the explanation on page 20, Finance Report, 1871, of some of these differences.

In this connection it should be stated that in no instance has there been any erasure or alteration in the books and records of this Department, and the changes made in the published reports have been only to express with greater accuracy the precise condition of the public accounts, as shown by such books and records.

It is thought that the accompanying papers, to which your attention is respectfully invited, will show fully why the changes have been made in the reports.

Any additional legislation which may be desired to insure greater accuracy in future reports will be considered hereafter.

Very respectfully,

B. H. BRISTOW,  
*Secretary.*

Hon. JOHN SHERMAN,  
*Chairman Committee on Finance, United States Senate*

#### RECEIPTS.

The discrepancies in the tables of receipts arise from "trust-funds" and "unavailables." From 1842 to 1865, trust-funds were regarded as specific appropriations, and unavailable for general expenditure.

The balance on hand in the Treasury each year was stated exclusive of any moneys in the Treasury to the credit of these funds, and the receipts from these sources and expenditures on these accounts were not embraced in the tabulated statements of the receipts and expenditures, although in the public accounts no distinction was made between these trust-funds and ordinary accounts.

The impropriety, if not the impracticability, of keeping these accounts separate from the general balance in the Treasury became apparent, and the balance on 30th June, 1865, to the credit of trust-funds was added to the general balance in the Treasury, (see Finance Report for 1866, pages 2 and 32.) In 1870, a detail of clerks, under the supervision of the chief clerk of the Department, examined these accounts; but before the proper balance could be stated it was necessary to bring down the correct balances each year as found by the accounting-officers. The tables were then carefully revised and published in the annual reports, (see "Appendix A, Unavailables.") All public moneys are received into the Treasury and paid out upon warrants issued by the Secretary of the Treasury, the Treasurer being debited with the amounts received and credited with the amounts paid. This forms what is known as the Treasurer's general account, by which the cash in the Treasury is determined. When a depository who has public moneys in his possession for which the Treasurer is responsible proves to be a defaulter, this amount becomes unavailable. It has been the practice of the accounting-officers in some cases to state an account charging such defaulting officer on the books of the Treasury with the amount of defalcation and crediting the Treasurer, but as no money can be drawn from the Treasury except on warrants issued in accordance with appropriations made by law, there is no way of reconciling these unavailable amounts in the accounts of the Treasury Department, except by crediting the Treasurer in his general accounts without the issuing of a warrant for such credit.

As the Treasurer's accounts are not adjusted until long after the publication of the tables contained in the Finance Reports, these items must be regulated subsequently, and wherever they occur the tables must be changed to this extent. When anything is recovered from such defaulting officers, the amount is charged to the Treasurer on general account as "receipts from unavailables," which also necessitates a further change in the tables to this extent. This defect in the present system has long been felt, but cannot be remedied without legislation authorizing these transfers to be made by warrants and in accordance with an appropriation, and Congress has several times been asked for such legislation.

#### EXPENDITURES.

The discrepancies in the tables of expenditures arise from trust-funds, as above explained, and "outstanding warrants."

On examination of the note at the head of the table of expenditures in the Finance Report for 1869, pages 320 and 321, it will be seen that those for the year 1862, and subsequent years are made from the account of "warrants on the Treasurer issued;" those for previous years are made from the account of "warrants paid;" while from the note at the head of the table in the Finance Report for 1870, pages 274 and 275, it is shown that those for the year 1867, and subsequent years, are made from the

account of "warrants on the Treasurer issued;" all previous years are from the account of "warrants paid."

As it is impracticable to settle the Treasurer's accounts in time for the Secretary's annual report to Congress, it has always been customary to state the receipts and expenditures in the Finance Reports from the account of warrants issued; but it has also been the custom to correct these statements in subsequent reports, as soon as the Treasurer's accounts are settled, by deducting outstanding warrants. Owing to the vast increase of business in the Treasurer's, Auditors', and Comptrollers' Offices during the war, the accounts of the Treasurer were not settled for two and sometimes three years after the close of the fiscal year. On this account these annual corrections were not made for the years 1862, 1863, 1864, and 1865, until the settlement of the account for 1866. The amount of outstanding warrants for the year 1866 is shown on page 19 of the Finance Report for 1871, under each head of expenditure, aggregating \$4,484,555.03.

With the exception of a few typographical or clerical errors, the discrepancies in the two reports arise from the causes enumerated. There are other apparent discrepancies arising wholly from classification; but in no instance do the settled and determined sources of revenue, such as customs, lands, direct tax, and internal revenue, nor the well-defined classes of expenditures, such as War, Navy, Interior, &c., disagree, except as stated. It is only in separating public debt from miscellaneous, and civil from foreign intercourse, that discrepancies in classification occur, which depend entirely upon the judgment of the clerk making the classification.

These tables are given as a condensed synopsis of the books of the Department, and changes and alterations in classification or form do not imply changes in the books in which the receipts are entered in detail, under the general classification of "customs," "lands," "direct tax," "internal revenue," and "miscellaneous," and the expenditures in detail, under each head of appropriation as authorized by law. As soon as the public accounts are audited and settled by the accounting-officers they are laid before the House of Representatives in detail, in accordance with the standing order of the House of December 30, 1791, and the act of August 26, 1842.

These accounts as published agree in all particulars with the books of the Department, and are the official statements with which all comparisons should be made.

#### PUBLIC DEBT.

Prior to 1871 the outstanding public debt was stated from the books of "issues and redemptions." In 1871 this account was restated, from 1836, from the "receipts and expenditures." From the nature of these two accounts the amount outstanding will not agree at any period, although when brought within the same dates and to include the same items there will be no difference. To illustrate: a subscription is made to a loan in June, but the bonds are not issued until July. On the 30th of June the outstanding of this loan will be greater by this amount on the "receipts and expenditures" account than on the "issues and redemptions" account.

Secretary Fessenden, on page 7 of his Report for the fiscal year 1864, states the amount paid into the Treasury previous to July 1, 1863, for which evidences of debt were subsequently issued, as \$23,782,423 20, which was not included in the outstanding of the debt as published for the year 1863, but which is included in the statement by receipts and expenditures for that year.

Again, the Treasurer redeems a certain amount of public debt in June, but the re-imbursing warrants are not issued until after the 1st of July. In this case there will be less outstanding on the 30th June on the "issue and redemption" account, by this amount, than on the "receipts and expenditures" account.

Secretary McCulloch, on page 19 of his Report for the fiscal year 1865, states that the amount of \$77,897,347.02 was excluded from the public debt for the year 1864, which amount had been paid out of the Treasury but had not been re-imbursed to the Treasurer by warrants until after the commencement of the next fiscal year. The outstanding debt by these two accounts never can agree unless all issues are made in the same period in which the subscriptions are received, and re-imbursing warrants issued in the same period in which the redemptions are made.

During the year 1870, the public-debt accounts from 1836 were examined with a view of bringing these two accounts together.

The result of this examination was the adoption of the present system of stating the public debt, by which these two accounts are made to harmonize, the one being a check upon and proving the correctness of the other. It was necessary to select some period when these two accounts came together, and the year 1836, when we had comparatively no debt, was the period selected. When this examination was completed, the Register was directed to state his accounts accordingly.

In regard to the outstanding public debt for the years 1869 and 1870 being published, including accrued interest, less cash in the Treasury, the Register submits the following statement:



"The year 1869 was the first of Secretary Boutwell's administration, who remodeled the debt-statement and added the item of accrued interest to, and deducted the cash in the Treasury from, the outstanding principal of the debt. The clerk having charge of the division of receipts and expenditures in the Register's Office, whose duty it was to prepare the tables for the finance report, followed the plan of the Secretary's Office in making up the monthly debt statement, and reported the outstanding debt for those years including accrued interest and deducting cash in the Treasury. I was led to believe at the time that it was so stated to conform to suggestions made by the chief clerk in the Secretary's Office."

The statement of this account (extending over a period of thirty-five years and involving receipts into the Treasury of over 6,600 millions of dollars, and an expenditure of over 4,200 millions) from two independent sets of accounts, proving the correctness of the one by the other, is in itself the highest proof of the accuracy of the public accounts, however they may appear in some instances, at first view, to contradict each other.

With these general explanations, covering the whole ground of inquiry, the following explanations of apparent discrepancies are submitted in the order in which they are pointed out in the speech of the honorable Senator from West Virginia.

The total annual expenditures are stated in the Finance Report of 1869, on page 321, as follows:

1860-'61.....	\$85,387,313 08
1861-'62.....	570,841,700 25
1862-'63.....	895,796,630 65
1863-'64.....	1,298,144,656 00
1864-'65.....	1,897,674,224 09
1865-'66.....	1,141,072,666 09
Total .....	5,888,917,190 16

The total annual expenditures are stated in the Finance Report for 1870, on page 275, as follows:

1860-'61.....	\$85,387,363 08
1861-'62.....	565,667,358 08
1862-'63.....	899,815,911 25
1863-'64.....	1,295,541,114 86
1864-'65.....	1,906,433,331 37
1865-'66.....	1,139,344,081 95
Total .....	5,892,189,160 59

Difference or increase..... 3,271,970 43  
which is explained as follows, viz:

Typographical error in Finance Report for 1869 in the amount of the total expenditures for the year 1861-'62..... 50 00

Trust-funds, excluded from the Finance Report of 1869, namely:

1862—Chickasaw fund.....	\$20,000 00
Choctaw schools.....	319 91
Navy pension-fund.....	3,013 44

23,333 35

Less repayment, Navy hospital-fund..... 6,292 60

17,040 75

(See Appendix B.)

