Mr. Means, from the Committee on Claims, submitted the following report:

The Committee on Claims, to whom was referred the bill (S. 5617) for the relief of the city of New York, having considered the same, report thereon with a recommendation that the bill do pass.

The object of this bill is to place the city of New York on an equal footing with all of the States to which have been refunded expenditures in aiding the United States to suppress the insurrection of 1861-1865, by virtue of the provisions of the act of Congress approved July 27, 1861. (12 Stat. 276.) Said act limits reimbursement to States only.

While aiding the United States the city of New York incurred expenditures for merely charitable purposes, such as donations to families of volunteer soldiers, but all such expenditures have been excluded.

The bill proposes to reimburse the city of New York in the sum of $651,089.64, which amount comprised a part of a defense fund raised through a bond issue floated on the credit of the city and disbursed in arming, equipping, subsisting, etc., volunteer regiments of troops raised in the city, which regiments were sent out to aid the Federal Government to suppress the insurrection against the United States in 1861 to 1865. Also to reimburse the city in the sum of $121,054.11 for interest paid by the city at 6 per cent on bonds covering said principal sum of $651,089.64 from the date of issue of said bonds in 1861 to date of redemption in 1864. These two items of reimbursement constitute a total of $764,143.75.

The authorization for raising and disbursing the funds in question was by virtue of an ordinance passed by the common council of the city of New York on April 23, 1861.
The money was expended by the Union Defense Committee of the City of New York. The personnel of this committee, second in importance to that of no civil body in the loyal States, was as follows:

UNION DEFENSE COMMITTEE, 1861

John A. Dix, chairman.  
Simeon Draper, vice chairman.  
William M. Evarts, secretary.  
Theodore Dehon, treasurer.  
Moses Taylor.  
Richard M. Blatchford.  
Edwards Fierrepont.  
Alex. T. Stewart.  
Samuel Sloan.  
John Jacob Astor, jr.  
John J. Cisco.  
James S. Wadsworth.  
Isaac Bell.  
James Boorman.  
Robert H. McCurdy.  
Moses H. Grinnell.  
Royal Phelps.  
William E. Dodge.  
Greene C. Bronson.  
Hamilton Fish.  
William F. Havemeyer.  
Charles H. Russell.  
James T. Brady.  
Rudolph A. Witthaus.  
Abiel A. Low.  
Prosper M. Wetmore.  
A. C. Richards.  

The mayor of the city of New York.  
The comptroller of the city of New York.  
The president of the board of aldermen.  
The president of the board of councilmen.  

November 8, 1861, in receiving the members of the Union Defense Committee of the City of New York, General Scott said:

On the breaking out of this great Civil War, I recollect the great and important services rendered by the Union Defense Committee. I remember how you sustained the Government in forwarding troops for the defense of the National Capital, how by your zeal in equipping and sending forward, with the means at your disposal, large bodies of patriotic and excellent troops, which came in good time, the tide of rebellion, which commenced at Baltimore, was turned against the enemies of our country. The Government had not the means of defending itself where they were most needed. This committee came forward and applied themselves, and averted the danger. (See “Union Defense Committee of the City of New York, 1861-62, minutes, reports, and correspondence, with a historical introduction by John Austin Stevens,” p. 89.)

The active labor of the Union Defense Committee, which was organized for a special emergency, ended in the spring of 1862, but the organization was maintained to recover from the Government such part of the sum expended for the Government by the city of New York as was a just charge against the Government.

In the spring of 1864 the committee definitely adjourned, having already accounted for the expenditure of the $651,089.64, which it had disbursed for and on behalf of the United States, and which amount, plus the amount of $121,054.11 disbursed as interest, has never been reimbursed to the city. The minutes, reports, and correspondence of the committee, together with the history thereof, are a matter of printed record, embracing 286 pages. The books of original entry are likewise to be found among the records of the city of New York.

The Union Defense Committee had equipped in whole or in part 66 regiments. These regiments formed a part of the quota of troops furnished under the call of President Lincoln.

