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Deficiency Appropriation Bil

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IN THE SENATE OF THE UNITED STATES.

JUNE 27, 1884.—Ordered to be printed.

Mr. HALE, from the Committee on Appropriations, submitted the following

REPORT:

[To accompany bill H. R. 7235.]

Amount of deficiency estimates.....	\$8,000,000 00
Amount of bill as passed the House.....	6,729,594 59
Net increase made to the bill by the Senate Committee	1,094,097 55
Total as reported.....	7,823,692 14

The principal items of increase and reduction made to the bill are as follows:

INCREASE.

To remove remains of late Francis P. Van Wyck.....	\$934 84
To compensate the umpires in Spanish and American Claims Commission.....	9,000 00
For court-house and post-office—	
Des Moines, Iowa.....	514 42
Hartford, Conn.....	892 46
Jersey City, N. J.....	244 00
Saint Louis, Mo.....	1,988 23
Grand Rapids.....	1,491 53
For the internal-revenue service.....	156,758 31
For territorial expenses.....	430 00
For fuel, light, and water, public buildings under Treasury Department.....	648 90
For assay office, Boise City, Idaho.....	400 00
For National Board of Health.....	5,788 60
For miscellaneous under Treasury.....	2,214 76
To pay State of California 15 per centum of direct tax.....	37,192 17
To pay State of Oregon 15 per centum of direct tax.....	5,271 10
To pay State of Nevada 15 per centum of direct tax.....	688 90
To pay judgment in favor of J. D. Culp & Co.....	5,000 00
For medical and hospital supplies, Army.....	1,000 00
For pay of signal officers.....	1,355 38
For payment of awards on account of Fox and Wisconsin River improvements.....	33,771 69
For hire of quarters, Marine Corps.....	1,500 00
For pay miscellaneous, Marine Corps.....	2,880 00
For ordnance and contingent expenses, Navy Department.....	22,900 00
For payment of civil commissioner on navy-yards, &c.....	3,288 81
For payment for use and occupation of navy-yards, as follows:	
To Harlan & Hollingsworth Co., on account of Amphitrite.....	67,987 00
To William Cramp & Sons, on account of Terror.....	75,790 00
To John Roach, on account of Puritan.....	69,201 00
For fuel and light, Interior Department.....	135 10
For completing records of land office at Olympia.....	11,610 00
For public lands service.....	3,478 33
For buildings and grounds, Howard University.....	4,000 00

DEFICIENCY APPROPRIATION BILL.

For the Indian service.....	\$806 12
For the Post-Office Department.....	27,662 41
For the postal service.....	50,207 52
For the Department of Justice.....	6,494 40
For judicial expenses.....	108,242 51
For expenses of the Senate.....	52,889 80
For expenses of the House.....	7,850 00
For the District of Columbia.....	6,383 00
For the water supply of the District of Columbia.....	175,000 00
For taxes on Columbia Hospital for Women.....	5,320 53
For payment of audited claims—	
Under War and Interior Departments.....	210,144 53
Under the Post-Office Department.....	3,226 40
Under the Navy Department.....	33,095 28
Under Indian Bureau.....	17,364 04
Total increase.....	1,233,042 07

REDUCTION.

For payment of judgments of the Court of Claims.....	\$7,731 30
For rent of Fort Brown Reservation.....	121,684 00
For advertising.....	91 60
For payment to the Shawnee Indians.....	9,437 62
Total reduction.....	138,944 52
Net increase.....	1,094,097 55

DEPARTMENT OF STATE,
Washington, June 27, 1884.

SIR: I have the honor to call your attention to the inclosed communication in relation to the compensation of the umpires upon the Spanish-American Mixed Claims Commission, and to request that provision may be made therefor in accordance with my letter to Hon. Samuel J. Randall, of the 19th instant.

I have the honor, also, to call your attention to the compensation of members of the commission which examined into the alleged existence of trichinae in American pork, reference to which will be found in the President's last annual message, and in House Ex. Doc. 106, Forty-eighth Congress, first session.

I have the honor to be, sir, your obedient servant,

FRED'K T. FRELINGHUYSEN.

Hon. WILLIAM B. ALLISON,
Chairman Committee on Appropriations, Senate.

[Inclosures.]

Mr. Frelinghuysen to Mr. Randall, June 19, 1884.
President's message in relation to salaries of umpires (House Ex. Doc. 149, Forty-eighth Congress, first session.

DEPARTMENT OF STATE,
Washington, June 19, 1884.

SIR: Referring to the message of the President, dated May 3, House Ex. Doc. 149 in relation to the compensation of the umpires of the Spanish-American Mixed Commission, I have the honor to inform you that since the communication of that document I have made a supplementary agreement with the Spanish minister materially reducing the amount required.

By this agreement it is provided that to each of the three umpires who decline a money compensation, Baron Blanc, Mr. Bartholdi, and Baron Lederer, a present of the value of \$2,000 shall be given.

To Count Lewenhaupt a money compensation of \$12,000 shall be given.

Of these sums the United States will pay half, making the total therefore necessary to be appropriated \$9,000.

I have the honor to be, sir, your obedient servant,

FRED'K T. FRELINGHUYSEN.

Hon. SAMUEL J. RANDALL,
Chairman of Committee on Appropriations, House of Representatives.

SMITHSONIAN INSTITUTION,
Washington, D. C. June 18, 1884.

SIR: I take the liberty of asking the favorable consideration, by the Senate Committee on Appropriations, of sundry items contained in the deficiency bill which has just passed the House. These I beg to present on the accompanying sheets. I have ventured to ask for an increase of twenty-five hundred dollars in the first-mentioned item, for the completion of the service connected with the International Fisheries Exhibition, London.

I find that the original estimate, made six months ago, is not large enough to meet all the liabilities incurred, and to enable me to prepare, in a proper manner, the report upon the Exhibition as ordered by Congress.

I may mention that the Exhibition continued for six months instead of three, as originally expected, involving a corresponding increase in the expense of maintaining the force at London, &c.

Trusting that no reduction or elimination of the items will be made without giving me the opportunity of defending them, I have the honor to be, very respectfully, your obedient servant,

SPENCER F. BAIRD,

*U. S. Commissioner of Fish and Fisheries, Secretary of the Smithsonian
Institution and Director of the U. S. National Museum.*

Hon. WILLIAM B. ALLISON,
Chairman Committee on Appropriations.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
Washington, June 17, 1884.

SIR: I have the honor to acknowledge receipt of your Department telegram of this date, reading as follows:

"The Committee on Appropriations of the Senate desire a statement from you in writing as to the manner in which the appropriation for a deficiency of \$150,000, asked for by you, will be expended."

In reply I beg to state that it was, perhaps, unfortunate to have called it a deficiency, and it would not have been done had it been supposed that the estimates carefully made would have been the subject of so much distrust. At the time the appropriation was asked for it was properly only an *estimate*, and should have been so called.

On the 12th day of May I addressed a letter to the honorable Secretary of the Treasury, a copy of which is inclosed, and on the 17th instant I addressed him another on the same subject, a copy of which is also inclosed, and I beg to invite your special attention to these copies.

The last Congress appropriated for the payment of store-keepers, gaugers, revenue agents, and for other miscellaneous purposes the sum of \$2,300,000. This was done upon estimates submitted some months before the beginning of the current fiscal year. It has turned out that owing to the increased number of distilleries in operation, and particularly to the large amount of gauging rendered necessary by the withdrawal of the unusual product of whisky, which went into warehouse in 1881, that it requires more money to pay the store-keepers assigned to these distilleries and the gaugers, who perform the gauging alluded to, than was anticipated.

For the eleven months ended the 31st of May, 1884, there was necessarily expended out of this appropriation the sum of \$2,268,188.67, including the sum of \$26,153 mentioned on page 12 of my letter to the Secretary of June 17, page 11 of the inclosed copy. This left of the \$2,300,000 only the sum of \$31,811.33 with which to pay the salaries and expenses of store-keepers, gaugers, revenue agents, and the other items of expense payable out of this appropriation for the month of June.

The estimate of the amount necessary for the month of June was based upon a consideration of the number of store-keepers and gaugers assigned to duty, the number of revenue agents whose pay and expenses we know, telegraphing, express charges, rents, &c., for that month, and it is perfectly manifest to us here that the \$150,000 asked for will be needed. We think that all the accounts for the month of May have come in, but it is possible that some few may be outstanding.

It is impossible for this office to state precisely how much gauging will be done during any month of the year, or how many distilleries will be in operation, or precisely what amount of expenses will be incurred by any officer whose expenses are reimbursable.