1863—Awards.....	3,043 31
Cherokee schools.....	13,065 87
Navy pension-fund.....	3,162 04
Kansas schools.....	600 00
Navy hospital-fund.....	10,858 37

30,729 59

(See Appendix C.)

1865—Navy pension-fund.....	7,047,200 65
Chickasaw fund.....	122,256 96
Cherokee schools.....	4,692 42
Choctaw schools.....	21,610 30
Kansas schools.....	1,312 50
Navy hospital-fund.....	45,169 17

7,242,242 00

(See Appendix E.)

Total..... 7,290,062 34

from which deduct outstanding warrants :

July 1, 1866, per "receipts and expenditures" 1866, page 356.....	\$4,484,555 03	
Less the amount outstanding July 1, 1861, per "re- ceipts and expenditures" 1861, page 385 .....	466,463 12	
		<u>\$4,018,091 91</u>

Difference explained.....	3,271,970 43
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In the report of 1870 the expenditures for pensions are stated for the year 1864-'65 at .....	16,347,621 34
In the report for 1869, for same year, at.....	<u>9,291,610 48</u>

Showing an increase in the report of 1870 over that of 1869 of.....	7,056,010 86
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which is explained as follows :

Amount paid from the Navy pension-fund (Interior Department) for investment in Navy pension-fund, (public debt,) per act of July 1, 1864, (13 Statutes, p. 414, section 4753, Revised Statutes).....	7,047,200 65
Excess of repayment carried to "Indians" per "receipts and expen- ditures" 1865, p. xlv.....	9,466 19
	<u>7,056,666 84</u>

Less amount of outstanding warrants issued on this ac- count, but not paid during the year. (See "receipts and expenditures" 1864, p. 229, and 1865, p. 276)..	\$245 98	
And error in classification carried to "Indians".....	410 00	
		<u>655 98</u>

Difference explained.....	<u>7,056,010 86</u>
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In the report of 1870 the expenditures for pensions for the year 1863-'64 are stated at.....	4,985,473 90
In the report of 1869 at.....	<u>4,979,633 17</u>

Showing an increase in the report of 1870 over that of 1869 of.....	5,840 73
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which is explained as follows :

Navy pension-fund .....	16,811 24
Error in classification—should be under "Indians" .....	200 01
Outstanding warrants on this account of former years paid during this. (See "receipts and expenditures" for 1863, p. 222; for 1864, p. 227).....	1,349 48
	<u>18,360 73</u>

Less relief-acts, "receipts and expenditures" 1864, p. 29.....	<u>12,520 00</u>
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Difference explained.....	<u>5,840 73</u>
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In the report of 1870 the expenditures for pensions in the year 1870 are stated at .....	28,340,202 17
In the report of 1874 at.....	<u>28,402,241 20</u>

Showing an increase in the report of 1874 over 1870 of .....	62,039 03
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which is explained as follows :

Amount of "Pay Indian agents," improperly deducted from "In- dians." (See "receipts and expenditures," p. xxxv).....	58,729 09
Outstanding warrants on this account in prior years, paid during this. (See "receipts and expenditures" for 1869, p. 307; for 1870, p. 301).....	3,309 94
	<u>62,039 03</u>

Difference explained.....	<u>62,039 03</u>
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In the Finance Report for 1871 the expenditures in the Naval Depart- ment are stated for the year 1865 at.....	122,617,434 07
In the report for 1869 at .....	<u>122,567,776 12</u>

Showing an increase in the report of 1871 over that of 1869 of.....	49,657 95
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which is explained as follows:

Navy hospital-fund.....	\$45,169 17
The outstanding warrants at the close of the year 1864 (see "receipts and expenditures" p. 236) amounted, on this account, to.....	\$44,024 43
And at the close of the year 1865 (see "receipts and expenditures" 1865, p. 285) to.....	39,535 65
Showing that there was paid during the year.....	4,488 78
Difference explained.....	49,657 95
In the report of 1871 the expenditures of the War Department are stated for the year 1862-'63 at.....	603,314,411 82
In the report of 1869 at.....	599,298,600 83
Showing an increase in the report of 1871 over that of 1869 of.....	4,015,810 99

which is the amount of "outstanding warrants" paid during the year, as follows:

The outstanding warrants on this account at the close of the fiscal year 1862 (see "receipts and expenditures" for 1862, p. 274) amounted to.....	\$5,306,612 24
And at the close of the year 1863, p. 242, to.....	1,290,801 25
Showing that there was paid during the year.....	4,015,810 99
In the report for the year 1870, the expenditures in the Indian Department for the year 1863 are stated at.....	3,152,032 70
In the report for 1868 at \$1,076,326.35, which is the item of expenditure on account of "Pensions," through a clerical error tabulated under the head of "Indians."	
The expenditures on account of "Indians" appear in the same table, under "Pensions," at.....	3,140,194 44
Showing an increase in the report of 1870 over that of 1868 of.....	11,838 26

Which is explained as follows:

Trust funds, Cherokee and Kansas schools.....	13,665 87
"Reliefs" brought from pensions.....	496 80
Less warrants issued during the year but not paid.	14,162 67
"Receipts and expenditures," 1862, p. 257, and 1863, p. 231.....	2,324 41
Difference explained.....	11,838 26
In the report for 1870, the expenditures on account of pensions for the year 1863, are stated at.....	\$1,078,513 36
In the report for 1868, at \$3,140,194.44, which is the amount of expenditure on account of "Indians," tabulated, as stated above, under the head of "Pensions" through a clerical error.	
The correct amount is.....	1,076,326 35
Showing the true difference to be.....	2,187 01

Which is explained as follows:

Navy pension-fund.....	\$3,162 04
Less outstanding warrants issued but not paid during the year (see Receipts and Expenditures for 1862, p. 256, and for 1863, p. 228).....	\$478 23
And expenditures under relief act incorrectly classified under "Indians," p. 29.....	496 80
	975 03
Difference explained.....	2,187 01

REVENUE COLLECTED.

In the Finance Report for 1863, the total revenue for the year, exclusive of loans and Treasury-notes, is stated at.....	\$132, 889, 746 95
In the report for the year 1864, at \$112,687,290.95, which should be.....	112, 697, 290 95
Showing a difference in the two reports of.....	20, 192, 456 00
Which is the amount of receipts for that year from postal currency improperly included in the report for 1863 in the column of "net ordinary revenue".....	20, 192, 456 00

The revenue collected during the year, according to the two reports, is the same, with this exception.

In the reports for the years 1870 and 1871, the receipts from internal revenue were included, by a clerical error, in "loans and Treasury notes." This was an error in revising the tables, and was corrected in 1872, 1870 and 1871 being the only years in which this error occurs. By reference to the "Receipts and Expenditures" for 1863, page 22, it will be seen that this amount (\$37,640,787.95) of receipts from internal revenue was all received from the "Treasurer of the United States," immediately following which are the receipts from the several loans. The clerk inadvertently tabulated these items together, and the error, irrespective of the incorrect information conveyed by the report as to the revenue from this source, can have no bearing upon the question of the correctness of the public accounts, nor does it evidence any change or alteration in the books of the Treasury.

All the tables and statements contained in the Finance Reports are condensed from the accounts, and in making such statements errors are liable to occur, and when they are discovered it is certainly proper to correct them.

*Loans and Treasury-notes.*

The receipts from loans and Treasury-notes for the year 1863 are stated as follows :

In the report for 1863, at.....	756, 489, 905 57
In the report for 1864, at.....	776, 682, 361 57
Showing a difference of.....	20, 192, 456 00
Which is the amount of receipts from postal currency heretofore shown to be included in net ordinary revenue in the report for the year 1863.	
In the report for 1870, the revenue from this source for 1863 is stated at.....	814, 925, 494 96
Showing a difference, compared with the report of 1863, of.....	58, 435, 589 39
Which consists of the item of internal revenue, heretofore explained, included in this account.....	37, 640, 787 95
The amounts of receipts from postal currency, heretofore shown to be included in net ordinary revenue.....	20, 192, 456 00
And the following items included in "miscellaneous" in the report of 1864. (See "Receipts and Expenditures" for 1863, p. 22 :)	
Profit on certificate of indebtedness redeemed before maturity.....	20, 425 00
Premium on three-years' 7 <sup>1</sup> / <sub>2</sub> coupon bonds.....	581, 920 44
Difference explained.....	58, 435, 589 39

*Changes in the public-debt statement.*

In the Finance Report for 1871, the Register states the public debt for the following years at :

1862.....	524, 176, 412 13
1863.....	1, 119, 772, 138 63
1864.....	1, 815, 784, 370 57
1865.....	2, 680, 647, 869 74
1866.....	2, 773, 236, 173 69
1867.....	2, 678, 126, 103 87
1868.....	2, 611, 687, 851 19
1869.....	2, 588, 452, 213 94
1870.....	2, 480, 672, 427 81
Total.....	19, 272, 555, 561 57

In the report for 1870, for the same year, the debt is stated as follows :

1862	\$514,211,371 92
1863	1,098,793,181 37
1864	1,740,690,489 49
1865	2,682,593,026 53
1866	2,783,425,879 21
1867	2,692,199,215 12
1868	2,636,320,964 67
1869	2,489,002,480 58
1870	2,386,358,599 74

Total	19,023,595 208 63
Difference or increase, as shown by the Hon. Senator from West Virginia, in the report of 1871 over 1870, of	248,960,352 94

But this difference or increase, as thus shown, is erroneous. It is a comparison of the sum of running balances, between which no intelligible comparison can be made.

