

CLAIM OF THE STATE OF FLORIDA.

FEBRUARY 3, 1886.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DOUGHERTY, from the Committee on Claims, submitted the following

REPORT:

[To accompany bill H. R. 3877.]

The Committee on Claims, to whom was referred the bill (H. R. 3877) to authorize the Secretary of the Treasury to settle the claim of the State of Florida on account of expenditures made in suppressing Indian hostilities, beg leave to submit the following report:

In accordance with the requirements of the joint resolution of Congress approved March 3, 1881, the Secretary of War has investigated, audited, and made a report to Congress, May 22, 1882, of the amount due the State of Florida for expenditures made in suppressing Indian hostilities in that State between the 1st day of December, 1855, and the 1st day of January, 1860 (Ex. Doc. 203, Forty-seventh Congress, first session).

The expenditures grew out of the Seminole war of 1855, 1856, and 1857, the State authorities being compelled, in the presence of an anticipated and subsequently actual outbreak of the Indians, to call forth the militia of the State, the force of United States troops then on duty being inadequate to the protection of the people. The report of the Secretary of War (Ex. Doc. 203) fully sets forth in detail the items of expenditure allowed and disallowed, the total amount found due the State being the sum of \$224,648.09.

It is established that the funds at the command of the executive of the State of Florida in the years referred to were insufficient to equip, supply, and pay the troops in the field, and relying upon the approval given by the President of the United States, through the Secretary of War, on the 21st day of May, 1857, of the services of these volunteers, the State legislature, in order to provide their equipment and maintenance, authorized the issue of 7 per cent. bonds.

A portion of the bonds, amounting to \$132,000, was sold by the governor to the Indian trust fund of the United States, and the proceeds of such sale were disbursed by the treasurer of the State for the "expenses of Indian hostilities," as appears from his report to the legislature for the year ending October, 31, 1857 (Ex. Doc. 203, Forty-seventh Congress, first session). Another portion was hypothecated to the banks of South Carolina and Georgia as security for a loan of \$222,015, and \$192,331 of this loan was disbursed directly by a disbursing agent of the State in payment of "expenses of Indian hostilities," including pay of volunteers (Ex. Doc. 203, Forty-seventh Congress, first session).

This case is one where the Government, through the President of the United States by the Secretary of War, promised to pay these troops when mustered into the United States service, and they would have been long since paid by the Government if so mustered, but the mustering officer arrived in the State after they had been mustered out, and the State was compelled to borrow money with which to pay them (see letter of Secretary of War hereto appended).

Congress has universally paid interest to the States where they have paid interest. We cite the cases where interest has been allowed and paid for moneys advanced during the war of 1812-'15, as follows: Virginia, act March 3, 1825 (4 Stat. at L., p. 132); Maryland, act May 13, 1826 (4 Stat. at L., p. 161); Delaware, act May 20, 1826 (4 Stat. at L., p. 175); New York, act May 22, 1826 (4 Stat. at L., p. 192); Pennsylvania, act March 3, 1827 (4 Stat. at L., p. 241); South Carolina, act March 22, 1832 (4 Stat. at L., p. 499); Maine, act of March 31, 1851 (9 Stat. at L., p. 626); Massachusetts and Maine, act of July 8, 1870 (16 Stat. at L., p. 198).

For advances for Indian and other wars the same rule has been observed in the following cases: Alabama, act January 26 (4 Stat. at L., p. 344); Georgia, act March 31, 1851 (9 Stat. at L., p. 626); Georgia, act March 3, 1879 (20 Stat. at L., p. 385); Washington Territory, act March 3, 1859 (11 Stat. at L., p. 429); New Hampshire, act January 27, 1852 (10 Stat. at L., p. 1); California, act of August 5, 1854 (10 Stat. at L., p. 582); California, act August 18, 1856 (11 Stat. at L., p. 91); California, act June 23, 1860 (12 Stat. at L., p. 104); California, act July 25, 1868 (15 Stat. at L., p. 175); California, act March 3, 1881 (21 Stat. at L., p. 510); and in aid of the Mexican war (see statute of June 2, 1848).

Attorney-General Wirt, in his opinion on an analogous case, says:

The expenditure thus incurred forms a debt against the United States which they are bound to reimburse. If the expenditures made for such purpose are supplied from the treasury of the State, the United States reimburse the principal without interest; but if being unable itself, from the condition of its own finances, to meet the emergency, such State has been obliged to borrow money for the purpose, and thus to incur a debt on which she herself has had to pay interest, such debt is essentially a debt due by the United States, and both the principal and interest are to be paid by the United States (see Opinions of Attorneys-General, vol. 1, p. 174).

Thus it will be seen that the precedent for the payment of interest, under the rule adopted for the settlement of claims of war of 1812-'15, and Indian wars above cited, is well established.

The committee are of the opinion that the urgent necessity for the services of these troops, and the action of the President and the Secretary of War, are well established, and create an equitable obligation on the part of the General Government, and as it is clearly shown by Ex. Doc. 203, Forty-seventh Congress, that the State of Florida not only borrowed money from the Indian trust fund, but also from the banks of the States of Georgia and South Carolina, for their payment, upon which the State has since paid interest, your committee have concluded to recommend the passage of the bill, with the following amendments:

In line 18 of section 1, after the word "it," insert the words "upon said claim or claims."

In line 8 of section 2 strike out the words "and to pay such sum so ascertained due the said State," and insert the words, "and shall adjust and settle the claim of the State therefor, and shall pay such sum as may be ascertained to be due the State thereon."

WAR DEPARTMENT,
Washington, D. C., May 21, 1857.

SIR: I have the honor to acknowledge the receipt of your letter of the 8th inst., asking an approval of the services of certain volunteers called out by you, and in reply to inform you that the explanations as to the necessity of their services is satisfactory, and orders have been issued to the officer commanding in Florida to muster them in and out of the service of the United States.

Very respectfully, your obedient servant,

JOHN B. FLOYD,
Secretary of War.

His Excellency JAMES E. BROOME,
Governor of Florida.