While it is true that the salaries of all of these officers and their expenses and the other items mentioned will have to be paid out of the \$150,000, and the thirty-odd thousand now left from the appropriation, it is due to the increased number of store-keepers and gaugers employed during the past eleven months, and to that alone, that the estimated deficiency is to be attributed. The other items were calculated for, but these could not be foreseen in amount or detail.

It is of course impossible to anticipate every contingency and to get at the exact sum needed in advance. The figures submitted to the Secretary show \$147,189, but we asked the round sum of \$150,000, so as to be safe and able to meet every emergency. If it is not all needed it will not all be used.

Again calling your attention to the inclosed copies, especially to the figures embraced in the letter of June 17, and hoping that the matter is now plain to you, I am, very respectfully,

WALTER EVANS,
Commissioner.

Hon. EUGENE HALE,
Subcommittee on Appropriations, United States Senate.

[Senate Report No. 550, Forty-eighth Congress, first session.]

IN THE SENATE OF THE UNITED STATES.

MAY 14, 1884.—Ordered to be printed.

Mr. DOLPH, from the Committee on Claims, submitted the following report, to accompany bills S. 511, 655, and 2191 :

Your committee, to which were referred the bills S. 511, for the relief of the State of Oregon, S. 655, for the relief of the State of Nevada, and S. 2191, for the relief of the State of California, respectfully reports :

That it is proposed by said bills to authorize and direct the Secretary of the Treasury to pay to the States of California, Oregon, and Nevada the following amounts, namely: Oregon, \$5,271.10; Nevada, \$688.90; California, \$37,191.11; being 15 per cent. of the amounts apportioned to the said States, respectively, of the direct tax of \$20,000,000 imposed by act of Congress of August 5, 1861, upon the United States.

That the amounts of said direct tax apportioned to said States of California, Oregon, and Nevada were as follows: California, \$247,941.13; Oregon, \$35,140.67; Nevada, \$4,592.67.

It was provided by the fifty-third section of said act that any State might lawfully assume, collect, assess, and pay into the Treasury of the United States the direct tax, or its quota thereof, in its own way and manner, and that any State which should give notice by its governor to the Secretary of the Treasury on or before the second Tuesday of February, 1862, and in each succeeding year thereafter, of its intention to assume and pay into the Treasury of the United States the direct tax imposed by said act, should be entitled to a deduction of 15 per cent. upon such portion of the tax as should be paid on or before the last day of June in the year to which such tax payment related.

The States of California and Oregon and the Territory of Nevada, at the first session of their respective legislative assemblies after the imposition of said tax, assumed and made provision for the collection of the same.

The State of California, by the first section of an act of the legislative assembly of that State, approved April 12, 1862, provided for an annual tax of 15 cents upon each \$100 in value of all the property in the State liable to taxation, for the purpose of paying the quota of said direct tax apportioned to that State; and by the tenth section of said act directed the treasurer of the State to pay over to the assistant treasurer of the United States, at the city of San Francisco, on the first Monday in each month, all moneys in the State treasury belonging to the Federal Tax Fund, not exceeding in each fiscal year the quota of the direct tax allotted to the State by act of Congress after retaining therefrom the deduction allowed by the said act of Congress to the State, in lieu of compensation, pay, per diem, and percentage.

By the first section of an act passed by the legislative assembly of the State of Oregon, approved October 20, 1862, the sum of \$35,140.66½ was appropriated for the payment to the United States of the amount of said direct tax apportioned to that State, and by section 2 of said act the State treasurer was authorized, whenever the proper officer of the Treasury Department of the United States should draw upon the State therefor, to pay the sum of \$10,000, and to pay the further sum of \$25,140.66½ upon like draft at any time after the first of March, 1863.

The Territory of Nevada, by an act of the legislative assembly of said Territory, approved November 29, 1861, provided for the levying and collecting of a special tax of one mill on each dollar of the taxable property in the Territory for the purpose of paying the quota of said direct tax apportioned to said Territory, and by section 3 of said act made it the duty of the Territorial treasurer, upon demand of the proper officer, to pay over to the Treasurer of the United States the amount due from the Territory under the said act of Congress.

Your committee is not informed why the quota of said States and Territory was not collected in accordance with the provisions of said acts. The full amount of said tax has been paid into the Treasury of the United States, and without cost to the United States, but the same was paid after the time specified in said act of Congress within which the payment would have entitled them to the deduction of 15 per cent.

It is conceded that said States have no legal claim to the deduction asked for, but it is contended that as the United has not been put to the expense of collecting said tax said States should be reimbursed to the extent proposed by the bills under consideration. Congress has adopted this view of the question, and has refunded to the State of Kansas 15 per cent. of the amount of such direct tax paid by her under similar circumstances. Such repayment was authorized by the following clause of the deficiency appropriation bill of August 5, 1882:

"To enable the Secretary of the Treasury to pay to the State of Kansas 15 per cent. of the amount of her quota of the direct tax of 1861 on account of proper costs for assuming the collection of the same, \$10,761.50."

Your committee submits herewith a letter from the honorable Secretary of the Treasury, together with the report of the First Comptroller of the Treasury of March 28, 1882, and the copy of the report of the Register of the Treasury referred to therein, all relating to the payment to the State of Kansas of the 15 per cent. of her quota of said direct tax.

Your committee is of the opinion that the claims of the States of California, Oregon, and Nevada for the repayment of 15 per cent. of the direct tax paid by them are as meritorious as was the claim of the State of Kansas, and that the equitable principle of equality requires the like consideration of the claims of said States by Congress.

Your committee therefore reports the accompanying amendment to the deficiency appropriation bill as a substitute for said bills S. 511, S. 655, and S. 2191.

TREASURY DEPARTMENT,
April 19, 1884.

SIR: Referring to your communication of the 15th instant, requesting information in relation to the payment to the State of Kansas of 15 per centum of her quota of the direct tax of 1861, I have the honor to inclose herewith copy of the report of the First Comptroller of March 28, 1882, upon the subject, which was forwarded to the chairman of the House Committee on Appropriations, March 31, 1882.

I would also invite your attention in this connection to the inclosed copy of letter of the Register of the Treasury of the 18th instant, giving the aggregate amounts that have been covered into the Treasury on account of direct tax to the credit of the several States and Territories and the District of Columbia, where a deduction of 15 per centum was not allowed under the act of August 5, 1861.

Very respectfully,

CHARLES J. FOLGER,
Secretary.

Hon. J. N. DOLPH, *United States Senate.*

TREASURY DEPARTMENT,
FIRST COMPTROLLER'S OFFICE,
Washington, D. C., March 28, 1882.

SIR: By your reference to this office of the 23d instant, I have the honor to acknowledge the receipt of a letter addressed to you under date of the 21st instant by Robert J. Stevens, clerk of the Committee on Appropriations of the House of Representatives, in which he states that by direction of the committee he incloses to you a paper submitted to them, being the form of a clause proposed to be embraced in the sundry civil bill—

"To enable the Secretary of the Treasury to pay to the State of Kansas fifteen per centum of the amount of her quota of the direct tax provided for by the act of August 5, 1861, as an equitable settlement of the cost for assuming the collection of the same."

He further states that the committee requests that you will have the application examined and returned to the committee, with full information and your recommendation thereupon. Your reference to this office is for report.

All of the facts necessary to a complete understanding of this subject will be found in the appendix to my annual report. The material facts may be thus stated: The act of Congress of August 5, 1861 (12 Stats., 292), imposed a direct tax of \$20,000,000 upon the United States and apportioned the same to the States respectively, including \$71,743.33 to the State of Kansas. The fifty-third section of the act provides that any State may lawfully assume, assess, collect, and pay into the Treasury of the United States the direct tax, or its quota thereof, in its own way and manner. And it is provided (12 Stats., 311) that any State which shall give notice by the governor to the Secretary of the Treasury, on or before the second Tuesday of February, 1862, and

in each succeeding year thereafter, of its intention to assume and pay into the Treasury of the United States the direct tax imposed by this act, shall be entitled to a deduction of 15 per cent. on the quota of direct tax apportioned to such State, levied and collected by such State through its officers, provided that the deduction shall only be made to apply to such part of the sum as shall have been actually paid into the Treasury of the United States on or before the last day of June in the year to which such payment relates; and the act provided for collecting the tax through officers of the United States, in case the same should not be paid by any State. Under this act, on the 29th of May, 1868, the then First Comptroller admitted and certified that \$71,743.33 are due and payable from the State of Kansas to the United States. The State was accordingly charged in the register's office with this sum. In pursuance of the act of July 27, 1861, to indemnify the States for expenses incurred by them in defense of the United States (12 Stats., 276), the State of Kansas filed claims in the Treasury Department in April, 1862, on which there was allowed September 20, 1867, \$9,360.82, which was placed to the credit of the State on account of the direct tax charged to it as aforesaid. On the 22d of June, 1881, \$26,604.05 were credited to the State of Kansas for expenses incurred by that State under the act of July 27, 1861. The deficiency appropriation act of March 3, 1881, appropriated for the State of Kansas for amount due of the 5, 3, and 2 per cent. funds to States from the proceeds of sales of lands, \$190,263.27. Of this sum there was credited to the State of Kansas, on the charge against it for direct taxes, about June 23, 1881, \$35,778.46, and the residue of the sum appropriated by the act of March 3, 1881, was paid to the State of Kansas. The direct tax thus charged to the State of Kansas was paid by the three sums named, to wit, \$9,360.82 and \$26,604.05 for expenses incurred by the State in defense of the United States, under the act of July 27, 1861, and \$35,778.46 out of the sum appropriated by the act of March 3, 1881.