The proper way to make the comparison is to find the increase or decrease on each account for each year, and thus determine the aggregate increase on each account since 1861, the difference between which will be the true difference in the accounts.

The following will explain the difference :

*Statement of the increase or decrease of the public debt in each year from 1861 to 1870, inclusive, showing the net difference between the "receipts and expenditures" account and the "issue and redemptions" account.*

Year.	Debt.	Increase.	Decrease.	Net increase.
<i>Receipts and expenditures.</i>				
1861		\$90,580,873 72		
1862	\$524,176,412 13	433,595,538 41		
1863	1,119,772,138 63	595,595,726 50		
1864	1,815,784,370 57	696,012,231 94		
1865	2,680,647,869 74	864,863,499 17		
1866	2,773,236,173 69	92,588,303 95		
1867	2,678,126,103 87		\$95,110,069 82	
1868	2,611,687,851 19		66,438,252 68	
1869	2,588,453,213 94		23,234,637 25	
1870	2,480,672,427 81		107,780,786 13	
		2,773,236,173 69	292,563,745 88	\$2,480,672,427 81
<i>Issues and redemptions.</i>				
1861		90,867,898 68		
1862	514,211,371 92	423,343,543 24		
1863	1,098,793,181 37	584,581,809 45		
1864	1,740,690,489 49	641,897,308 12		
1865	2,682,593,026 53	941,902,537 04		
1866	2,783,425,879 21	100,832,852 65		
1867	2,692,199,215 12		91,226,664 09	
1868	2,636,320,964 67		55,878,250 45	
1869	2,597,722,983 37		38,597,981 30	
1870	2,480,246,027 83		117,476,955 54	
		2,783,425,879 21	303,179,851 38	2,480,246,027 83
Difference				426,399 98

\* In the Register's report for 1869 the outstanding public debt was published (as heretofore explained) as \$2,489,002,480 58  
 Which is the amount of the debt, less cash and sinking-fund in the Treasury, to which should be added the amount of cash and sinking-fund. \$156,167,813 58  
 Less accrued interest. 47,447,310 79

To give the principal of the debt July 1, 1869. 108,720,502 79  
 \$2,597,722,983 37

† In the same report for 1870 the outstanding public debt was again published as \$2,386,358,599 74

To which should be added the amount of cash and sinking-fund. \$144,494,984 61  
 Less accrued interest. 50,607,556 52

93,887,428 09  
 To give the principal of the debt July 1, 1870. 2,480,246,027 83

This difference or apparent increase of the debt as shown in the Finance Report for 1870 consists of the following items:

Amount of the bonds purchased for the sinking and special funds prior to July 1, 1870, but not received and paid for prior to the passage of the act of July 14, 1870, and consequently not deducted from the outstanding public debt on July 1, 1870, on "receipts and expenditures" account .....	\$3,689,100 00	
(See Note 14, Finance Report 1871, page 7.)		
Amounts not included in the "issues and redemptions" account, but included in the "receipts and expenditures" account:		
Old debt, \$57,665; interest, \$64,164.81 .....	121,829 81	
Mexican indemnity .....	1,104 91	
Bounty land scrip .....	3,975 00	
(See Note 10, Finance Report for 1871, page 7.)		
Amount advanced to the Treasurer to pay interest on certificates of indebtedness, used to redeem principal, thus making a difference between the two accounts of .....	21,425 52	
Amount of Treasury notes of 1857, checked off on the loan-books, in excess of redemptions .....	5,100 00	
(See Note 6, Finance Report for 1871, page 7.)		
Amount of loan of 1848 redeemed and twice deducted on loan-books .....	800 00	
(See Note 9, Finance Report for 1871, page 7.)		
"In the examination of the account of the Texan indemnity loan, it was discovered that \$30.62 had been covered as principal which should have been covered as interest, also that \$17,080 was covered as principal which should have been covered as premium" .....	17,110 62	
(See Note 7, Finance Report for 1871, page 7.)		
"In the quarter ending September 30, 1868, \$150.22 was covered to the credit of principal of the loan of 1863, which should have been covered as premium" .....	150 22	
(See Note 3, Finance Report for 1871, page 7.)		
Miscellaneous covering-warrant, No. 459, of December 20, 1865, covered as receipts from principal of 5-20 loan of 1865, \$995,247, which should have been covered as premium .....	995,247 00	
		\$4,855,843 08
Making a total discrepancy of .....		
From which deduct the following items:		
Purloined Treasury notes redeemed under the first section of the act of August 10, 1846, charged on "receipts and expenditures" account to this loan, being equivalent to a duplicate issue, should be excluded altogether .....	\$23,289 86	
Lost note of 1860 redeemed on bond of indemnity, and again redeemed when the note was presented by the holder .....	500 00	
Amount of certain 7 $\frac{1}{2}$ % notes of 1861 returned by the Treasurer as not issued, and canceled, as shown by the Register's books .....	45,000 00	
Amount of old demand and legal-tender notes stolen from the Treasury after the Treasurer had received credit for their redemption, and again put in circulation. These amounts were recovered, but instead of being deposited as debits to the loans were covered as miscellaneous receipts:		
Old demand notes .....	18,000 00	
Legal tenders .....	5,996 06	
(The actual amount recovered on account of legal tenders was \$6,000, \$3.94 in excess of the amount necessary to make the account good.)		

An examination of the loans of one and two year notes of 1863 shows that the amount outstanding is \$140 less than shown by the "issues and redemptions" account.....	\$140 00	
Amount of compound-interest notes lost at sea in the steamship Republic, paid to Ober, Nanson & Co. per act of February 22, 1867.....	59,500 00	
(See Note 11, Finance Report of 1871, page 7.)		
Discount on fifty million loan of July and August, 1861, only the net amount of receipts from this loan being covered into the Treasury. The actual discount at which this loan was negotiated was... \$5,338,768 09 but the receipts were increased by.... 1,134,168 71 accrued interest.....	4,204,599 38	
Discount on loan of 1842.....	42,417 80	
Amount of bonds of the loan of June, 1864, issued to the Plainfield Bank of New Jersey, in lieu of same amount stolen before delivery to the bank.....	30,000 00	
	<hr/>	\$4,429 443 10
Difference explained.....		<hr/> <hr/> 426,399 98

In the Finance Report for 1874 the public debt is stated for the years—

1872.....	\$2,253,251,078 78
1873.....	2,234,482,743 20
	<hr/>
Decrease.....	18,768,335 58

On page 5 of the Finance Report for 1873 the decrease is stated by the Secretary at..... \$43,667,630 05

In the Finance Report for 1874 the debt is stated for the years—

1874.....	2,251,690,468 43
1873.....	2,234,482,993 20
	<hr/>
Increase.....	17,207,475 23

While the decrease of the debt for the year 1874 is stated by the Secretary at..... \$41,552,524 77

These apparent differences are fully explained by the notes on pages 6 and 9 of the Finance Report for 1874, as follows:

(Note on page 6:)

"It will be seen that the increase of the principal of the public debt, as shown by this statement, appears to be \$17,207,475.23. Congress, by act of June 8, 1872, (17 Statutes, 336,) provided that national banking associations might deposit United States legal-tender notes in the Treasury of the United States, and receive therefor certificates of deposit, bearing no interest, and that the notes so deposited should be set apart and held as a special deposit for the redemption of said certificates. The certificates outstanding on the 1st day of July, and included in the outstanding principal of the debt, amounted to \$58,760,000, and the notes held as a special deposit for their redemption were included in the cash balance in the Treasury on that day. It will be seen, therefore, that while these certificates, as a matter of accounts, are treated as a part of the public debt, they do not in reality form any portion of it, in the usual sense of the word, for the reason that no revenue is required to be provided for their payment, the notes which they represent always being in the Treasury as a special deposit for their redemption, and those notes being included in the outstanding legal-tender notes. Omitting these certificates of deposits as offset by the notes held on deposit for their redemption, the actual reduction of the principal of the debt was \$41,552,524.77."

(Note on page 9:)

"In the amount here stated as the outstanding principal of the public debt are included the certificates of deposit outstanding on the 30th June, issued under act of June 8, 1872, amounting to \$31,730,000 in 1873, and \$58,760,000 in 1874, for which a like amount in United States notes was on special deposit in the Treasury for their redemption, and added to the cash balance in the Treasury. These certificates, as a matter of accounts, are treated as a part of the public debt, but, being offset by notes held on deposit for their redemption, should properly be deducted from the principal of the public debt in making comparison with former years."