November 18, 1861, the city first made an effort to secure reimbursement. This was by presentation of a letter for reimbursement for ordinance, addressed to the Chief of Ordnance of the War Department, written by Mr. Prosper M. Wetmore, secretary of the executive committee of the Union Defense Committee.
January 22, 1864, Hon. Fernando Wood, formerly mayor of the city of New York, then a Representative in Congress, introduced a bill "to reimburse the city of New York for expenses incurred in outfitting troops to aid in the suppression of the rebellion." Other bills have been introduced in Congress from time to time providing for reimbursement, but definite action does not appear to have been taken, for the reason that an audit of the claim had not been made by the Government. In 1903 the city of New York presented a petition to Congress for reimbursement. On February 27, 1912, a claim was filed with the Secretary of the Treasury on behalf of the city, and on January 6, 1913, a supplementary claim was filed for reimbursement, while on June 16, 1917, there were filed with the auditor for the War Department, on behalf of the city, two transcripts of the records of the comptroller's office of the city of New York. These transcripts are certified to as of May 28, 1917, by the deputy and acting comptroller of the city of New York. One transcript shows original entries made at the time in the books of the comptroller's office, kept for that purpose, and sets forth the actual disbursements from the union defense fund of the city of New York in the year 1861. This transcript of payments from the union defense fund lists 569 payments between May 2 and October 24, 1861, and shows a grand total of $1,001,655.31, and of this amount there is shown an unfunded balance due the city from the United States of $651,089.64. The other transcript shows the amount of interest paid by the city at the rate of 6 per cent from May 23, 1861, to November 1, 1864, on bonds aggregating $651,089.64, and which interest amounts to $121,054.11.

As a result of the decision of the Supreme Court of the United States in the case of the State of New York v. the United States (160 U. S. 598), allowing the State interest on money it had borrowed at interest to aid the United States during the Civil War in raising troops, the several other States by authority of special acts of Congress were authorized to present their claims to the Treasury Department for like reimbursement of interest which was paid to them. The accounting officers of the Treasury in settling these claims, amounting to millions of dollars, accepted certified transcripts of the books of original entry, showing disbursements made by the various States for interest on money borrowed by them to aid the United States in suppressing the rebellion.

AUDIT BY THE COMPTROLLER GENERAL OF THE UNITED STATES

February 26, 1925, the Senate, by Resolution 227, directed the Comptroller General of the United States to audit the claim of the city of New York for expenses incurred by said city in aiding to suppress the insurrection against the United States during the years from 1861 to 1865, and in making said audit the provisions of the act of Congress of July 27, 1861 (12 Stat. 276), as interpreted and applied by the Supreme Court of the United States, decided January 6, 1896 (160 U. S. 596) shall be applied by the said Comptroller General, and to report the amount so ascertained to the Senate for consideration.

In the claim of the city of New York, certified transcripts of the books of original entry were before the Comptroller General of the United States, and upon these transcripts and other information
CLAIM OF THE CITY OF NEW YORK

gathered by him his audit of the claim of the city of New York was made.

February 3, 1927, pursuant to said resolution, the Comptroller General of the United States reported to the Senate on the examination of the claim of the city of New York, which report with the accompanying papers was referred to the Committee on Claims.

The Comptroller General of the United States finds that, according to transcripts of books of original entry of the city of New York and other records, that there was expended by the city in raising troops for suppressing the insurrection against the United States in 1861 to 1865 the sum of $651,089.64. Also that, in order to raise said amount of $651,089.64, the city issued bonds bearing interest at 6 per cent and that the interest which the city paid amounts to $121,054.11, which, added to the principal sum of $651,089.64, makes a total of $764,143.75.

CONCLUSION

In the Sixty-seventh and Sixty-eighth Congresses, the Senate passed bills providing for an audit by the Comptroller General of the United States of the claim of the city of New York, but said bills failed of action in the House.

The records of the city of New York show that the ordinance of the city council authorizing the issue of bonds providing for funds to be used by the Union Defense Committee contemplated reimbursement by the United States, to the end that said reimbursement might be applied by the city toward the retirement of said bonds. By reason of the failure of the city to receive reimbursement from the United States of the amount the city had expended to aid the United States, the city was put to the necessity of securing an act of the legislature permitting it to extend the redemption of the bonds issued for another year, at the expiration of which the city, still being without reimbursement from the United States, was compelled to levy a tax upon the city of New York for the redemption of said bonds, which were redeemed November 1, 1864.