The purpose of the clause proposed to be embraced in the sundry civil bill is to allow to the State of Kansas 15 per cent. on these three sums, making \$10,761.49.9, or as stated in the bill, \$10,761.50. From this it will be seen that as the law now stands the State of Kansas has no legal claim to this payment. The only question, I suppose, therefore to be determined is, whether the State has a claim founded upon principles of substantial equity and justice which ought to be allowed by Congress. I learned informally that you desired an expression of my opinion upon this question.

In favor of the payment of this sum to the State of Kansas it may with great propriety and force be urged, that the United States has not been put to the expense of collecting the tax from the citizens or property in the State of Kansas, and that the amount has been paid without this expense to the United States, and that, therefore, the State should be reimbursed to this extent. On the other hand, it may be urged that other States paid years since, whereas the State of Kansas has delayed its payment. It may properly be said, however, I think, that if the General Government chose to omit collecting the tax from the citizens or property in the State of Kansas, it is no fault of the State or its citizens, and that no complaints can properly be made on that score by the General Government. It is to be presumed that if the United States had taken the necessary steps at an earlier date to collect this tax it would have been collected; and if the officers of the General Government did not deem it expedient to press an earlier payment the State should not be charged with any failure or delinquency on that account.

It seems to me, therefore, that this claim by the State of Kansas for reimbursement to the extent of \$10,761.50 is supported by strong considerations of equity and justice. It is proper to say that if Congress shall make this appropriation a similar appropriation will doubtless be asked in behalf of other States.

On the 25th instant I requested the Register of the Treasury to give me information as to the sums which had been covered into the Treasury on account of the direct tax to the credit of the several States where the tax of 15 per cent. was not allowed under the act of August 5, 1861; and under date of the 27th I received from him a letter on this subject, which is herein inclosed. This shows that the several States and Territories have been credited to the amount of \$5,483,588.57, without an allowance of 15 per cent. I learn, informally, that the records in the Register's office do not show how much of this gross sum arises from expenses incurred by the States in defense of the United States under the act of Congress of July 27, 1861 (12 Stats., 276), nor how much of it comes from other sources. It seems to me proper, however, that attention should be called to the fact that claims will doubtless be made by other States, if this appropriation should be made in favor of the State of Kansas.

I have the honor to inclose herewith the letter of Mr. Stevens with its inclosure and the letter addressed to me by the Assistant Register of the 27th instant; also my annual report, the appendix to which gives more at large the facts necessary to a proper understanding of this subject.

Very respectfully,

WM. LAWRENCE,
Comptroller.

Hon. CHARLES J. FOLGER, *Secretary of the Treasury.*

TREASURY DEPARTMENT, REGISTER'S OFFICE,
April 18, 1884.

SIR: I have the honor to submit the following as the aggregate amounts that have been covered into the Treasury on account of direct tax to the credit of the several States and Territories and the District of Columbia, where a deduction of 15 per centum was not allowed under act of August 5, 186 (12 Stat., sec. 53), as appears from the books of this office:

Alabama.....	\$8,491 46
Arkansas.....	184,082 18
California.....	247,941 13
Colorado.....	1,516 89
Delaware*.....	70,332 83
District of Columbia.....	49,437 33
Florida.....	43,529 81
Georgia.....	71,407 75
Kansas.....	71,743 33
Louisiana.....	268,515 12
Mississippi.....	74,742 57
Nebraska.....	19,312 00
Nevada.....	4,592 67
New Mexico.....	62,648 00
North Carolina.....	386,194 45
Oregon.....	35,140 67
South Carolina.....	377,961 30
Tennessee.....	387,722 06
Texas.....	130,008 06
Virginia.....	515,569 72
Washington.....	4,268 16
Wisconsin.....	166,887 13
Total.....	3,182,044 62

Very respectfully, &c.,

W. P. TITCOMB,
Acting Register.

HON. CHAS. J. FOLGER,
Secretary of the Treasury.

[Senate Ex. Doc., No. 97, Forty-eighth Congress, first session.]

Letter from the Secretary of the Navy, transmitting, in obedience to law, his opinion of amounts to be paid to the contractors for the occupation of their yards by the iron-clads, and for the care thereof.

FEBRUARY 13, 1884.—Referred to the Committee on Appropriations and ordered to be printed.

NAVY DEPARTMENT,
Washington, February 12, 1884.

To the Senate and House of Representatives:

The act of Congress making an appropriations for the naval service, approved March 3, 1883, directed the Secretary of the Navy to ascertain the amounts which ought to be paid to the contractors, severally, for the use and occupation of their yards with the double-turreted iron-clads, and for the care thereof, and to report the same, with all the facts connected therewith, to Congress.

In the execution of this duty the Department appointed a Board, consisting of Capt. P. C. Johnson, Commander W. S. Schley, and Naval Constructor Philip Hichborn, which, on the 8th day of January, made a report (which is herewith transmitted), recommending the payment, on account of the Puritan, of \$69,201; of the Amphitrite, of \$67,987, and of the Terror, of \$75,790. The Department concurs in the recommendations of the Board, as being, under all the circumstances, a just and fair settlement of a protracted and troublesome controversy concerning these monitors.

In the case of the Monadnock, the contractor, Mr. Phineas Burgess, was requested, under date of May 31, 1883, to furnish the Department with a detailed statement of the amount which ought to be paid him, under the act of March 3, 1883, for the use and occupation of his yard by, and for the care of, that vessel. In response to this request Mr. Burgess, by letter of June 20, 1883, referred the Department to his claim

* Additional amount allowed State on compromise, \$4,350.50.

for damages, under the contract for building the hull of the *Monadnock*, as embracing the information called for.

The claim thus referred to was originally filed in November, 1878, and then amounted to \$65,668.28. After passing through various stages of examination and delay it was enlarged and brought down to February, 1883, when it amounted to \$209,004.82. A Board of officers, appointed December, 1 1882, to examine the claim, concluded its labors by a report dated February 14, 1883, in which among other allowances, it reported in favor of items stated in Mr. Burgess' letter of June 20, 1883, amounting to \$65,650.69, and which constituted a part of the aggregate claim of \$209,004.82. The Board also reported that Mr. Burgess was subjected, under the circumstances then existing, to an accruing monthly expenditure of \$1,116.11, and this, in addition to the items constituting the total of \$65,650.69, was submitted by Mr. Burgess as his estimate of what should be paid him under the provisions of the act of March 3, 1883. In submitting this estimate Mr. Burgess expressly reserved his right to be understood as not in anywise modifying his claim for \$209,004.82 as presented, but only as referring the Department to those items thereof which furnished the answer to his inquiry.

The report of the Board above alluded to was disapproved by the Department for reasons which affected, more or less, every part of the claim, including the items specially mentioned by Mr. Burgess in his reply to the Department's letter of May 31, 1883, and he was fully informed of those reasons before the letter was written.

Under these circumstances the Department is unable to make any definite recommendation with respect to the amount which ought to be paid to Mr. Burgess under the provisions of the act of March 3, 1883, and a copy of his letter of June 20, 1883, is herewith submitted, for such consideration and action as Congress may deem proper.

Very respectfully,

WM. E. CHANDLER,
Secretary of the Navy.

NAVY DEPARTMENT,
Washington, D. C., January 8, 1884.

SIR: The Board appointed by your order of the 20th November, a copy of which is herewith appended, marked A, "to ascertain and report to the Department the amounts which ought to be paid to the contractors for the use and occupation of their yards by the double-turreted iron-clads *Puritan*, *Amphitrite*, and *Terror*, and for the care thereof," has the honor to report that it has visited their several yards and inspected the building-slips, the ground and dock space occupied by the turrets, boilers, pilot-houses, and guns.