The outstanding principal of the public debt June 30, 1873, was, as stated .....	\$2,234,482,993 20	
To which add accrued interest .....	42,356,652 82	
		<u>\$2,276,839,646 02</u>
And deduct cash in the Treasury—		
Coin .....	87,507,402 68	
Currency .....	9,783,529 77	
Special deposit held for redemption of certificates of deposit as provided by law .....	31,730,000 00	
		<u>129,020,932 45</u>
Debt, less cash in the Treasury July 1, 1873 .....		2,147,818,713 57
Deduct this amount from the outstanding debt, less cash in the Treasury July 1, 1872 .....		<u>2,191,486,343 62</u>
Leaves the net decrease of the debt for the year .....		<u>43,667,630 05</u>

(See page 5 of the Finance Report of 1873.)

The outstanding principal of the public debt June 30, 1874, was, as already stated .....	\$2,251,690,468 43	
To which add accrued interest .....	38,939,087 47	
		<u>\$2,290,629,555 90</u>
And deduct cash in the Treasury .....		147,541,314 74
Debt, less cash in Treasury July 1, 1874 .....		2,143,088,241 16
Deduct this amount from the outstanding debt, less cash in the Treasury July 1, 1873 .....		<u>2,147,818,713 57</u>
Showing a decrease during the year of .....		<u>4,730,472 41</u>

*Additional discrepancies.*

The honorable Senator from West Virginia, in his speech of the 24th of January, 1876, pointed out the following additional discrepancies:

The report for 1866 states the net revenue collected for the year 1862 at .....	\$51,935,720 76
The report for 1870 at .....	51,907,944 62
	<u>27,776 14</u>

Which is explained as follows:

Premium on 7 3.10 loan of 1861, included in receipts from loans and Treasury notes for the year 1862 .....	\$63,400 00	
Unavailables, (Receipts and Expenditures 1863, page 24,) not included in the report of 1866 .....	11,110 81	
		<u>79,510 81</u>
Less trust-funds excluded from the report of 1862 .....		51,734 67
Difference explained .....		<u>27,776 14</u>



The report for 1866 states the net revenue collected for the year 1863 at \$112,687,290.95, the correct amount being.....	\$112,697,290 95
The report for 1870, at.....	74,448,157 55
Showing a difference of.....	38,249,133 40

Which is composed of the following items, (as before shown,) tabulated in the report of 1870, under the head of loans and Treasury-notes, viz :

Internal revenue.....	\$37,640,787 95
Profit on certificates of indebtedness redeemed before maturity.....	20,425 00
Premium on three-year 7 $\frac{3}{4}$ bonds.....	581,926 44
And unavailables not included in the report of 1866; see Receipts and Expenditures for 1863, page 22.....	6,000 01
Difference explained.....	38,249,133 40

The report for 1866 states the net revenue collected for the year 1864 at.....	\$264,626,771 60
The report for 1870 at.....	262,742,354 32
Showing a decrease of.....	1,884,417 28

Which consists of the following items, tabulated in the report of 1866 under net revenue, and in the report of 1870 under receipts from loans and Treasury-notes. (See Receipts and Expenditures for 1864, page 26.)

Premium on 1881 bonds of the loan of 1863.....	\$1,675,343 70
Premium on 10-40 bonds, loan of 1864.....	160,163 79
Deduction of 4 per cent. on the redemption of Texan indemnity bonds.....	39,699 39
And unavailables not included in the report of 1866.....	9,210 40
Difference explained.....	1,884,417 28

The report of 1866 states the net revenue for the year 1865 at.....	\$333,714,605 08
The report for 1870 at.....	323,092,785 92
Showing a decrease of.....	10,621,819 16

Which consists of the following amounts included in the report of 1870, under the head of loans and Treasury-notes. (See Receipts and Expenditures for 1865, page xl.)

Premium on 1881 bonds.....	\$1,590,012 28
Accrued interest on 10-40 bonds.....	829,637 65
Difference of exchange on sterling fund.....	3,047,027 83
Sale of gold coin, act of March 17, 1862.....	3,355,000 00
Premium on 5-20 bonds, June 30, 1864.....	1,794,046 29
And unavailables (Receipts and Expenditures 1866, page lxxviii) not included in the report of 1866.....	6,095 11
Difference explained.....	10,621,819 16

Public-debt statement from 1836 to 1860.

In the financial report for 1869, and prior years, the outstanding debt is stated for the following years:

January 1, 1836.....	\$291,089 05
January 1, 1837.....	1,878,223 55
January 1, 1838.....	4,857,660 46
January 1, 1841.....	6,737,398 00
January 1, 1842.....	15,028,486 37
July 1, 1843.....	27,203,450 69
July 1, 1858.....	44,910,777 66
July 1, 1859.....	58,754,699 33
July 1, 1860.....	64,769,703 08

In the financial report for 1870, and subsequent years, the outstanding debt is stated for the following years:

December 1, 1835.....	\$37,513 05
December 1, 1836.....	336,957 83
December 1, 1837.....	3,308,124 07
December 1, 1840.....	5,250,875 54
December 1, 1842.....	13,594,480 73
June 30, 1843.....	32,742,922 00
June 30, 1858.....	44,911,881 03
June 30, 1859.....	58,496,837 88
June 30, 1860.....	64,842,287 88

The differences between these two statements are fully explained in the following comparative tables:

Statement of the increase of the public debt in the years 1836, 1837, 1838, 1841, 1842, 1843, 1858, 1859, and 1860, showing the net difference between the "receipts and expenditures" account and the "issues and redemptions" account.

Date.	Debt.	Increase.	Net increase.
<i>Receipts and expenditures.</i>			
December 31, 1835.....		*\$37,513 05	
December 31, 1836.....	\$336,957 83	299,444 78	
December 31, 1837.....	3,308,124 07	2,971,166 24	
December 31, 1840.....	5,250,875 54	1,942,751 47	
December 31, 1841.....	13,594,480 73	8,343,605 19	
June 30, 1843.....	32,742,922 00	19,148,441 27	
June 30, 1858.....	44,911,881 03	12,168,959 83	
June 30, 1859.....	58,496,837 88	13,584,956 85	
June 30, 1860.....	64,842,287 88	6,345,450 00	
			\$64,842,287 88
<i>Issues and redemptions.</i>			
January 1, 1836.....		*291,089 05	
January 1, 1837.....	1,878,223 55	1,587,134 50	
January 1, 1838.....	4,857,660 46	2,979,436 91	
January 1, 1841.....	6,737,398 00	1,879,737 54	
January 1, 1842.....	15,028,486 37	8,291,088 37	
July 1, 1843.....	27,203,450 69	12,174,964 32	
July 1, 1858.....	44,910,777 66	17,707,326 97	
July 1, 1859.....	58,754,699 33	13,843,921 67	
July 1, 1860.....	64,769,703 08	6,015,003 75	
			64,769,703 08
Difference.....			72,584 80

\* The item of "interest on old debt" is not included in the outstanding in the "receipts and expenditures" account until 1837:

Principal—Old unfunded debt.....	\$27,437 96	
Old Treasury-notes.....	5,755 00	
Mississippi stock.....	4,320 09	
		\$37,513 05
Unclaimed interest and principal of old debt. (See Finance Report, vol. 3, 1829-1836, page 629).....		253,576 00
		291,089 05

† In the issues and redemptions account the outstanding of the debt of the cities of Washington, Georgetown, and Alexandria, assumed per act of May 20, 1836, is included, viz:

1837.....	\$1,500,000
1838.....	1,500,000
1841.....	1,440,000
1842.....	1,380,000
1843.....	1,320,000

This different or apparent increase of the debt as shown in the Finance Report for 1870 consists of the following items:

Amounts included in the "receipts and expenditures" account, which had been excluded from the "issues and redemptions" account:

Mexican indemnity.....	\$1,104 91	
Bounty-land scrip.....	8,775 00	
Interest on "old debt".....	7,714 33	
Also, "Treasury-notes" of 1857 redeemed, but not re-im- bursed within the year.....	311,664 11	\$329,258 35
Less the Texas debt included in the "issues and redemp- tions" account, but not in the "receipts and expendi- tures" account.....	191,016 99	
Also the following items heretofore explained:		
Purloined notes paid under act of August 10, 1846.	23,238 76	
Discount on loan of 1842.....	42,417 80	256,673 55
Difference explained.....		72,584 80

In reply to the charge that, "in the year 1870, there was an apparent reduction of the public debt of over \$100,000,000, (according to the Finance Report,) but this reduction was in a great measure only apparent and due to a stroke of the pen, a mere transfer of about \$60,000,000 to another table, [that] the country gave credit to the administration for the large decrease of the public debt during this year, when, in fact, the larger part of it was due to the change in book-keeping and the Secretary's new tables," it is only necessary to state that the outstanding public debt on July 1, 1869, (see Finance Report of 1869, p. xxix,) was.....

(see Finance Report of 1869, p. xxix,) was.....	\$2,656,603,955 73
From which was excluded the item of Pacific Railroad bonds.....	58,638,320 00
Leaving the amount .....	2,597,965,635 73
The outstanding debt on the 1st of July, 1870, (see Finance Report of 1870, p. xlv,) was .....	2,480,304,797 74
Which shows a decrease for the year, exclusive of the item of Pacific Railroad bonds of .....	117,660,837 99

A.—Statement of trust-funds and unavailables not included in the balance in the Treasury as published in the Finance Reports.