The city has been diligent in attempting to secure reimbursement from the United States, but was hampered because of lack of any provision of law entitling it to secure an audit of its claim by the Government.

In pursuance of the provisions of the Budget Act, which provides that either House of Congress may, by resolution thereof, call upon the Comptroller General of the United States for an audit of any claim pending before it, the Senate passed a resolution calling for an audit of the claim of the city of New York. After an immense amount of labor by the Comptroller General of the United States, covering a period of nearly two years, there is now before your committee the result of such audit.

Inasmuch as the audit of the Comptroller General of the United States clearly indicates that the city of New York is entitled to reimbursement from the United States for money expended by the city in aiding the United States to suppress the insurrection of 1861-1865 in the sum of $764,143.75, your committee respectfully recommends that the city be reimbursed accordingly.
CLAIM OF THE CITY OF NEW YORK

[Extract from the report of the Comptroller General of the United States upon the claim of the city of New York, pursuant to Senate Resolution 227, Sixty-eighth Congress Second session]

On February 26, 1925, the United States Senate passed the following as Senate Resolution 227:

Resolved, That the Comptroller General of the United States be, and he is hereby, authorized and directed to audit the claim of the city of New York for expenses incurred by said city in aiding to suppress the insurrection against the United States during the years 1861 to 1865, and in making said audit the provision of the act of Congress of July 27, 1861 (Twelfth Statutes at Large, page 276), as interpreted and applied by the Supreme Court of the United States in the case of the State of New York against the United States, decided January 6, 1886 (One hundred and sixtieth United States Reports, page 598), shall be applied by the said Comptroller General, and report the amount so ascertained to the Senate for consideration.

The act of July 27, 1861, referred to in the resolution, provided:

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, directed, out of any money in the Treasury not otherwise appropriated, to pay to the Governor of any State, or to his duly authorized agents, the costs, charges, and expenses properly incurred by such State for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting its troops employed in aiding to suppress the present insurrection against the United States, to be settled upon proper vouchers, to be filed and passed upon by the proper accounting officers of the Treasury.

The decision of the Supreme Court referred to was to the effect that interest paid on borrowed money was an item of "Costs, charges, and expenses."

HISTORY OF CLAIM OF CITY OF NEW YORK

The money for which the city of New York seeks reimbursement was raised through a bond issue floated on the credit of the city and disbursed in arming, equipping, subsisting, etc., volunteer regiments of troops raised in the city which were sent out to aid the Federal Government to suppress the insurrection against the United States in 1861 to 1865.

The authorization for raising and disbursing the funds in question was by virtue of an ordinance passed by the common council of the city of New York on April 22, 1861, as follows:

Title: "An ordinance making an appropriation in aid of the defense of the national union and authorizing the borrowing of money for that purpose."

Section 1. The sum of $1,000,000 is hereby appropriated for the purpose of procuring the necessary equipments and outfits of the military force of the city of New York now engaged or which may hereafter be engaged in the service of the State of New York, in pursuance of the requisition of the President of the United States, and to provide for the aid or support of the families of such of the officers and men so engaged as may require the same.

Sec. 2. The money so appropriated shall be paid by the comptroller, upon vouchers to be approved by a committee, to be known as the Union Defense Committee of the City of New York, consisting of the mayor, comptroller, president of the board of aldermen, president of the board of councilmen, and the following-named citizens * * * who were appointed at a public meeting held at Union Square, on Saturday, the 20th day of April, instant, to collect funds and transact such other business in aid of the Government as the public interests may require. The vouchers aforesaid shall be certified in writing by the chairman of the said committee.

Sec. 3. The comptroller is hereby authorized to borrow from time to time, on the credit of the corporation, such sum and sums as may be required to meet the payments authorized by the preceding section, and to issue bonds of the
corporation therefor, which shall be designated and known as the "union defense
fund bonds of the city of New York," and bear interest at a rate not exceeding
7 per cent per annum.