We have also carefully examined the claims of the various contractors, which, we think, should be almost identical.

These eminent ship-builders differ so very much in their opinion of the amount which ought to be paid them, and there being no precedent to guide us, we are forced to rely solely upon our own judgment.

Had these contractors been permitted to complete the work on the iron-clads uninterruptedly it is not probable that there would have been any claim for use of building-slip, care and storage of turrets, pilot-houses, &c.; therefore, we are of opinion that nothing should be paid on that account for any time prior to the order from the Bureau of Construction, dated July 8, 1876, to cease work.

These contractors accepted the Department's offer with reference to launching these iron-clads on the 29th and 30th December, 1882, from which time, in our opinion, there should be nothing paid for building-slip, or care and storage, as the status then became the same as it was before the order to "cease work." Since they also accepted the Department's offer, dated November 23, 1883, of \$8 per day for wharfage and care of iron-clads from date of launching, we are of opinion that the Board has to decide only upon what amount ought to be paid to them from July 8, 1876, the date of the order to "cease work," to December 29 or 30, 1882, the dates on which the contracts for launching were accepted by them.

For a basis upon which to form an opinion as to what ought to be paid to these contractors, this Board has made an estimate of the value of their respective ship-building plants, and divided these amounts by the number of building-slips in each yard.

We think the present value of the plants would be too great—that it has been a *growing* one during the time that the iron-clads were occupying the slips—and we have endeavored to estimate a probable "average value."

The estimate fixed by this Board as the probable "average value" of the plant of the Harlan & Hollingsworth Company, which has three building-slips, is \$700,000.

The interest of one-third of that amount, at 6 per cent., is \$14,000 per annum.

Mr. John Roach had four building-slips in his yard. The estimate fixed by us as

the probable "average value" of his plant is \$950,000. Six per cent. interest on one-fourth of that amount is \$14,250 per annum.

Messrs. Wm. Cramp & Sons have five building-slips in their yard. The estimate fixed by this Board as the probable "average value" of their plant, is \$1,300,000. Six per cent. interest on one-fifth of that amount is \$15,600.

In forming our opinion of what amount ought to be paid, deduced from the above estimate, we have assumed that these establishments were at all times worked up to their full capacity, and that a building-slip represented the actual fractional value of the whole plant which we have assigned to it; but as it is certain that there were times when the full working capacity of the plants would not have been required, even had these particular slips been unoccupied by a Government vessel, and as the tools and appliances of the yard are not used exclusively for ship-building, but largely for repairs upon vessels which do not occupy slips, we are of the opinion that at least twenty-five per cent. should be deducted from the above amounts on that account.

Therefore we respectfully report that the Harlan and Hollingsworth Co. ought to be paid for the use and occupation of their yard by the double-turreted iron-clad Amphitrite, and for the care thereof, together with "the expenses they were subject to for watchmen, labor in shoring, and taking care of hull, and for the storage of turrets, pilot-houses, guns," &c., from July 8, 1876, to December 29, 1882, the sum of \$67,987; that Mr. John Roach ought to be paid for the use and occupation of his yard by the double-turreted iron-clad Puritan, and for the care thereof, together with all pertaining to her, from July 8, 1876, to December 29, 1882, the sum of \$69,201; and that Messrs. William Cramp & Sons ought to be paid for the use and occupation of their yard by the double-turreted iron-clad Terror, and for the care thereof, together with her turrets, ventilator, pilot-houses, four guns, armored smoke-stack, and six boilers, from July 8, 1876, to December 30, 1882, the sum of \$75,790.

The bills, as presented by the contractors, are herewith appended, marked, respectively, B, C, and D.

Respectfully submitted.

P. C. JOHNSON,
Captain, U. S. N., and President of Board.
 W. S. SCHLEY,
Commander, U. S. N.
 PHILIP HICHBORN,
Constructor, U. S. N.

Hon. WM. E. CHANDLER,
Secretary of the Navy.

NAVY DEPARTMENT,
 Washington, November 20, 1883.

SIR: You are hereby appointed president of a Board which is ordered to convene at the Navy Department on the 22d instant, under a provision of the act of Congress approved March 3, 1883, to ascertain and report to the Department the amounts which ought to be paid to the contractors for the use and occupation of their yards by the double-turreted iron-clads Puritan, Amphitrite, and Terror, and for the care thereof.

Commander W. S. Schley, U. S. N., and Naval Constructor Philip Hichborn, U. S. N., will report to you as members of the Board.

In complying with these constructions the Board is authorized to visit such points as may be found necessary.

Very respectfully,

W. E. CHANDLER,
Secretary of the Navy.

Capt. P. C. JOHNSON, U. S. N.,
Chief Signal Officer, Navy Department.

THE WILLIAM CRAMP AND SONS SHIP AND ENGINE BUILDING COMPANY,
 Philadelphia, December 5, 1883.

Capt. P. C. JOHNSON, U. S. N.,
 Washington, D. C.:

DEAR SIR: As per request of Philip Hichborn, esq., naval constructor, U. S. N., we hand you our bill of claims for use and occupation of our yard by the monitor Terror.

Very truly yours,

THE W. CRAMP AND SONS SHIP AND ENGINE BUILDING COMPANY,
 Per C. O. CRAMP.

BASIN DRY-DOCK AND RAILWAY,
CAPABLE OF TAKING OUT VESSELS OF LARGEST CLASS
AT A DRAUGHT OF 22 FEET,
Philadelphia, December 1, 1883

U. S. Government Monitor Terror to the William Cramp & Sons Ship and Engine Building Company, Dr.

To use and occupation of wharf from November 30, 1874, to January 13, 1880, the date of delivery to commandant of League Island navy-yard, on armored ventilator—1,871 days, at \$1 per day.....	\$1,871 00
To use and occupation of wharf from October 15, 1874, to date, December 1, 1883, on two turrets and two pilot-houses—3,333 days, at \$6 per day.....	19,998 00
To use and occupation of wharf from October 15, 1874, to September 5, 1881, date of removal to League Island navy-yard, on four guns—2,517 days, at \$1 per day.....	2,517 00
To use and occupation of wharf from December 15, 1874, to date, December 1, 1883, on armored smoke-stack—3,272 days, at \$1 per day.....	3,272 00
To use and occupation of wharf from July 11, 1876, the date of order of suspension of work, to March 24, 1883, date of launching vessel, and boilers put on board, on 6 boilers—2,447 days, at \$5 per day.....	12,235 00
To use and occupation of wharf from July 8, 1876, the date of the order for the suspension of work, to March 24, 1883, date of launching—2,450 days, at \$50 per day.....	122,500 00
	162,393 00

OFFICE OF THE HARLAN AND HOLLINGSWORTH COMPANY,
Wilmington, Del., December 7, 1883.

DEAR SIR: We beg to lay before you the following facts in relation to our transactions with the Government in regard to the monitor Amphitrite:

- 1st. The first contract for hull work was made September 24, 1874.
- 2d. The second contract for hull work was made April 7, 1875.
- 3d. The third contract to complete the hull was made March 3, 1877.

We had completed our work under the first and second contracts by December 7, 1876, and were ready to go on and complete the vessel under another contract, but from that time until she was launched (June 7, 1883) she remained in our yard occupying the best building-slip we had.

During all of the 6½ years from December 7, 1876, to June 7, 1883, she was under our special care and at our expense for watchman's time, workmen adjusting the shores and foundations upon which she rested, so as to keep her in true shape and avoid injury by settling.

The fact that the Government occupied our building-slip for the period named deprived us of the use of same and prevented us from taking and executing contracts for a large amount of work from year to year, which we would have taken and built upon this slip, but having only three building-slips we had to decline all contracts except what could be executed upon the two (2) remaining slips.

We estimate the value of each slip, or the profit derived from same, at \$20,000 per year, which for six and one-half years equals \$130,000. Now, as we might have had them idle for a portion of this time, and wishing to be within rather than beyond the sum justly due us, we will reduce \$30,000, leaving the sum of \$100,000. We make no question whatever but that we would have realized this sum and even more in the regular course of our business, basing the same upon our past experience.

For the other expenses we were subject to for watchmen, labor in shoring, and taking care of hull, and for storage of turrets, pilot-houses, guns, &c., we would charge \$1,000 per year, which for six and a half years equals \$6,500, making a total of \$106,500.

All of which we respectfully submit for your information.

Very truly, yours, &c.,

J. TAYLOR BAUSE,
President.

(Dictated.)

Capt. P. C. JOHNSON, U. S. N.,
*President of Special Board, Bureau of Navigation,
Navy Department, Washington, D. C.*

MORGAN IRON WORKS,
New York, December 31, 1883.