	Receipts.	Expenditures.	Balance.
Balances of trust-funds as per Finance Report 1837-1844, vol. 4, page 599, December 31, 1841 .....	\$374, 521 18	.....	\$374, 521 18
1842 .....	321, 042 85	\$223, 947 48	471, 616 55
1843 .....	237, 376 63	} 321, 575 19	411, 120 00
1843, Balance in hands of J. Campbell, U. S. Treasurer.	23, 702 01		
1844 .....	816, 855 70	543, 649 63	684, 326 07
1845 .....	172, 720 34	499, 095 26	357, 951 15
1846 .....	184, 909 99	95, 100 44	447, 760 70
1847 .....	182, 614 76	296, 738 24	333, 637 22
1848 .....	314, 439 06	189, 841 24	458, 235 04
1849 .....	133, 795 48	224, 817 63	367, 212 89
1850 .....	248, 017 85	216, 736 81	398, 493 93
1851 .....	244, 898 68	153, 263 79	490, 128 82
1852 .....	93, 781 41	267, 829 57	316, 080 66
1853 .....	449, 480 18	553, 517 24	
1853, Unavailables .....	.....	103, 301 37	} 108, 741 83
1853, Error in receipts .....	.....	40	
1854 .....	250, 636 20	251, 127 12	108, 250 91
1855 .....	146, 644 13	188, 011 74	66, 883 30
1856 .....	138, 557 78	236, 652 43	*31, 211 35
1857 .....	3, 3, 798 90	245, 688 86	56, 898 69
1858 .....	97, 796 37	103, 853 45	50, 841 61
1859 .....	81, 394 63	21, 908 32	} 94, 919 58
1859, Unavailables .....	.....	15, 408 34	
1860 .....	87, 773 94	98, 245 67	84, 447 85
1861 .....	104, 946 57	110, 710 42	138, 684 00
1862 .....	51, 734 67	17, 040 75	} 162, 267 11
1862, Unavailables .....	.....	11, 110 81	
1863 .....	1, 297, 524 47	30, 729 59	} 1, 423, 061 98
1863, Unavailables .....	.....	6, 000 01	
1864 .....	3, 994, 054 16	88, 554 11	} 5, 319, 351 63
1864, Unavailables .....	.....	9, 210 40	
1865 .....	4, 146, 718 42	7, 242, 242 00	} 2, 217, 732 94
1865, Unavailables .....	.....	6, 095 11	
Total .....	14, 589, 736 36	12, 372, 003 42	2, 217, 732 94
Balance in the Treasury as per Finance Report July 1, 1865, pages 2 and 32 .....	.....	.....	858, 309 15
Balance in the Treasury as per receipts and expenditures July 1, 1865 .....	.....	.....	3, 076, 042 09

\* Excess of expenditures over receipts.

B.—State of the Treasury, by quarters, for the fiscal year ending June 30, 1862.

	Quarter ending Sept. 30, 1861.	Quarter ending Dec. 31, 1861.	Quarter ending March 31, 1862.	Quarter ending June 30, 1862.	Total.	Balances.
Balance in the Treasury on July 1, 1861.....						\$2,257,065 80
RECEIPTS.						
5-20 years bonds, per act of February 25, 1862.....				\$13,990,600 00	\$13,990,600 00	
Treasury notes.....				98,620,000 00	98,620,000 00	
Customs.....	\$7,198,602 55	\$8,309,066 47	\$14,618,558 44	18,930,170 16	49,056,397 62	
Direct tax.....				1,795,331 73	1,795,331 73	
Sales of public lands.....	35,967 03	39,658 46	27,019 74	49,558 54	152,203 77	
Incidental.....	318,095 86	172,316 22	182,268 05	259,107 51	931,787 64	
Three years coupon bonds, at 7 3-10 per cent.....	50,125,385 87	91,790,267 23	10,670,598 24	13,825,925 00	166,412,585 34	
United States notes, payable on demand.....	15,620,000 00	18,480,000 00	25,900,000 00	30,000 00	60,030,000 00	
Treasury notes issued under acts of June 23, 1860, authorized by act of March 2, 1861.....	14,019,034 06				14,019,034 66	
Sixty-days Treasury notes, issued per act of March 2, 1861.....	12,877,750 00	18,600 00			12,896,350 00	
Loan under act of February 8, 1861.....	55,257 50				55,257 50	
Stock for the Washington and Oregon war debt.....	21,850 00	483,000 00	297,000 00	198,850 00	1,000,700 00	
Treasury notes issued per acts of February 8 and March 2, 1861.....	3,500 00				3,500 00	
Loan of November 16, 1861, authorized by acts of July 17 and August 5, 1861.....		24,294,129 17	22,009,000 00		46,303,129 17	
Temporary loan, authorized by act of February 25, 1862.....			20,291,619 43	46,187,704 67	66,479,324 10	
Certificates of indebtedness, authorized by acts of March 1 and 17, 1862.....			5,629,000 00	44,252,979 73	49,881,979 73	
Total.....	100,275,443 47	143,587,446 55	99,625,063 90	238,140,227 34	581,628,181 26	581,628,181 26
Trust-funds:						583,885,247 06
Smithsonian Institution.....		5,203 85	4,663 85		9,867 70	
Navy pension-fund.....	6,103 69			22,609 34	28,713 03	
Chickasaw fund.....				13,153 94	13,153 94	
Total.....	100,281,547 16	143,592,650 40	99,629,727 75	238,175,990 62	581,679,915 93	
EXPENDITURES.						
Civil: foreign intercourse and miscellaneous.....	6,140,774 05	4,733,406 70	4,506,133 16	6,028,177 25	21,408,491 16	
Interior: pensions and Indians.....	1,124,825 92	469,062 80	782,845 95	726,250 83	3,102,985 50	
War.....	58,345,125 68	84,663,389 32	90,925,048 46	160,434,843 90	394,368,407 36	
Navy.....	9,799,303 33	9,779,238 44	8,277,421 38	14,818,606 54	42,674,569 69	
Interest on public debt, including Treasury notes.....	202,052 61	3,738,526 36	5,283,699 36	3,906,046 12	13,190,324 45	
Re-imbursment of Treasury notes issued per act prior to December 23, 1857.....		50 00			50 00	
Payment of Treasury notes issued per act of December 23, 1857.....	1,836,100 00	203,300 00	426,900 00	101,400 00	2,567,700 00	
Payment of Treasury notes issued per act of December 17, 1860.....	400 00	429,000 00	9,540,350 00	*33,600 00	9,936,150 00	
Payment of Treasury notes issued per act of March 2, 1861.....	10,541,100 00	12,430,050 00	6,842,550 00	792,450 00	3,060,150 00	
Redemption of Treasury notes which have been purloined.....	51 50				51 50	

Re-imbusement of temporary loan, per acts of July 1 and August 5, 1861.	10, 250, 000 00	28, 500, 000 00	5, 625, 000 00	-----	44, 375, 000 00	
Re-imbusement of temporary loan, per acts of February 25 and March 17, 1862.	-----	-----	1, 415, 215 00	7, 137, 992 53	8, 553, 207 53	
Payment of interest on old funded debt	-----	-----	3 06	-----	3 06	
Redemption of United States notes issued under act of July 17, 1861.	-----	-----	-----	58, 610 00	58, 610 00	
Total	98, 239, 733 09	144, 946, 023 62	133, 625, 166 37	194, 030, 777 17	570, 841, 700 25	570, 841, 700 25
Trust-funds:						
Awards	-----	-----	-----	-----	-----	
Chickasaw fund	-----	-----	-----	20, 000 00	20, 000 00	
Choctaw schools	-----	-----	-----	319 91	319 91	
Navy pension-fund	*15 00	1, 588 84	150 00	1, 289 60	3, 013 44	
Navy hospital-fund	*783 86	1, 625 18	*22, 200 37	15, 066 45	*6, 292 60	
Total	98, 239, 934 23	144, 949, 237 64	133, 603, 116 00	194, 067, 453 13	570, 858, 741 00	
Balance in the Treasury June 30, 1862.	-----	-----	-----	-----	-----	13, 043, 546 81

\* Represent repayments.

C.—State of the Treasury, by quarters, for the fiscal year ending June 30, 1863.