Sec. 4. The said bonds shall be signed by the comptroller, countersigned by
the mayor, and the principal thereof shall be redeemable within one
year from the date thereof.

Sec. 5. For the payment of said bonds and the interest to accrue upon the
same, the faith of the corporation of the city of New York, and also all sums
which may hereafter be received from the State of New York, or the United States,
for the purpose of reimbursing the expenses incurred in pursuance of this ordi-
nance, are hereby solemnly pledged, and the comptroller is hereby authorized and
required to redeem and cancel the said bonds, from time to time, at or before the
maturity of the same.

The amount raised by this bond issue is alleged to have been used
by the union defense committee for purchase of arms, ammunition,
equipment, subsistence, and supplies, and for the aid of families of
soldiers. No reimbursement is or ever has been sought by the city
of New York for the amount expended for support of families. As
affecting this claim, it may generally be stated that the amounts
expended for arms, ammunition, equipment, subsistence, and supplies
are to be classified: (1) Amount representing actual issues to troops
by the union defense committee, and (2) amounts representing sales
made direct to States and to the United States by the union defense
committee. While not specifically designated, the amount named in
the claim indicates, from facts developed in the audit, that reim-
bursement is sought for account of class (1), the city of New York
having been paid for the account of class (2) as represented by the
items $1,822, $66,793.25, and $40,215.50 set out elsewhere in this
report in a summary statement. Reimbursement also was made for
certain items of class (1) as hereinafter stated in detail.

Much historical information relative to this claim has been found
in two publications on file in the Library of Congress:

Reports, Resolutions, and Documents of the Union Defense Committee of the
Citizens of New York, published in 1862, from the press of Baptist & Taylor, of
New York.

The Union Defense Committee of the City of New York, Minutes, Reports,
and Correspondence with an historical introduction by John Austin Stevens,
published in 1885 by the union defense committee.

The first-named publication, pages 84 to 97, inclusive, sets forth
the correspondence that passed between the union defense committee
and the War Department in 1861 and 1862, in the effort of the union
defense committee to secure for the city of New York reimbursement
for moneys expended. Copies of matter on pages 84 to 97 are
attached as Exhibit A, but are summarized as follows:

On December 20, 1861, Brig. Gen. James W. Rapley, Chief of
Ordnance, United States Army, wrote Prosper M. Wetmore, secre-
tary of the executive committee of the union defense committee, as
follows:

In answer to your letter of the 18th ultimo, I have to state that accounts for
arms or ordnance stores, which have been procured for, and issued to, troops in
the United States service on proper authority, if sent to this office will be
examined and transmitted to the proper accounting office of the Treasury for
settlement. The law requires that purchases of Army equipments, or other
ordnance stores, shall be made by the senior officer of the Ordnance Department,
under the direction of the Secretary of War. Evidence, therefore, of authority
from the Secretary of War to make these purchases, must accompany accounts
sent for settlement through this office, as also evidence of the receipt by a Govern-
ment officer or duly authorized agent, of the articles purchased.
This office has not authority to recognize accounts contracted without direction of the Secretary of War; nor claims for reimbursement, under the act approved July 17, 1861, of expenses incurred by the States "on account of volunteers called into the field."

The point raised that the purchases must have been made "on proper authority," viz, "By the senior officer of the Ordnance Department, under the direction of the Secretary of War," or that evidence must be furnished "of authority from the Secretary of War to make these purchases," brought strenuous protest from the union defense committee, which apparently having acted independently of any such authority could not fulfill the requirements. Nothing appears to show that the union defense committee followed its protest with a claim in detail to either the War Department or the accounting officers of the Treasury. Apparently the city of New York sought its relief from Congress, for on January 22, 1864, Hon. Fernando Wood introduced a bill "to reimburse the city of New York for expenses incurred in the outfit of troops to aid in suppressing the present rebellion."

Of the other bills for relief introduced in Congress, the following is a history of the action thereon:

H. R. 7226, February 14, 1888. Referred to Committee on Claims and never reported.
H. R. 7356, February 17, 1888. Referred to Committee on War Claims and never reported.