SIR: Referring to your letter of the 6th instant in regard to the amount which should be paid on account of iron-clad Puritan, I have to say that this vessel was on the ways in my yard from the date of order to suspend work, given by the Bureau of Construction and Repair July 8, 1876, to date of contract for launching, December 30, 1882, say 2,362 days.

By the inclosed diagram you will see the position in the yard of the building-ways occupied and the width required over those of the Miantonomoh class, preventing the use of one building-way on each side.

This position was originally selected as a matter of economy and convenience, being directly in front of the tool-shop, where the material is punched, drilled, &c., presuming that the vessel would be completed and launched as early as practicable. This necessarily rendered the three building-ways useless for other work, and compelled the putting down of others, as shown in the diagram. This also required moving all the material for ships built during this time a much greater distance from the tool-shed than if the ways occupied by the Puritan could have been utilized.

I consider a fair compensation for the room thus occupied in care of vessel to be not less than \$45 per day for 2,362 days, or say \$106,290.

I am, very respectfully, &c.,

CH.

Capt. P. C. JOHNSON, U. S. N.,
President of Board.

The diagram referred to in the letter of Mr. Roach is a plan (tracing) of a portion of the Delaware River Iron-Ship Building and Engine Works at Chester, Pa.

[Office of Phineas Burgess, Nos. 35 and 37 Broadway.]

NEW YORK, June 20, 1883.

SIR: Your letter of 31st ultimo, requesting me to submit to the Department a detailed statement or estimate of the amount which ought to be paid me for the use and occupation of my yard at Vallejo, Cal., by the United States double-turreted monitor Monadnock, and for the care thereof, was duly received.

In reply thereto, I beg to say that the amount which I claim to be due me for the use and occupation of my yard, and for the care of the Monadnock, is correctly set forth in my claim for damages sustained under my contract of October 2, 1875, which claim includes other items of damages than those named in your letter, said claim having been on file in the Department since the fall of 1878, having been lately acted on by a board of officers.

As respects the matter of use and occupation of the yard and care of vessel, and the amount which I ought to be paid, I would respectfully refer to the following items of my claim, which covers the information asked for, and the aggregate cost incurred by me up to February 15, 1883. The monthly expenses incurred on and after this date, until the resumption of the work are covered by the monthly expenses as stated in the claim, viz, \$1,116.11 per month.

Items referred to are as follows:

Exhibit A, item 1, pay of superintendent.....	\$19,700 00
Exhibit A, item 4, pay of day watchman.....	6,316 75
Exhibit A, item 5, pay of night watchman.....	6,891 00
Exhibit B, item 1, occupation of yard, interest on capital.....	26,992 91
Exhibit B, item 2, insurance.....	5,226 03
Exhibit B, item 3, water rent.....	236 00
Exhibit B, item 4, water rent.....	288 00

In the aggregate up to February 15, 1883..... 65,650 69

It should be borne in mind that my claim for damages arises under my contract of October 2, 1875, a regularly bonded contract; let to me as the lowest bidder, after advertisement, and under competition; that on July 8, 1876, I was peremptorily ordered to stop work under that contract, and that my claim really began to accrue on that date, and not March 16, 1877, when the Department issued orders for suspension of work under all contracts made after March 1, 1877. Of this claim for damages the items for the care of the vessel and the use and occupation of the yard constitute only a part, and by respectfully referring to these items I am not to be understood as in any way waiving or in anywise modifying my claim as presented, but only referring you to those items thereof which furnish the answer to your inquiry.

The Department will please bear in mind the different state of facts connected with

the Monadnock contract, and that no proper comparison can be drawn between it and the contract for the other vessel of the same class. In the first place, the advertisement required that the work (see contract September 18, October 2, 1875) should be done in the vicinity of the Mare Island navy-yard.

Second. That since the stoppage of the work, my yard has been occupied by the Monadnock alone; the ship was erected therein in conformity with the advertisement and the contract, which contract I was not permitted to complete, having been prevented from launching the ship (under the contract of March 3, 1877) by the Department's letter of March 16, 1877, directing a suspension of all work under contracts made after March 1, 1877, and from completing the contract of October 2, 1875, through reason of the Government not supplying (as it had contracted to do) the necessary materials.

During the suspension, and while waiting for the delivery of the materials by the Government, I was compelled to keep my establishment, with all the necessary appliances, idle, for the reason that I did not know at what moment the Government would supply the wanting materials to complete the contract of October 2, 1875, and require me to go on with the work, and on failure on my part to do so claim that by reason of such failure I had forfeited my right to recover for the damages that had already accrued. It is to be borne in mind that these contracts were simply suspended contracts, subject to such orders as the Department might see fit to give.

It is evident that aside from the expenses I have incurred from the care of the Monadnock I have suffered additional loss through the laches on the part of the Government in preventing me from removing my property, by suspending these contracts and refusing to supply the necessary materials for me to continue work, and this continuing for years after due notice had been given that damages were accruing, all of which the Department has admitted but declined in any way to relieve, thus involving on me the expense of having my capital idle, also the expense of a superintendent to see that the vessel was not permitted to settle or get out of line, and the employment of day and night watchmen in the care of the vessel, all of which expenses have been incurred by me by reason of the suspensions above referred to, and the failure on the part of the Department to furnish the materials required under the terms of the contract.

You can, I think, readily see from what is above stated that my case is an entirely different one from that of either of the other contractors for vessels of the same class. I have had to maintain my establishment at a remote point for the Monadnock in order to comply with the express desires of the Department as to the location at which the vessel was to be built, thereby incurring the cost of interest on capital invested in the plant, insurance, &c., which, however, is no greater, if so much, as the value of one building-slip (for the same period of time) in other yards where there is work in abundance. I refer to the cases where the care of the vessel was but a part, an incident of the yard, and not as in my case the entire cost of maintaining the establishment through all these years, with a total loss of interest on the investment in addition to disbursement for superintendent, watchman, insurance, and water-rent.

In answering your letter of the 31st ultimo in this way, permit me to say that as I deem my entire claim just and proper it has been a matter of much difficulty for me to so state my position that the Department, while understanding the extent of my claim for use and occupation of yard and care of vessel, should not take my statement thereof to be a waiver in any way of my claim lately passed upon by a board of officers as a whole, for it is not my intention to do so.

Believing that you will, upon consideration, appreciate the position I am placed, the difficulties thereof, and my earnest desire to avoid any complication which might in any way imperil my claim as a whole, I beg to remain, very respectfully, &c.,

PHINEAS BURGESS.

HON. WM. E. CHANDLER,

Secretary of the Navy, Navy Department, Washington, D. C.

[Senate Ex. Doc. No. 186, Forty-eighth Congress, first session.]

Letter from the Postmaster-General, recommending certain appropriations to supply deficiencies in the appropriations for the use of the Post-Office Department for the year ending June 30, 1884.

JUNE 18, 1884.—Referred to the Committee on Appropriations and ordered to be printed.

POST-OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER-GENERAL,
Washington, D. C., June, 1884.

SIR: Upon investigation a short time since it was discovered that J. O. P. Burnside, disbursing clerk and superintendent of the departmental building, had embezzled various sums of money drawn from the Treasury on account of appropriations

of which he was charged with the disbursement. The discovery was immediately followed by his arrest and dismissal from office. It is evident that his defalcations began several years since, and the aggregate amount, as nearly as it can now be ascertained, will be about \$45,000 on account of appropriations alone.

An investigation now in progress shows that this amount will be considerably increased by the embezzlement of various sums realized from the sale of waste paper, condemned material, &c., not entering into the appropriation account.

The defalcation leaves the Department without the means to discharge in full its obligations for the current fiscal year; and in view of the circumstances I would respectfully recommend that the general deficiency appropriation bill (H. R. 7235), now pending in the Senate, be amended to contain the following items of appropriation for the year ending June 30, 1884, viz:

1. For compensation of officers and employés in the Post-Office Department.....	\$14,052 19
2. For stationery for use of the Post-Office Department.....	1,521 78
3. For rent of money-order office.....	2,000 00
4. For post-route maps.....	4,197 18
5. For fuel and heating.....	1,407 32
6. For gas.....	1,583 66
7. For Official Postal Guide.....	2,700 00
8. For hardware.....	173 88
9. For painting.....	17 40
10. For furniture.....	9 00
Total.....	27,662 41

The amount embezzled by Burnside out of the appropriation for salaries has been ascertained at \$17,486.09. At the time his defalcation was discovered there remained in the Treasury to the credit of the appropriation, after payments up to and including the 31st of May, the sum of \$42,154.96.

