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1-25-1884

**Letter from the Secretary of War, transmitting a copy of the report of the Third Auditor of the Treasury upon the bill (S. 809) to indemnify the State of California for balances paid and remaining due on account of indebtedness incurred in the Indian wars**

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### Recommended Citation

S. Misc. Doc. No. 40, 48th Cong., 1st Sess. (1884)

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LETTER

FROM

THE SECRETARY OF WAR,

TRANSMITTING

*A copy of the report of the Third Auditor of the Treasury upon the bill (S. 809) to indemnify the State of California for balances paid and remaining due on account of indebtedness incurred in the Indian wars.*

JANUARY 25, 1884.—Reported by Mr. Maxey from the Committee on Military Affairs, ordered to be printed, and recommitted.

WAR DEPARTMENT,  
*Washington City, January 24, 1884.*

SIR: Referring to so much of your communication of December 22, 1883, as requests information upon the subject of Senate bill No. 809, "to indemnify the State of California for balances paid and remaining due on account of indebtedness incurred in the Indian wars," &c., I have the honor, in reply, to forward copy of the report of the Third Auditor of the Treasury, dated the 22d instant, upon the bill, which it is hoped will afford the information desired.

A similar bill having been introduced in the House of Representatives, and the subject being one of considerable importance, I beg to request that the letter of the Auditor may be printed.

Very respectfully, your obedient servant,

ROBERT T. LINCOLN,  
*Secretary of War.*

Hon. S. B. MAXEY,  
*Of Committee on Military Affairs, United States Senate.*

TREASURY DEPARTMENT,  
THIRD AUDITOR'S OFFICE,  
*Washington, D. C., January 22, 1884.*

SIR: I have the honor to return \* \* \* "A bill to indemnify the State of California \* \* \*," and the other papers referred to me by your direction.

Notwithstanding the recitals in the bill, I am unable to perceive that any part of the appropriation was due to the *State*, or that the non-payment of the small balance of the appropriation was caused by "delays occasioned by War Department rulings." On the contrary, the facts would seem to be that the small unpaid balance belonged exclusively to the *holders of the yet outstanding California bonds*, and that the

sole reason for the non-payment was the failure by a few of such holders to come forward and present their bonds for payment.

A brief history of the legislation by Congress is as follows:

The *original* act, August 5, 1854 (10 Stat., 582-583), directed the Secretary of War to examine and ascertain the "amount of expense incurred and now actually paid" by the State in the suppression of Indian hostilities within the State prior to January 1, 1854, and to pay the amount so ascertained *into the State treasury*, but not to exceed \$924,259.65.

But, as shown by correspondence, the State officials determined not to present its claim as the law stood; and by act of August 18, 1856, Sec. 8 (11 Stat., 91), the law was changed to provide that the appropriation should be used to pay the *holders of the war bonds* which the State had issued on account of such expenses.

An amendment was made by act of June 23, 1860 (12 Stat., 104), but it was of minor importance, and need not be now set out.

The holders of the great bulk of the bonds presented them within a short time, and received payment.

A period of more than three years then elapsing without further calls, the appropriation became by law "lapsed," and the unexpended balance, \$10,188.65, was therefore carried into the surplus fund.

Subsequently a few bonds, aggregating not over \$2,500, were presented to this office, but were returned, there being no fund for payment; and on March 22, 1866, the Third Auditor recommended to the Secretary of War to ask Congress to reappropriate said balance of \$10,188.65.

By act of July 25, 1868 (15 Stat., 175) a balance of \$10,183.65 (\$5 short) was reappropriated. Only one person, James Steele, presented any bond, and he was paid \$538.11. Again the appropriation "lapsed" by want of calls upon it for a period of three years; and on July 1, 1874, the balance, \$9,645.52, was carried into the surplus fund.

By act of March 3, 1881 (21 Stat., pages 510, 511), a sufficient amount of the unexpended balance was reappropriated to pay the principal, with interest to July 1, 1860, of four bonds described by denomination and serial numbers; and payment was accordingly made to the owner, Frances D. Bingham, in the sum of \$1,288.36, leaving the balance now in the surplus fund, \$8,357.16.

I do not know why Congress allowed interest to July 1, 1860, on Mrs. Bingham's bonds. On the others interest was allowed to January 1, 1854; as the appropriation, so I understand, would suffice for no more, having been based upon the showing made by the State of the expense incurred by it up to *that date*.

I fail to perceive that the *State* had any right in the unexpended balance.

Very respectfully,

A. M. GANGEWER,  
*Acting Auditor.*

Hon. ROBERT T. LINCOLN,  
*Secretary of War.*

[Forty-eighth Congress, first session.]

S. 809.

IN THE SENATE OF THE UNITED STATES,  
December 19, 1883.

Mr. MILLER, of California, asked and, by unanimous consent, obtained leave to bring in the following bill; which was read twice and referred to the Committee on Military Affairs.

A bill to indemnify the State of California for balances paid and remaining due on account of indebtedness incurred in the Indian wars, for the payment of which said State issued bonds in eighteen hundred and fifty-one and eighteen hundred and fifty-two, a part of which remain unpaid owing to delays occasioned by War Department rulings under the act of Congress of August fifth, eighteen hundred and fifty-four.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the State of California, or her duly authorized agents, any sum found due, upon investigation, for balances alleged to have been paid and remaining due and to be paid by said State on account of Indian war bonds issued by said State under the acts of the legislature of eighteen hundred and fifty-one and eighteen hundred and fifty-two, in the suppression of Indian hostilities within the said State prior to the first of January, eighteen hundred and fifty-four, and recognized by the act of Congress of August fifth, eighteen hundred and fifty-four: *Provided*, That the sum so paid shall not exceed in amount the sum of two hundred and fifty thousand dollars, which amount is hereby appropriated, out of any money in the Treasury not otherwise appropriated, and to be settled upon proper vouchers to be filed and passed upon by the proper accounting officers of the Treasury Department.*

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