It appears that books relating to collections and expenditures by the union defense committee were filed with the subcommittee of the Committee on Claims, and that testimony was taken on March 22 or 23, 1888. Inquiry at the House of Representatives file room develops that no papers can be found pertaining to either H. R. 7226 or H. R. 7356.

H. R. 6311, March 15, 1894. Referred to Committee on War Claims. The committee made an exhaustive report, No. 1740, and reported a substitute bill, H. R. 8753. The report indicates that much documentary evidence was before the committee. Inquiry at the House of Representatives develops that no papers can be found.

H. R. 6278, February 18, 1896. Referred to Committee on War Claims. It appears that there was submitted to the committee a report on this bill by The Adjutant General of the Army to the Secretary of War.
S. 34, November 3, 1903. Referred to Committee on Claims. The bill was accompanied by a "petition of the city of New York to the Congress of the United States." The bill was never reported. See Exhibit B for communications between Senator Platt and Senator Warren in reference thereto.

On February 27, 1912, a claim was filed with the Secretary of the Treasury, and forwarded to the Auditor for the War Department, by Adrian Sizer, as agent and attorney for the city of New York. The claim was filed under the act of July 27, 1861, acts amendatory thereof, and supplementary thereto, "for refundment of expenditures incurred in raising, arming, equipping, subsisting, etc., troops employed in aiding to suppress the insurrection against the United States in 1861-1865." The claim was summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing and equipment</td>
<td>$489,095.11</td>
</tr>
<tr>
<td>Medical stores, subsistence, etc.</td>
<td>52,473.10</td>
</tr>
<tr>
<td>Arms, ammunition, tents, etc.</td>
<td>126,214.44</td>
</tr>
</tbody>
</table>

667,782.65

Certain schedules accompanied the claim which show a list of the various regiments and the amounts which it is purported were expended for clothing and equipment, medical stores, subsistence,
CLAIM OF THE CITY OF NEW YORK

... etc., and arms, ammunition, tents, wagons, etc., issued to each. The amounts under two of these headings do not total to the figure set out as such.

Attorney Sizer’s letter submitting claim, states:

The original vouchers, subvouchers, proofs, and other data pertaining to this claim will be submitted as soon as the vouchers can be collected, segregated, and properly abstracted under the general division of expenditures as herein shown. Other disbursements by the claimant, are under consideration as to their coming within the scope of proper expenditures, and if deemed subject to reimbursement, will be submitted in a subsequent installment.

On January 6, 1913, Attorney Sizer filed, with the Secretary of the Treasury, a supplementary claim for $188,566.01, for reimbursement for interest paid on bonded debt, for engraving and printing bonds, and for stationery, etc. In the letter of transmittal appears a statement:

The properly certified transcripts of the official records of the City of New York to substantiate these expenditures are now being prepared and will be filed in support thereof as soon as possible.

On June 16, 1917, there were filed with the Auditor for the War Department by Attorney Sizer, two “transcripts of the records of the comptroller’s office of the city of New York,” Exhibit D. These transcripts are certified to as of May 28, 1917, by the deputy and acting comptroller of the city of New York. One transcript covers bond and interest payments, and the certificate attached thereto recites:

I hereby certify, as legal custodian of the records covering the financial transactions of the city of New York, that I have caused to be examined and compared with said records the items set forth on the statements hereto attached, covering certain bond issues, with interest payments thereon by the city of New York.

That such examination of the official records in my custody discloses that the bonds, as set forth on the attached statement, termed “union defense fund bonds,” and “union defense-fund redemption bonds,” were duly issued and redeemed, that the interest items as stated have been paid, and that none of the aforesaid bonds or any item of interest thereon, are shown by the official records to remain unpaid, outstanding, or unclaimed.

To the other transcript the certificate recites:

I hereby certify that, as the legal custodian of the records covering the financial transactions of the city of New York, I have caused to be examined and duly verified with such records, the items set forth on the statements hereto attached covering records of disbursements of the union defense fund, by the comptroller of the city of New York, during the year 1861.

I further hereby certify that such examination discloses that the attached statement is a true and correct transcript of the original entries, made at the time, in the books of record of this office kept for that purpose, showing the actual disbursements from the union defense fund of the city of New York, in the year 1861.