The amount required to pay the entire force provided by law amounts, for the month of June, to \$56,207.15, thus leaving a deficiency of \$14,052.19 to be provided for. From these figures it would appear that, except for the defalcation, there would have been an unexpended balance of \$3,433.90 on account of salaries for the current year.

As to the second item, the amount embezzled out of the stationery appropriation was \$1,521.78, and obligations are outstanding for very nearly the whole amount of the appropriation.

The third item concerns the building on the corner of Eighth and E streets northwest, under lease for a term of years for the use of the Money Order Bureau of the Post-Office Department, and the money-order division of the office of the Auditor of the Treasury for the Post-Office Department. The annual rental of the building is \$8,000, payable quarterly, and the rent has been paid to and including the 31st of March last. Included in Burnside's defalcation is the \$2,000 intended to pay the rent for the present quarter.

With regard to the fourth item, it was found some time since that the regular appropriation for post-route maps would be insufficient, and that the deficiency bill as it passed the House contains an additional appropriation of \$1,860 for this purpose. The amount embezzled by Burnside out of the appropriation for post-route maps has been ascertained to be \$2,337.18, and I would accordingly recommend that this sum be added to that fixed by the House bill, making a total of \$4,197.18, as above.

With regard to the fifth item, the fuel is furnished under contract, and the bills remaining unpaid are ascertained at \$1,407.32.

With regard to the sixth item, the gas bills are paid up to and including the 31st of January. Bills have been rendered from February 1 to May 31, aggregating \$2,102.21, and the bill for June is estimated at \$481.45 (the same amount as for May), making a total estimated indebtedness of \$2,583.66, for the payment of which \$1,000 remains in the Treasury to the credit of the appropriation. The balance unprovided for is, therefore, \$1,583.66.

As to the seventh item, the Postal Guide is furnished under contract, and is issued monthly. Three editions remain to be paid for, with no money available. The expenditure closely approximates \$900 per month, and the estimate has therefore been placed at \$2,700.

As to the eighth item, for hardware, unpaid bills have been received amounting to \$173.88, and no further obligations will be incurred.

Concerning the ninth item, the indebtedness for painting has been ascertained at \$17.40, and no additional expenditure will be made during the remainder of the fiscal year.

With regard to the tenth item, no additional furniture will be ordered during the

remainder of the fiscal year, but there are unpaid bills amounting to \$9, which amount has been included in the foregoing estimate.

It is believed that the above amounts will provide for all the outstanding obligations, as the expenditures in the aggregate will fall considerably within the amounts originally appropriated.

Very respectfully, &c.,

W. Q. GRESHAM,
Postmaster-General.

Hon. GEORGE F. EDMUNDS,
President pro tempore United States Senate.

[Senate Ex. Doc. No. 195, Forty-eighth Congress, first session.]

Letter from the Attorney-General, recommending certain amendments to House bill 7235 making appropriations to supply deficiencies for 1884 and prior years.

JUNE 23, 1884.—Referred to the Committee on Appropriations and ordered to be printed.

DEPARTMENT OF JUSTICE,
Washington, June 20, 1884.

SIR: I call your attention to the House bill 7235 making appropriations to supply deficiencies for 1884 and prior years, &c.

I find on page 29 that the last paragraph, from lines 698 to 704, is a general appropriation, and although it may be understood to be for the fiscal year 1884, I suggest for the sake of absolute certainty that in the line 704, after the word "dollars," there be inserted the words "being a deficiency in the fiscal year 1884."

In the line 698, in place of the word "fifty," there should be inserted the word "ninety" (this is the First Comptroller's estimate, and I am confident that the sum designated, \$50,000, will not suffice); in line 701, in lieu of the word "twenty-five," there should be inserted "seventy-five," as there have been received requisitions from the marshals for sums amounting to over \$36,000, which would have been honored except for the existing deficiency and which must be advanced to pay the expense of the process of the courts. The probability is that at least \$50,000 will be needed to settle all accounts now in, and more are expected. In the opinion of the First Comptroller the original estimate of \$75,000 was not too high.

Objection is made to making an adequate appropriation because irregularities have been found in some marshals' offices. If that is a sufficient reason for diminishing the appropriation by two-thirds it is sufficient for rejecting the whole, and might be assumed as a reason for making no appropriation at all. The courts of the country must be held. Their expenses must be met. The majority of the officers are honorable men and the expenses incurred by them are just. I desire to firmly insist upon having the amount in line 701 changed to "seventy-five thousand dollars."

By reference to the letter to the Secretary of the Treasury, February 5, 1884, transmitting estimates for deficiency appropriations, there is found on page 19, next to the last sentence, for payment of district attorneys and their assistants, being a deficiency for the fiscal year 1882, the stated sum of \$17,782.62. This amount should be substituted for the amount expressed in lines 711 and 712, page 30, of the deficiency bill. The amount requested is made up of accounts adjudicated by the accounting officers of the Treasury, found to be in accordance with law, duly approved, and found payable.

Of these amounts \$5,000 are due to Judge Porter, \$5,000 to Mr. Davidge, and \$2,000 to Mr. Smith, as final compensation for services rendered by these attorneys in the case of the United States against Charles J. Guiteau. The President thought and said that Judge Porter and Mr. Davidge should each receive a fee of \$1,000. They have each been paid \$10,000, and there remains due to each \$5,000. How well these gentlemen earned their fees is known to the nation, and it appears to me that the failure to provide for their payment for the services in that case is a national reproach, and I should consider myself derelict in duty not to earnestly and warmly advocate an appropriation for their payment.

On page 30 of the estimate for deficiencies, second item, there was stated a deficiency for expenses of territorial courts in Utah, 1883, \$3,500. This has been omitted from the first paragraph on page 30 of the deficiency bill and ought to be provided for. There exists an actual deficiency of \$2,830.25 in this appropriation. It is the difference between the balance due the marshal and the amount available for payment. The estimate of \$3,500 was to cover such claims as might be received after the estimate was made. The amount of appropriation desired is, therefore, \$2,830.25.

Your attention is also called to the proviso of the concluding paragraph on page 30, limiting the use of money therein appropriated to the payment of district attor-

neys and their regular assistants, and excluding payments to special counsel heretofore employed. Whatever motives induced the insertion of this proviso, it is an injustice to special counsel who have served the Government in good faith, had their accounts approved in good faith, and expect the Government to exercise good faith in providing compensation for them. Some of these special counsel are waiting the payment of comparatively small amounts due them. There is nothing connected with their accounts, that is known to the Department, of an objectionable character. The Government is committed to their payment. The proviso refuses to pay just debts.

Very respectfully,

BENJAMIN HARRIS BREWSTER,
Attorney-General.

Hon. GEORGE F. EDMUNDS,
President of the Senate.

[Senate Ex. Doc. No. 189, Forty-eighth Congress, first session.]

Letter from the Secretary of War, transmitting communications from Major Lydecker and the Chief of Engineers, asking additional appropriation of \$175,000 for the new Washington reservoir.

JUNE 20, 1884.—Referred to the Committee on Appropriations and ordered to be printed.

WAR DEPARTMENT,
Washington City, June 19, 1884.

SIR: I have the honor to transmit to the United States Senate copy of a communication of this date from the Chief of Engineers, covering one from Maj. G. J. Lydecker, Corps of Engineers, reporting the amount appropriated to pay for land for reservoir by the "Act to increase the water supply of the city of Washington, and for other purposes," approved July 15, 1882 (22 Stat., p. 170), to be inadequate to pay the amount awarded by the appraisers for the land taken for this purpose, and that the sum of \$175,000 is required to meet the deficiency.

The inclosed papers set forth the facts in the case, and fully explain the necessity for the additional appropriation, and I respectfully recommend that the amount asked for may be granted.

I have the honor to be, very respectfully,

S. V. BENÉT,
Brig. Genl., Chief of Ordnance, Acting Secretary of War.

To the PRESIDENT PRO TEMPORE OF THE SENATE.

OFFICE OF THE CHIEF OF ENGINEERS,
UNITED STATES ARMY,
Washington, D. C., June 19, 1884.

SIR: I have the honor to submit herewith duplicate copies of a letter of the 16th instant, together with its inclosure, from Maj. G. J. Lydecker, Corps of Engineers, inviting attention to the fact that the amount appropriated to pay for land for reservoir by the "Act to increase the water supply of the city of Washington, and for other purposes," approved July 15, 1882, is inadequate to pay the amount awarded by the appraisers for the land taken for this purpose, and recommending an appropriation by Congress of \$175,000, the amount required to supply the deficiency.

Major Lydecker gives a clear and concise statement of the facts of the case, and fully explains the causes making an additional appropriation for this purpose necessary.