	Quarter ending Sept. 30, 1862.	Quarter ending Dec. 31, 1862.	Quarter ending March 31, 1863.	Quarter ending June 30, 1863.	Total.	Balances.
Balance in the Treasury on July 1, 1862.....						\$13,043,546 81
RECEIPTS.						
Customs.....	\$23,041,736 59	\$13,354,505 41	\$15,443,531 37	\$17,219,869 03	\$69,059,642 40	
Sales of public lands.....	22,181 04	5,428 38	30,431 22	109,576 53	167,617 17	
Direct tax.....	83,681 77	1,038,407 94	183,606 10	179,407 80	1,485,103 61	
Internal revenue.....	456,303 73	7,180,446 22	15,765,689 22	14,238,348 72	37,640,787 95	
Incidental.....	561,079 08	1,219,097 11	395,908 37	870,530 79	3,046,615 35	
United States postage-stamps.....	787,800 00	6,057,136 00	12,076,564 00	1,276,956 00	20,192,456 00	
Two-year 6 per cent. Treasury notes, per act of March 2, 1861.....	1,500 00		122 00		1,622 00	
7 3-10 three-year coupon bonds, per acts of July 17 and August 5, 1861.....	3,550,000 00	13,713,450 00			17,263,450 00	
United States notes, per act of February 25, 1862.....	72,436,000 00	53,796,000 00	106,748,000 00	58,280,000 00	291,260,000 00	
Certificates of indebtedness, per acts of March 1 and 17, 1862.....	12,184,824 43	54,220,437 49	56,694,000 00	34,380,000 00	157,479,261 92	
5-20 years bonds, per act of February 25, 1862.....	2,539,203 45	8,740,802 16	7,172,900 00	156,583,753 83	175,037,259 44	
Stock for Washington and Oregon war debt.....	145,050 00				145,050 00	
Temporary loans, per acts of February 25 and March 17, 1862.....	22,813,843 14	26,992,211 74	20,383,790 43	35,036,916 90	115,226,762 21	
Six per cent. twenty-year bonds, per act of July 17, 1861.....				76,500 00	76,500 00	
Total.....	138,623,803 23	196,317,922 45	234,888,542 77	318,251,859 00	882,082,128 05	
Trust-funds:						901,125,674 86
Smithsonian Institution.....	22,663 85		2,682,00		25,345 85	
Navy pension-fund.....	76,719 41	531,455 80	217,033 18	446,970 23	1,272,178 62	
Total.....	138,723,186 49	196,849,378 25	235,108,257 95	318,698,829 83	889,379,652 52	
EXPENDITURES.						
Civil: Foreign intercourse and miscellaneous.....	4,436,907 32	4,902,446 27	7,138,899 10	6,775,669 48	23,253,922 08	
Interior: Pensions and Indians.....	1,046,906 42	689,257 06	929,162 72	1,551,194 59	4,216,520 79	
War.....	90,868,850 23	131,781,557 31	204,408,690 73	172,238,502 56	599,296,600 83	
Navy.....	10,076,353 91	11,901,049 38	16,705,864 05	24,527,237 93	63,211,105 27	
Interest on public debt, including Treasury notes.....	4,654,428 87	5,558,096 77	5,930,816 32	8,586,504 65	24,729,846 61	
Payment of Treasury notes, issued per act of December 23, 1857.....	14,300 00	200 00	31,300 01	10,800 00	58,600 00	
Payment of Treasury notes, issued per act of December 17, 1860.....	4,500 00	400 00	3,100 00	700 00	8,700 00	
Payment of Treasury notes, issued per act of March 2, 1861.....	22,550 00	33,300 00	116,950 00	1,971,550 00	2,144,350 00	
Redemption of 7 3-10 coupon bonds, per act of July 17, 1861.....	2,000 00	50,000 00		19,500 00	71,500 00	
Redemption of United States notes, per act of July 17, 1861.....	27,682,490 00	16,163,900 00	10,750,000 00	1,581,000 00	56,177,390 00	
Redemption of United States notes, per act of February 25, 1862.....	2,000,000 00			99,000 00	2,099,000 00	
Redemption of certificates of indebtedness, per acts of March 1 and 17, 1862.....	5,885,000 00	756,000 00	30,000 00	43,648,758 23	50,359,758 23	
Redemption of United States stock, Washington and Oregon war debt.....		64,250 00	5,300 00		69,550 00	
Re-imbusement of temporary loan, per acts of February 25 and March 17, 1862.....	9,913,510 66	24,820,507 99	11,212,703 82	21,570,271 01	67,516,993 48	

Re-imbusement of Treasury notes, issued under acts prior to July 22, 1846.....	50 00				50 00	
Redemption of stock, loan of 1842.....			2, 348, 263 36	232, 480 00	2, 580, 743 36	895, 796, 630 65
<b>Total</b> .....	156, 608, 847 41	196, 721, 564 78	259, 613, 050 01	282, 853, 168 45	895, 796, 630 65	
<b>Trust-funds:</b>						
<b>Awards</b> .....	3, 043 31				3, 043 31	
Cherokee schools.....			88 83	12, 977 04	13, 065 87	
Navy pension-fund.....	*133 09	1, 573 13	455 00	1, 267 00	3, 162 04	
Kansas schools.....			600 00		600 00	
Navy hospital-fund.....	26, 664 41	*8, 468 69	2, 841 08	*10, 178 43	10, 858 37	
<b>Total</b> .....	156, 638, 422 04	196, 714, 669 22	259, 617, 034 92	282, 857, 234 06	895, 827, 360 24	
Balance in the Treasury June 30, 1863.....						5, 329, 044 21

\* Represent repayments.



D.—State of the Treasury, by quarters, for the fiscal year ending June 30, 1864.

	Quarter ending Sept. 30, 1863.	Quarter ending Dec. 31, 1863.	Quarter ending March 31, 1864.	Quarter ending June 30, 1864.	Total.	Balances.
Balance in the Treasury July 1, 1863.....						\$5,329,044 21
RECEIPTS.						
Customs.....	\$22,562,018 42	\$23,211,520 86	\$27,439,654 13	\$29,102,959 58	\$102,316,152 99	
Sales of public lands.....	136,182 09	170,503 45	131,882 92	149,764 83	588,333 29	
Direct tax.....		14,035 06	397,166 68	64,447 32	475,648 96	
Internal revenue.....	17,599,713 59	27,262,631 26	27,685,212 45	37,193,576 80	109,741,134 10	
Incidental.....	641,542 04	1,912,529 09	12,527,351 39	32,430,025 58	47,511,448 10	
Fractional currency.....		598,749 50	3,057,262 50	4,513,709 25	8,169,721 25	
United States notes, per act of February 25, 1862.....	15,452,000 00	49,099,730 00	4,766,260 00	17,102,880 00	86,420,870 00	
Five-twenty years bonds, per act of February 25, 1862.....	84,639,628 51	161,480,438 31	75,400,006 45	31,210 14	321,551,283 41	
Certificates of indebtedness, per acts of March 1 and 17, 1862.....	14,865,000 00	32,161,000 00	56,649,000 00	65,504,000 00	169,179,000 00	
Temporary loans, per acts of February 25 and March 17, 1862.....	32,690,013 84	14,758,923 23	29,696,784 57	92,072,323 17	169,218,044 81	
Six per cent. 20-year bonds, per act of July 17, 1861.....	241,500 00	479,599 52	1,594,675 93	28,250,100 00	30,565,875 45	
Two-year 5 per cent. interest-bearing notes, per act of March 3, 1863.....	13,000,000 00	36,500,000 00	92,495,893 01	24,484,106 99	166,480,000 00	
One-year 5 per cent. interest-bearing notes per act of March 3, 1863.....			27,400,000 00	17,120,000 00	44,520,000 00	
Ten-forty years bonds, per act of March 3, 1864.....				73,337,680 00	73,337,680 00	
Six per cent. compound-interest notes, per act of March 3, 1863.....				17,250,000 00	17,250,000 00	
Six per cent. 1881 bonds, per act of March 3, 1863.....				42,141,771 05	42,141,771 05	
	201,87,598 49	347,649,660 28	359,241,150 03	480,748,554 61	1,389,466,963 41	1,389,466,963 41
Trust-funds:						
Smithsonian Institution.....	22,316 75		2,682 00		24,998 75	
Navy pension fund.....	76,840 72	1,148,876 77	1,721,630 61	979,978 60	3,927,326 70	
Chickasaw fund.....	34,330 63		7,398 08		41,728 71	
Total.....	201,961,086 59	348,798,537 05	360,972,860 72	481,728,533 21	1,393,461,017 57	
EXPENDITURES.						
Civil: Foreign intercourse, and miscellaneous.....	7,216,939 31	6,284,576 59	7,608,396 91	6,395,686 65	27,505,599 46	
Interior: Pensions and Indians.....	1,711,271 95	1,648,203 79	2,701,404 37	1,457,050 86	7,517,930 97	
War.....	144,357,473 97	163,366,855 10	193,477,740 69	189,559,773 21	690,791,842 97	
Navy.....	18,511,618 86	23,982,891 03	17,731,436 70	25,507,346 18	85,733,292 77	
Interest on the public debt, including Treasury notes.....	4,283,628 37	17,349,958 58	9,287,115 82	22,764,718 92	53,685,421 69	
Redemption of stock, loan of 1842.....	60,000 00	16,800 00	3,000 00	26,012 30	105,812 30	
Redemption of stock, Washington and Oregon war debt.....	5,300 00				5,300 00	
Redemption of stock, 7 3 10 coupon bonds, per act of July 17, 1861.....	6,000 00		681,500 00		687,500 00	
Redemption of United States notes, per act of July 17, 1861.....	1,258,500 00	967,742 25	392,095 25	274,090 00	2,892,427 50	
Redemption of United States notes, per act of February 25, 1862.....	337,279 00	672,053 90	13,230,819 23	28,330,896 41	42,561,048 54	
Redemption of certificates of indebtedness, per acts of March 1 and 17, 1862.....	12,345,804 16	56,881,437 49	61,818,000 00	34,035,000 00	165,080,241 65	
Redemption of postage and other stamps, per act of July 17, 1862.....	1,299,600 00	1,927,545 85	806,507 85	991,246 30	5,024,900 00	