The transcript of payments from union defense fund lists 569 payments between May 2 and October 24, 1861, and shows a grand total of $1,001,655.31.

There have never been presented to the accounting officers of the Treasury Department or to the General Accounting Office any vouchers in support of the claimed expenditures.

In response to a letter dated March 8, 1925, addressed to the Comptroller General, Senator Royal S. Copeland was requested by the Comptroller General “to call upon the proper officials of the city
of New York for all information which the city may have which will
assist this office in passing upon each and every item for which
claim is being made.” Several letters passed between the Comptroller
General and Senator Copeland relative to vouchers to support the
items claimed, terminating with the following letter of February 11,
1926:

Your letter of January 4, 1926, has been received, and in further reference to
the subject matter contained in the last paragraph thereof, wherein you ask that
the city of New York make an exhaustive effort to comply with my request of
June 18, 1925, and that I be advised the results accordingly, I beg to advise
that in my letter of August 6, 1925, I stated that further inquiry had been made
to ascertain the possibility of complying with the suggestions contained in your
letter of June 18, 1925, and that such inquiry disclosed that a search had been
conducted in the office of the city comptroller during the period from September,
1916, to March, 1917, and that the search failed to disclose the vouchers, and that
the corporation counsel directed that transcripts from the original entries in the
ledgers showing the disbursements of the union defense fund be prepared as the
best available evidence.

In further reference to the above-referred-to search, and as an indication of the
thoroughness thereof, I am advised that the official records of, and the corre-
respondence emanating from, the corporation counsel’s office of the city of New York
will disclose the following:

That in September, 1916, Hon. Lamar Hardy, corporation counsel, detailed
Mr. L. H. Newkirk, assistant corporation counsel, to direct the work of collecting
and preparing the evidence in support of the claim of the city of New York for
Civil War expenditures.

That City Comptroller William A. Prendergast and Deputy Comptroller
Albert E. Hadlock lent their aid in having the record rooms of the city comp-
troller’s office thoroughly searched. This search was personally directed by
Mr. Keller of the record room, assisted by Mr. Horan.

In December, 1916, Mr. Keller reported to the corporation counsel’s office that
they had 12 men working among the old papers.

On February 1, 1917, Mr. Horan had reported that they had searched five dif-
ferent rooms of the record department, and that he was satisfied that they would
not be able to find the vouchers, and that he did not know where to look further.
I am also advised that on December 8, 1916, Assistant Corporation Counsel
L. A. Newkirk proceeded to Washington, D. C., for a conference on the matter
of proof that would be accepted in lieu of the vouchers, which were apparently
not to be found. Among those interviewed by Mr. Newkirk was Hon. W. W.
Warwick, Comptroller of the Treasury. Mr. Warwick was advised of the
apparent inability of the city officials to locate the original expense vouchers
covering the items making up the claim of the city of New York. To this sug-
estion Mr. Warwick stated that if the case was before him he would accept the
proof shown on the ledgers comprising the books of original entry of the items of
expense; that these ledgers were of such age that under the rules of evidence
they would prove themselves.

I am also advised that on the 13th, 14th, and 15th of March, 1917, a series of
conferences were held attended by Corporation Counsel Hardy, Assistant Corpora-
tion Counsel Newkirk, Deputy Comptroller Hadlock, and P. L. Kinney, chief
clerk, in charge of Auditors and examiners city comptroller’s office. At these
conferences it was concluded that the fact had been established that the vouchers
in question were not among the city records, and it was then decided to submit
the proof shown on the ledgers in support of the claim, and accordingly Mr. P. L.
Kinney was directed to proceed with the preparation of the transcripts from the
ledgers.

On March 17, 1917, Mr. Kinney addressed a letter to the corporation counsel’s
office, advising that the transcripts from the ledgers had been completed, com-
pared, and awaited such further action as was desired.

These transcripts were certified to as true and correct exemplifications of the
official records of the city comptROLLER’s office by Albert E. Hadlock, deputy and
acting comptroller, on May 28, 1917.