The amounts due for lands taken in accordance with the above cited act constitute just and equitable claims against the United States and the District of Columbia, and the circumstances of many of the claimants, as explained by Major Lydecker, present strong reasons for prompt action upon the part of Congress in making provision for their relief. I beg, therefore, to suggest that one copy of the accompanying papers be transmitted to the President *pro tempore* of the Senate, and the other to the Speaker of the House of Representatives, for the information of the Committees on Appropriations of their respective bodies, with recommendation for such action as may be deemed necessary and proper in the premises.

Very respectfully, your obedient servant,

JOHN NEWTON,
Chief of Engineers, Brig. and Bot. Maj. Gen.

Hon. ROBERT T. LINCOLN,
Secretary of War.

OFFICE OF THE WASHINGTON AQUEDUCT,
Washington, D. C., June 16, 1884.

GENERAL: I have the honor to invite attention to the fact that the amount appropriated "to pay for land for reservoir" by the third section of the "Act to increase the water-supply of the city of Washington, and for other purposes," approved July 15, 1882, is totally inadequate to pay the amount awarded by the appraisers for the land taken for this purpose and now in possession of the United States pursuant to the requirements of this act:

The aggregate of awards is.....	\$205, 874 30
The amount appropriated is.....	35, 250 00
Deficiency	170, 624 30

This condition of affairs results, not from any tangible error in the estimates originally submitted, which amounted, in round numbers, to \$76,000 (see note), and were based upon the official assessed valuation of the land, viz, \$68,000, nor from any material change in the amount of land taken, the estimates contemplating the use of 65 acres, and the amount actually taken being 68.02 acres; but it arises almost entirely from a sudden and most unexpected rise in the value of the property as determined by the appraisers, from whose valuation there is no appeal by the United States. In respect to these values the assessors, who assessed this same property for purposes of taxation as late as the summer of 1883, appear to have entertained radically different views from those of the appraisers who fixed the value to be paid by the United States and District of Columbia a few months later; for example, about 43 acres of the property taken was assessed at \$500 per acre, but appraised at from \$2,000 to \$2,200 per acre. In this connection attention is invited to the accompanying statement, which exhibits the claimed, assessed, and appraised valuations of each parcel of land, the totals under each head being as follows:

Assessed valuation (for taxation).....	\$74, 517 10
Appraised valuation (for sale to United States).....	205, 874 30
Claimants' valuation.....	417, 644 15

All this land has been actually taken and occupied for the work, which is now in full progress, and the original proprietors have been dispossessed. It is also to be observed that, pursuant to the requirements of the act before referred to, possession was taken and work commenced long before the land had been appraised, and before it could be surmised even that there would be any such difference between the appraised and assessed valuations. Many of the holders are poor people, whose homes have been taken, and who are now in great need of ready money with which to establish themselves elsewhere. It is therefore evident that the immediate appropriation of a sum sufficient to supply the deficiency is an imperative duty. In addition to the deficiency, as stated above, and which has reference only to the value of the land and improvements, provision must be made to meet the cost of surveys and maps, pay and expenses of appraisers, fees for examination of titles, recording deeds, &c., which will probably amount to not less than \$5,000 more; so that the aggregate deficiency must be placed at not less than \$175,000. Accordingly, I would recommend that the matter be at once submitted to Congress, with the urgent request that provision be made for the immediate appropriation of the above sum (\$175,000) as an item in the general deficiency bill, or in such other manner as Congress may deem most expedient.

Very respectfully, your obedient servant,

G. J. LYDECKER,
Major of Engineers.

Brig. Gen. JOHN NEWTON,
Chief of Engineers, U. S. A.

NOTE.—The itemized estimates submitted, and which formed the basis of appropriation, included the following:

(a) 40 acres for reservoir	\$22, 000 00
(b) 24.9 acres around same.....	13, 249 50
(c) Valuation of improvements on same.....	40, 700 00
Making total for reservoir	75, 949 50

When the appropriation was made the last item (c) appears to have been inadvertently omitted, the amount actually appropriated being in round numbers the sum of items (a) and (b), viz, \$35,250.

DEFICIENCY APPROPRIATION BILL.

Comparative statement showing claimed, assessed, and appraised valuations of lands and improvements taken for new reservoir near Howard University.

Number of claimant.	Name of claimant.	Block	Lot.	Area in square feet.	Valuations.		
					Claimed.	Assessed.	Appraised.
	Soldiers' Home.....			½ acre.		b\$1,000 00	\$1,000 00
4	United States.....	10	14.....	7,500		b600 00	600 00
31	William H. Harris.....	11	8.....	7,500	\$600 00	150 00	450 00
26	Katie C. Dowling.....	11	Of 14.....	2,400	1,800 00	348 00	1,088 00
28	Margaret Finn Hallig.....	11	Of 14.....	5,100	5,000 00	402 00	2,465 00
16	Meredith Yeatman.....	16	10.....	7,500	10,000 00	300 00	1,750 00
	No claim filed.....		11.....	7,500	a750 00	600 00	750 00
15	M. Stanton & E.L. Thomas.....	16	12.....	7,500	10,000 00	800 00	1,175 00
17	Moses Kenner.....	16	D.....		550 00	b100 00	100 00
1	Adeline Brooks.....	16	A.....	7,500	10,000 00	500 00	900 00
19	Simon Butler.....	16	18.....		700 00	b150 00	150 00
25	Dinia Walker.....	16	16.....	7,500	8,256 50	475 00	1,150 00
8	John Walker.....	16	Of 17.....	4,500	5,550 00	720 00	1,785 00
32	James Ware.....	16	E and F.....		400 00	200 00	100 00
23	B. R. Hodges.....	16	Of 17.....	3,000	4,500 00	280 00	640 00
9	C. B. McKenney.....	16	Of 18.....	3,900	5,850 00	334 00	935 00
6	Mary M. C. Sellar.....	16	Of 18.....	3,600	4,600 00	466 00	1,540 00
45	Lawrence Hickey.....	16	19.....	7,500	15,000 00	1,450 00	3,125 00
20	G. and W. Grice.....	16	20.....	7,500	11,550 00	700 00	1,425 00
	No claim filed.....	16	21.....	7,500	a1,125 00	450 00	1,125 00
5	F. H. Smith, trustee.....	22	N.....	5,400	} 5,000 00	202 00	444 00
		22	Of M.....	500			
		22	Of L.....	500			
21	Nancy Richards.....	22	Of M.....	2,500	} 8,750 00	700 00	1,800 00
7	Almos P. Bogue.....	22	K.....	2,500			
		22	L.....	2,500			
48	Ann L. Woodbury.....	22	18.....	4,800	150 00	392 00	1,326 00
34	William Walker.....	22	I.....	2,500	1,650 00	725 00	1,300 00
	No claim filed.....	22	H.....	2,500	a1,300 00	725 00	1,300 00
2	J. A. Peine.....	22	G.....	2,500	2,500 00	725 00	1,350 00
		22	C.....	2,500		125 00	300 00
13	J. O'Connell.....	22	D.....	2,500		125 00	600 00
		22	E.....	2,500	20,000 00	1,125 00	2,300 00
	No claim filed.....	22	F.....	2,500		125 00	300 00
3	First Co-operative Building Association of Georgetown.	22	B.....	2,500	a1,300 00	725 00	1,300 00
		22	A.....	2,500	300 00	725 00	1,300 00
27	J. M. Brown.....	23	8.....	7,500	30,000 00	4,300 00	8,625 00
37	C. B. Purvis.....	23	W ½ of 6.....	3,750	6,500 00	2,187 50	3,062 50
36	J. B. Johnson.....	24	1.....	6,625		265 00	
		24	2.....	6,625		198 75	
		24	3.....	6,625	11,850 00	198 75	5,962 50
		24	18.....	6,625		179 00	
		24	19.....	6,625		179 00	
		24	20.....	6,625		238 50	
		9	1 and 2.....	14,882.5	1,500 00	297 65	} 6,623 52
		9	4 to 16 incl.....	95,942.5	7,175 85	1,918 85	
		9	3.....	7,357.5	95 00	147 15	
		10	1.....	7,500	900 00	150 00	5,850 00
		10	2 to 13 incl.....	} 105,000	7,875 00	2,100 00	900 00
		10	15 to 16 incl.....				
		11	1 and 2.....	} 30,000	3,600 00	600 00	1,800 00
		11	12 and 13.....				
		11	4 to 11 incl.....				
39	Howard University.....	11	15 and 16.....	75,000	5,625 00	1,500 00	4,500 00
		22	1 to 13 incl.....	62,400	4,992 00	1,920 00	3,744 00
		22	14 to 17 incl.....	} 57,600	8,640 00	2,304 00	6,912 00
		22	19 to 26 incl.....				
		23	1 to 5 incl.....	28,000	4,200 00	1,120 60	2,800 00
		23	7 and E ½ of 6.....	11,250	4,250 00	2,487 50	3,687 50
		24	4 to 17 incl.....	} 90,875	8,673 75	2,958 75	4,568 15
		24	A and B.....				

a No claim filed; the appraised valuation is given.

b Property not assessed; the appraised valuation is given.