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Redemption of Treasury notes, issued under acts prior to December 23, 1857.....		50 00				50 00	
Payment of Treasury notes, per act of December 23, 1857.....	800 00	700 00	500 00			2,000 00	
Payment of Treasury notes, per act of March 2, 1861.....	104,350 00	1,614,000 00	74,650 00	70,400 00		1,863,400 00	
Re-imbursment of temporary loans, per acts of February 25 and March 17, 1862.....	27,203,017 44	82,547,267 22	21,934,305 71	65,615,143 67		197,299,734 04	
Redemption of fractional currency, per act of March 3, 1863.....			206,400 00	236,000 00		442,400 00	
Redemption of 2-year 5 per cent. Treasury notes, per act of March 3, 1863.....				13,615,200 00		13,615,200 00	
Redemption of 3-year 6 per cent. compound-interest notes, per act of March 3, 1863.....				2,250,000 00		2,250,000 00	
Redemption of Texan indemnity stock, per act of September 9, 1850.....				992,000 00		992,000 00	
	218,731,583 06	357,260,081 80	329,943,872 53	392,120,564 50		1,298,056,101 89	1,298,056,101 89
Trust-funds:							
Navy pension-fund.....	120 00	1,487 06	20 00	15,184 18		16,811 24	
Chickasaw fund.....	24,999 96	28,022 40	7,078 80	7,398 08		67,499 24	
Navy hospital-fund.....	5,735 88	*3,868 82	10,583 36	*19,748 52		*7,298 10	
Cherokee school-fund.....			96 29			96 29	
Choctaw school-fund.....			11,445 44			11,445 44	
Total.....	218,762,438 90	357,285,722 44	329,973,096 42	392,123,398 34		1,298,144,656 00	
Balance in the Treasury June 30, 1864.....							96,739,905 73

\* Repayments.

E.—State of the Treasury, by quarters, for the fiscal year ending June 30, 1865.

	Quarter ending Sept. 30, 1864.	Quarter ending Dec. 31, 1864.	Quarter ending Mar. 31, 1865.	Quarter ending June 30, 1865.	Total.	Balances.
Balance in the Treasury on first July, 1864.....						\$96, 739, 905 73
RECEIPTS.						
Customs.....	\$19, 271, 091 96	\$15, 123, 928 78	\$20, 518, 852 54	\$30, 014, 387 32	\$84, 928, 260 60	
Sales of public lands.....	342, 185 84	287, 835 26	162, 010 47	204, 521 74	996, 553 31	
Direct tax.....	16, 079 86	843, 380 34	52, 714 81	288, 398 02	1, 200, 573 03	
Internal revenue.....	46, 562, 859 92	55, 129, 731 76	65, 262, 803 28	42, 508, 820 29	209, 464, 215 25	
Incidental.....	9, 020, 171 44	9, 295, 852 44	4, 159, 223 73	7, 148, 036 86	29, 623, 284 47	
Fractional currency, per act of March 3, 1863.....	4, 340, 789 15	2, 426, 825 50	3, 691, 647 75	4, 155, 291 75	14, 614, 563 15	
6 per cent. 20-year bonds, per act of July 17, 1861.....	78, 963, 524 55	17, 560, 900 00	12, 002, 900 00	46, 200 00	108, 573, 524 55	
United States notes, per act of February 25, 1862.....	3, 355, 820 00	804, 010 00			4, 159, 830 00	
5.20 year bonds, per act of February 25, 1862.....	201, 357 15	51, 300 00			252, 657 15	
Temporary loans, per act of February 25, 1862, and March 17, 1862.....	21, 198, 951 97	28, 956, 953 18	22, 746, 038 46	58, 536, 129 25	131, 438, 072 86	
Certificates of indebtedness, per act of March 1 and 17, 1862.....	85, 471, 200 63	36, 667, 000 00	68, 000 00	8, 769, 000 00	130, 975, 200 63	
6 per cent 1881 bonds, per act of March 3, 1863.....	31, 848, 763 23	183, 165 99	1, 126 01	142, 750 00	32, 175, 805 23	
10-40 year bonds, per act of March 3, 1864.....	6, 910, 680 50	36, 486, 469 50	56, 161, 250 01		99, 558, 400 01	
6 per cent. compound-interest notes, per acts of March 3, 1863, and June 3, 1864.....	88, 073, 440 00	20, 460, 000 00	5, 780, 700 00	65, 900, 000 00	180, 214, 140 00	
7 3-10 3-year Treasury-notes, per act of June 30, 1864.....	56, 491, 400 00	54, 350, 850 00	185, 082, 382 79	363, 975, 767 64	659, 900, 401 43	
5.20-year bonds, (6 per cent.,) per act of June 30, 1864.....		77, 058, 250 25	9, 000 00	17, 639, 000 00	94, 706, 250 25	
7 3-10 3-year Treasury-notes, per act of March 3, 1865.....				15, 655, 895 59	15, 655, 895 59	
Gold coin purchased, per act of March 17, 1862, (first section).....				3, 355, 000 00	3, 355, 000 00	
Total.....	452, 068, 325 20	355, 686, 453 00	375, 698, 650 85	618, 339, 198 46	1, 801, 792, 627 51	1, 801, 792, 627 51
Trust-funds:						1, 898, 532, 533 24
Smithsonian Institution.....	2, 682 00		2, 682 00		5, 364 00	
Navy-pension fund.....	815, 645 42	1, 006, 090 34	1, 538, 027 70	764, 612 28	4, 124, 375 74	
Chickasaw fund.....	7, 191 43	1, 830 00	6, 127 25	1, 830 00	16, 978 68	
Total.....	452, 893, 844 05	356, 694, 373 34	377, 245, 487 80	619, 105, 640 74	1, 805, 938, 345 93	
EXPENDITURES.						
Civil, foreign intercourse, and miscellaneous.....	8, 712, 422 51	7, 755, 941 82	10, 952, 397 15	12, 271, 896 53	39, 692, 658 01	
Interior, (pensions and Indians).....	4, 935, 179 29	2, 292, 156 46	5, 405, 786 51	1, 625, 453 12	14, 258, 575 38	
War.....	286, 200, 288 52	141, 088, 220 69	189, 838, 574 22	414, 196, 277 36	1, 031, 323, 360 79	
Navy.....	33, 292, 916 49	29, 015, 964 27	27, 273, 231 27	32, 985, 664 09	122, 567, 776 12	
Interest on public debt, including Treasury-notes.....	19, 921, 054 48	11, 506, 127 85	9, 269, 717 55	36, 700, 812 12	77, 397, 712 00	
Redemption of Texan indemnity stock, per act of September 9, 1850.....		409, 920 00		1, 221, 969 38	1, 631, 889 38	
Reimbursement of Treasury-notes, per acts prior to December 23, 1857.....	50 00	100 00		250 00	400 00	
Payment of Treasury-notes, per act of December 23, 1857.....	1, 000 00	100 00			1, 100 00	
Payment of Treasury-notes, per act of March 2, 1861.....	10, 450 00	1, 500 00	7, 200 00	24, 400 00	43, 550 00	
Redemption of United States notes, per act of July 17, 1861.....	243, 245 00	102, 495 00	5, 359 00	19, 500 00	370, 599 00	

Redemption of 7 3-10 3-year coupon-bonds, per act of July 17, 1861 .....	106,315,100 00	2,759,250 00	14,950 00	29,321,750 00	138,411,050 00	
Redemption of postage and other stamps, per act of July 17, 1862 .....	954,550 40	1,686,733 38	1,118,787 46	979,316 10	4,739,387 34	
Redemption of stock, loan of 1842 .....		1,400 00			1,400 00	
Redemption of Treasury-notes, per act of February 25, 1869 .....	1,044,379 87	1,586,541 00	793,059 00	911,153 60	4,335,133 47	
Re-imbursment of temporary loans, per acts of February 25 and March 17, 1862 .....	46,507,680 49	19,747,517 98	33,564,751 27	18,668,888 45	118,488,838 19	
Redemption of certificates of indebtedness, per acts of March 1 and 17, 1862 .....	15,183,000 00	41,307,000 00	53,259,000 00	65,078,000 00	174,827,000 00	
Redemption of fractional currency, per act of March 3, 1863 .....	878,048 00	1,378,762 77	2,426,882 57	1,992,670 96	6,676,364 30	
Redemption of one-year 5 per cent. Treasury-notes, per act of March 3, 1863 .....		1,279,270 00	2,921,140 00	34,272,910 00	38,473,320 00	
Redemption of two-year 5 per cent. Treasury-notes, per act of March 3, 1863 .....	57,238,850 00	24,226,050 00	12,145,650 00	20,346,700 00	113,957,250 00	
Redemption of three-year 6 per cent. compound-interest notes, per act of June 30, 1864 .....	743,760 00	610,410 00	26,990 00	76,900 00	1,458,060 00	
Redemption of three-year 7 3-10 per cent. coupon Treasury-notes, per act of June 30, 1864 .....			3,945,900 00		3,945,900 00	
Purchase of gold coin, per act of March 17, 1862, (first section) .....				5,072,900 11	5,072,900 11	
<b>Total</b> .....	<b>582,181,975 05</b>	<b>286,755,461 22</b>	<b>352,969,376 00</b>	<b>675,767,411 82</b>	<b>1,897,674,224 09</b>	<b>1,897,674,224 09</b>
<b>Trust-funds:</b>						
Navy-pension fund .....	1,999 62	5,032,570 26	1,999,899 94	12,730 83	7,047,200 65	
Chickasaw fund .....	100,000 00	8,629 63	13,627 33		122,256 96	
Cherokee schools .....	*1,057 42		3,515 00	120 00	4,692 42	
Choctaw schools .....	*9,695 59		6,784 71	5,130 00	21,610 30	
Kansas schools .....	1,312 50				1,312 50	
Navy-hospital fund .....	28,681 94	6,545 04	98 13	9,844 06	45,169 17	
<b>Total</b> .....	<b>582,324,722 12</b>	<b>291,803,206 15</b>	<b>354,993,301 11</b>	<b>675,795,236 71</b>	<b>1,904,916,466 09</b>	
Balance in the Treasury June 30, 1864 .....						858,309 15

\* These two items properly belong to quarter ending December 31, 1864.

