
CALIFORNIA INDIAN WAR BONDS.

JANUARY 31, 1879.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. STEWART, from the Committee on Indian Affairs, submitted the following

REPORT:

[To accompany bill H. R. 1185.]

The Committee on Indian Affairs, to whom was referred the bill (H. R. 1185) for the payment of certain Indian war bonds of the State of California, have had the same under consideration, and beg leave to submit the following report:

From the evidence laid before the committee (being the bonds in question and other papers) it appears that the bonds mentioned in the bill belong to a class of bonds that were issued by the State of California, under an act of its legislature approved May 3, 1852, in payment of expenses incurred in the suppression of Indian hostilities within the State.

It is also shown that these bonds named in the bill (four in number) were issued as a part payment of the debt incurred, as above recited and under the authority referred to, and were made payable in ten years, with interest at the rate of 7 per cent. per annum. The bonds are numbered 164, 166, 167, and 168, the money value of each, with coupons attached, being \$354.22, or the aggregate sum of \$1,416.88.

It is further found that the bonds are properly authenticated, being signed by the three State officers, viz: J. Neely Johnson, governor; G. W. Whitman, comptroller; and Henry Bates, treasurer; and filed with the papers submitted by claimant is the certificate of James J. Green, comptroller, as to the genuineness of the bonds dated.

In accordance with frequent precedents that the general government is liable for expenses incurred by a State in the suppression of Indian hostilities, Congress assumed the payment of said expenses incurred by the State of California prior to January 1, 1854, and, by an act of Congress, appropriated the sum of \$924,259.65 to reimburse the State. By this act of Congress, approved August 5, 1854, and the further act of August 18, 1856, the Secretary of War was authorized and directed to pay the bonds or indebtedness of the State incurred, as hereinbefore set forth, and prior to January 1, 1854.

It is in evidence that under the provisions of law the Secretary of War paid bonds issued by the State, out of the appropriation above noted, to the amount of \$914,071.02, and the balance of the appropriation, \$10,188.63, was carried to the "surplus fund," by warrant of the Secretary of the Treasury, June 29, 1863. These facts are certified to by a letter from Assistant Secretary Sawyer, Treasury Department, and now in the hands of the committee.

This unexpended balance of the original appropriation made to pay these Indian war bonds arose from the fact that parties holding the bonds did not present them in time to be paid under the laws authorizing their payment by Congress; and of the number remaining unpaid (for which Congress had made provision, and the money therefor, not being demanded, had been covered into the Treasury) were the four bonds in the possession of your committee, the holder of them innocently supposing that they were good at any time and would be paid on presentation to the proper department, because the faith of the government had been pledged for their payment. But on application at the Treasury Department for payment of the bonds, the holder found that while the department admitted the justice of the claim, of which the bonds themselves are a complete proof, yet the law requiring all unexpended balances of appropriations, after a specified time, to be covered back into the Treasury, prevented the settlement of his claim and payment thereon, under the law which authorized the payment of this class of bonds and appropriated the money therefor, because the unexpended balance was no longer available. Hence the claimant was compelled to ask relief through Congress, and requests the authority of law to have his claim against the government, now past due some fifteen years, adjusted and paid.

In the Forty-third Congress a like bill was introduced and referred to the Committee of Claims. The bill was *favorably reported by the committee* June 16, 1874, and placed on the calendar, but for lack of time, being near the close of that Congress, was not acted on by the House. (See Report 669, H. R. 2503.)

Therefore, in view of the foregoing facts, supported as they are by the bonds themselves now in the hands of the committee, and other documentary evidence, as well as certain laws referred to, the committee report the bill to the House with the recommendation that it pass.