Comparative statement showing claimed, assessed, and appraised valuations, &c.—Cont'd.

Number of claim.	Name of claimant.	Block	Lot.	Area. in square feet.	Valuations.		
					Claimed.	Assessed.	Appraised.
Howard University		25	1 to 5 incl.....	37,500	\$7,500 00	\$1,500 00	\$5,250 00
			6 to 10 incl.....	37,500	2,812 50		
		26	All	150,000	11,250 00	3,000 00	7,457 05
		16	13 to 15 incl...	22,500	5,625 00	1,125 00	1,575 00
				16 B. C. D. E. F ..	28,600	2,268 75	1,154 40
		50 by 360 feet.....	18,000	5,400 00	a3,150 00	3,150 00	
		20 by 20 feet.....	400	120 00	a100 00	100 00	
		50 by 360 feet, 22 $\frac{1}{2}$ acres.....		67,200 00	11,200 00	44,800 00	
		Fence on same.....		1,000 00			
		George E. Moore, sr.....	20.3366 acres.....		61,009 80	10,168 00	44,793 00
	Total.....		417,644 15	74,517 10	205,874 30		

a Property not assessed; the appraised valuation is given.

OFFICE WASHINGTON AQUEDUCT.

Respectfully forwarded to the Chief of Engineers, with letter of June 16, 1884.

G. J. LYDECKER,
Major of Engineers, U. S. A.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF CUSTOMS,
Washington City, D. C., June 27, 1884.

SIR: I have the honor to acknowledge the receipt of your telegram of to-day requesting a statement in regard to the grounds of decision in inspectors' cases under Ex. Doc. 67.

In reply, you are respectfully referred in part to pages 40, 41, 42, and 43 of House Report No. 1274, first session, Forty-seventh Congress, where you will find not only a history of the cases but the decision of the Solicitor of the Treasury and of the Secretary of the Treasury upon them, and a further statement of the law governing them.

My decisions have been based upon these, and have been made from time to time on the cases as each one was considered. The evident terms of the statute have been applied to the facts of each case, and it has been rejected or allowed as the facts brought it within or without the terms of the law. Hence I have no formal extended written decision to send you other than those in the printed document. Each case has been considered by itself, and, so to speak, *de novo*.

Sections 2733 and 2738 of the Revised Statutes, upon which the allowed claims of the inspectors are brought, are not complicated in language or doubtful in terms. I have never heard of a doubt being raised by any one as to the true interpretation or meaning of either section. If it is possible to give those sections any honest interpretation other than the one which the language employed makes evident that interpretation remains to be suggested. They are so plain and emphatic that no difference of opinion has arisen concerning their construction or the legal compensation they affix to the performance of the duties developed upon inspectors of customs.

The law being undisputed, let us consider the facts involved.

To constitute an officer there must be a legal appointment and a valid oath of office. Before any pay is allowed an inspector his appointment and oath are both of *official record* in my office. Without them no pay is allowed. Those official records show the appointment and qualification of each person in whose favor an award has been made. Therefore there can be no doubt as to the official character of each claimant.

There being no dispute as to the law or doubt as to the official character of the claimant, but one thing remains to be shown to clearly entitle him to the compensation of his office, and that is that he shall have been "actually employed." Certainly there can be no stricter construction of the words "actually employed" than to require the claimant to show that he has been on duty as an inspector each day for which he is paid. That is the construction which has been given those words, and no claim has been allowed, no matter what testimony the claimant may have pre-

sented, without an official report from the collector of customs of the district in which he was employed, showing not only the payments made the inspector, but also whether or not he was on duty each day for which he claims full pay. The collector's report of the amount paid the inspector has been in each case examined and compared with the vouchers representing such payments on file in the Department, and no allowance in excess of full lawful compensation for such days as the inspector is shown to have been on duty, *less* the amount previously paid, has been made. Therefore, all the facts essential to sustain these claims as allowed are of official record in the Department. They are not proven by *ex parte* evidence, but by Government records and official reports. Concerning their validity there appears to be no question. I know of no reason why the claimants should not be paid promptly. The law prescribed the amount of their salary, and they daily performed the official duty required of them.

Nearly all of the claims have been adjudicated. Many have been paid from current available funds, and Congress has several times appropriated to pay like claims.

If a more specific reply upon any point is desired please advise me.

I am, very respectfully, your obedient servant,

H. C. JOHNSON,
Commissioner of Customs.

Hon. WM. B. ALLISON,
Chairman Appropriations Committee, United States Senate.

COMPENSATION OF INSPECTORS OF CUSTOMS.

(Sections 2733 and 2738, Revised Statutes.)

[House deficiency bill (H. R. 7235), page 50.]

The claims of the inspectors of customs appropriated for on page 50 of the House deficiency bill are not old or stale.

None of them are older than 1874, and none are more recent than 1881, for then the statute under which they originated was repealed; hence no *new* claims can arise.

The Treasury Department paid all similar claims from current funds so long as they were available for that purpose, and Congress has *four times* appropriated for such claims. (20 Stat., 421; 21 Stat., 255 and 429; and 22 Stat., 276.)

The Department would now pay these claims had it the funds from which it could do so. *More than nine-tenths of all these cases are now adjudicated.* There is no doubt concerning the law governing them. It is very plain and simple, every question of law or of fact has been carefully considered, and the Department admits that the claimants are entitled to full compensation. The facts as to appointment, service, &c., of the inspectors are shown by official records and by official reports. The accounting officers acted upon official data. These claims were allowed after a most careful examination by the First Auditor, and then by the Commissioner of Customs. They had all the facts and law before them, and decided each claim on its merits. Neither they nor the Department have any doubt about the facts or law involved. Had they entertained any doubt concerning either, they could have sent these claims *at any time during their pendency* to the Court of Claims, under section 1063 of the Revised Statutes, and also since March 3, 1883, under the so-called "Bowman Act." Having no doubts about these claims they did not send them to the Court of Claims, but proceeded to settle them under the fourth section of the act of June 14, 1878, as by that law they were authorized and required to do. *That settlement was unquestionably in accordance with law, and the amounts found due stand to-day as unsatisfied though undisputed debts of the Government.*

Nevertheless, the House Appropriation Committee has attached to the appropriation for the pay of these officers a proviso which requires them to commence their cases *de novo* and in another tribunal, and prohibits their payment unless that tribunal also shall find in their favor. Yet it gives them no right of appeal. Hence, to secure their lawful pay for services necessarily rendered, and which the Government required and received, they must unwillingly go from one tribunal to another by the dictation of the Government which owes them. The proposed proviso seems to indicate a hope that some authority may be found to decide adversely to the claimants. Such a policy is reprehensible and dishonest. That it is an evasion appears from the language of the present appropriation which calls the amount due "legal compensation fixed" by statute.

For Congress to refuse an appropriation to pay now the amount found due by Government officers in pursuance of the authority and duty fixed upon them, unless with a proviso that the cases shall first receive the sanction of the Court of Claims, would be to refuse to abide by the laws it has enacted and never repealed, and by the

settlement of its own officers after it had directed them to find the amount due, and that, too, after it had sanctioned such findings in similar cases by *four* separate and specific appropriations.

This proposed proviso does not confer on the Departments or accounting officers any added authority or privileges, but requires the claimants to take against themselves that action which the accounting officers and the Department did not regard necessary to protect the true interests of the Government. In other words, it requires the claimants to bring a suit in the nature of an appeal from findings in their favor with which they are satisfied, and which have been made in pursuance of established law by specially authorized officers accustomed to such duties.

There is no precedent for such an unjust requirement anywhere in the statutes or in the jurisprudence of our country.

The accounting and executive officers of our Government, before whom these cases have come, have understood them; they know they are legal and just; they have certified the amounts due, and believe they should be paid promptly.

The Court of Claims has adjourned and does not meet until next December. It has a full docket. Months would elapse before these cases could be heard and decided. If Congress should require the reference of such adjudicated cases to the courts it would necessitate the establishment of several courts of claims, and would increase the expense of obtaining justice to such a degree as to be a practical denial of it.

The claimants ask that the appropriation may be made without the proposed proviso, and that they may be paid their full lawful compensation without further delay.

Respectfully submitted.

CUMMINGS & BAKER,
For several Claimants.