TREASURY DEPARTMENT, *May 17, 1876.*

SIR: Referring to the letter which I had the honor to address to you on the 4th instant, in response to yours of February 9, transmitting a copy of a resolution adopted in the Senate of the United States January 24, 1876, instructing the Committee on Finance to investigate the books and accounts of the Treasury Department, with reference to alleged discrepancies and alterations in amounts and figures, especially in the annual statements of the expenditures of the Government, revenue collected, public debt, &c., I beg leave further to state that the tabulated statement of the receipts of the United States Government for each fiscal year, from March 4, 1789, to 1875, inclusive, and of the expenditures of the same for the same period, to be found on pages 10, 12, 14, and 16, respectively, of the Finance Report for 1875, classified under appropriate heads, showing the revenues received into the Treasury and the expenditures made therefrom, was first published in the Finance Report of 1863. (See pages 240 to 243, inclusive.)

Prior to the commencement of the publication of these tabulated statements, nearly all the information given of the condition of the Treasury was communicated each year in the text of the report of the Secretary of the Treasury to Congress for such year. (See Finance Report for fiscal year 1858, pages 1 to 10, inclusive, and Statement No. 1, showing, under four separate heads, the receipts of the Government and the expenditures, classified under a very few heads; see pages 26 to 30, inclusive, of same volume.) These last two statements were invariably made up from the amount of warrants issued on the Treasurer.

There has been prepared, however, and transmitted to Congress, under an order of the House of Representatives, passed December 30, 1791, an account of the receipts and expenditures of the United States for each fiscal year. This account is a transcript of the account, as settled by the accounting-officers of the Treasury, of moneys received and paid out by the Treasurer on warrants covering moneys into the Treasury and on warrants drawn on him and by him paid.

As before stated, the statements contained in the Finance Report were made up at the close of the year, and represented, in every instance, the amount of warrants *drawn* against appropriations during such year, and therefore charged as an expenditure of the year, although such warrants may not have actually been paid until some time during the succeeding fiscal year, and in many instances they have not been paid until the expiration of several years from the date of their issue.

In fact, in the immense disbursements made by the Treasury during the war, the amount of the outstanding warrants grew to be very large. The drafts issued on such warrants were used as commercial paper, and being a Government obligation, and therefore more desirable than the drafts of individuals, they were retained in the possession of persons into whose hands they came, and were not presented for payment until the money which they represented was absolutely needed. For these reasons, it was found almost impossible to settle the accounts of the Treasurer without legislation on the subject, and therefore, on the 2d of May, 1866, Congress passed a law to facilitate the settlements of accounts of the Treasurer of the United States, and provided that any draft issued upon a warrant which had been outstanding and unpaid for three years or more should be covered back into the Treasury by warrant, to the credit of the party in whose favor it had been originally issued and to an appropriation account to be denominated "outstanding liabilities."

It will therefore be seen, from what has been stated, that the statements which have exhibited the receipts and expenditures of the Government were made up from entirely different data. It had been the practice up to 1871, when the Treasurer's accounts had been settled and the amount of money which he had paid out on warrants ascertained, to change the items of expenditures in the accounts in the tabular statements of receipts and expenditures, which, as has already been stated, were made up from warrants issued, so as to make them conform to the accounts of receipts and expenditures, or the Treasurer's accounts of expenditures by warrants actually paid. The first account, therefore, would be changed whenever the Treasurer's account was settled and the amount of outstanding unpaid warrants ascertained.

A table showing some of the changes which have been made, and which will serve as an illustration, is herewith inclosed.

The alleged discrepancies in the different statements made, have arisen solely from the different data upon which such statements have been based. As has already been shown, what are technically known in the Department as "outstanding warrants," are one of the elements of such discrepancies. The "unavailable balances," by which is meant the amount of money which has been lost by defalcations of officers, and therefore not subject to draft, is another. Another element are what are known as "trust-fund accounts." Some years they have been included in the statements, and in other years omitted. This class of accounts represents chiefly moneys which the Government has held from time to time as a trustee, and they relate principally to the trust-funds held for various Indian tribes. It is to be presumed that, in making up the tabular statements, the person in charge of the work took it for granted that as these

moneys were not really moneys of the United States, they should not be included in the account.

In view of the fact that the difference between the statement made by *warrants issued* and of that made by *warrants paid* arose to a great extent from a difference in dates, (inasmuch as the warrants issued but not paid within the year in which they were issued would be ultimately paid, and when so paid, and the report in which they were included as not paid was changed, that no difference would then exist,) it is presumed it was thought far better to adopt a uniform rule, so that discrepancies apparent and not real should disappear from future statements, and especially so, because the statement made from warrants paid related solely to the personal accountability of the Treasurer, an account subsequently audited by the accounting-officers of the Treasury; and, also, because it was an account ordered to be published by the House of Representatives in 1791, and at a time when no other statements of the public accounts were made.

Besides this, the books of the Department were originally designed to show the accounts of the expenditures by warrants issued, and not by the account which was ordered to be published by the House of Representatives' resolution, above referred to.

From what has been said it might be inferred that two sets of accounts are kept in the Department, but such is not the case. The accounts of receipts and expenditures represented on the books of the Department are based on *warrants issued*. The published statement, made under the House resolution of 1791, of receipts and expenditures, is simply a copy of the Treasurer's personal accounts, based upon the warrants paid by him within the year to which it relates.

It will be seen that the alleged discrepancies referred to have chiefly arisen from the practice which has heretofore obtained of using the figures contained in the statement, or personal accounts of the Treasurer, after their adjustment, in the place of those previously presented in the accounts of warrants issued—an account only ascertained one, two, or three years later than the first-named accounts are made up.

Very respectfully,

B. H. BRISTOW,  
*Secretary.*

Hon. JOHN SHERMAN,  
*Chairman Committee on Finance, United States Senate.*

*Expenditures as shown by Finance Report and by Receipts and Expenditures.*

	Civil.	Foreign inter- course.	Miscellane- ous.	War.
Finance Report, 1850, pp. 30 to 34.....	\$3,042,770 07	\$4,838,594 76	\$6,958,360 24	\$9,401,239 16
Receipts and Expenditures, 1850, pp. 11 to 39..	3,027,454 39	5,990,858 81	7,025,450 16	9,687,024 58
Finance Report, 1851, pp. 21 to 25.....	3,478,549 24	6,217,170 30	8,177,247 71	11,811,792 73
Receipts and Expenditures, 1851, pp. 13 to 45..	3,481,219 51	6,256,427 16	8,146,577 33	12,161,965 11
Finance Report, 1852, pp. 22 to 28.....	3,422,939 29	4,132,671 45	9,824,158 02	8,225,246 92
Receipts and Expenditures, 1852, pp. 13 to 49..	3,439,923 22	4,196,321 59	9,867,926 64	8,521,506 19

  

	Navy.	Interior.	Public debt.	Total.
Finance Report, 1850, pp. 30 to 34.....	\$7,923,313 18	\$3,400,524 87	\$7,437,366 41	\$43,002,168 69
Receipts and Expenditures, 1850, pp. 11 to 39..	7,904,724 66	3,530,477 49	7,438,728 17	44,604,718 26
Finance Report, 1851, pp. 21 to 25.....	8,987,797 67	5,115,334 98	4,217,986 10	48,005,878 68
Receipts and Expenditures, 1851, pp. 13 to 45..	8,880,581 38	5,123,178 99	4,426,154 83	48,476,104 31
Finance Report, 1852, pp. 22 to 28.....	8,928,236 05	5,198,828 94	6,275,815 53	46,007,896 20
Receipts and Expenditures, 1852, pp. 13 to 49..	8,918,842 10	5,445,434 82	6,322,654 27	46,712,608 83

In the earlier years the Secretary did not state the condition of the Treasury by fiscal or calendar years, but very frequently from the commencement of one Congress to another or from one quarter to another.