From the foregoing references as to what has been done by the officials of the
city of New York in their endeavor to locate the missing vouchers, it is obvious
that to comply with the request contained in your letter of January 4, 1926,
would be to institute and carry on a duplication of the prior thorough, though unsuccessful search, with obviously the same unsuccessful results.

In my letter of November 10, 1925, to you on the same subject matter, I stated that "I understand that if there were any vouchers, the same can not be found by the city."

This statement was based upon the same information that my letter of August 6, 1925, was predicated upon, and concerning which I have herein gone into details of record.

RESULT OF AUDIT

The act of July 27, 1861, referred to in Senate Resolution 227, extended only to authorizing reimbursement to States. It is apparent, therefore, that the direction in the resolution, that the provisions of that act, "shall be applied" in making the audit of the claim of the city of New York, has reference to the class of expenditures for which authorization had been given to make reimbursement in State claims, viz: "The costs, charges, and expenses properly incurred * * * for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting its troops employed."

The direction in the resolution that the decision of the Supreme Court in the case of the State of New York against the United States (160 U. S. 598) "shall be applied" in making the audit, refers to the ruling of the court in the cited case as to the inclusion of certain items of interest paid on borrowed money as "costs, charges, and expenses" within the purview of the act of July 27, 1861.

The Comptroller General is able only qualifiedly to comply with the direction in the resolution to "report the amount so ascertained" by audit of the claim because of the fact that the claim heretofore filed is not in condition to permit of an audit, as that term is ordinarily used, as would enable the Comptroller General to make a finding of fact. While schedules of alleged disbursements have been furnished, one of which is certified to on 28th day of May, 1917, by the deputy and acting comptroller of the city of New York as "a true and correct transcript of the original entries, made at the time, in the books of record of this office kept for that purpose, showing the actual disbursements from the union defense fund of the city of New York in the year 1861," no vouchers have been submitted to support those entries or from which the audit could develop whether the disbursements were properly classified for inclusion within the objects named in the act of July 27, 1861.

Pursuant to the provisions of section 3 of the ordinance approved April 23, 1861, bonds designated by the name and in the amount therein provided were issued, payable May 1, 1862, with interest (it is claimed) at 6 per cent per annum. From the evidence before the General Accounting Office it can not be determined whether the entire issue of these bonds was sold, nor can the date of the sale of such as were sold be determined. The proceeds of the bonds that were sold were expended during the period from May 2 to October 24, 1861, for the purposes and by the persons designated in section 2 of the ordinance.

From the evidence submitted to the General Accounting Office it appears that under and by virtue of an ordinance passed May 3, 1862, entitled "An ordinance to provide means for the redemption of the union defense fund bonds" there were redeemed and canceled up to December 31, 1862, union defense fund bonds in the
CLAIM OF THE CITY OF NEW YORK

amount of $1,000,000; that under and by virtue of the same ordinance there were issued union defense fund redemption bonds payable November 1, 1864, at 6 per cent interest in the sum of $895,570, and that by virtue of an ordinance passed February 12, 1864, there were redeemed union defense fund redemption bonds in the amount of $895,570.

In the attempt to comply with Senate Resolution 227, an immense amount of work has been done in the General Accounting Office in an effort to compile figures from several different sources, including the two publications referred to and the “Petition of the city of New York to the Congress of the United States” (presented to the Fifty-eighth Congress, first session, and accompanying S. 34), which could be checked for some comparison with the figures presented in the abstracts on file with the claim. Likewise, considerable time has been employed in searching the files from as early as 1861, in an effort to ascertain whether any pertinent evidence could be located.

The aforesaid petition to the Fifty-eighth Congress presented the best source from which a record could be built up for comparison with the claim. This summarized the amount which the city of New York alleged to be due it as follows:

Arms, ammunition, wagons, etc. $227,483.98
Rations and medical stores 52,473.10
Clothing, outfit, and equipment 489,466.23

769,423.31

Deduct payments:
1861, Oct. 19, for arms furnished to Government $66,793.25
1862, May 12, for goods sold through John C. Fremont 40,215.50

107,008.75

Interest disbursements

662,414.56

141,153.82

Total 803,568.38

The claims filed by Attorney Sizer were for $667,782.65, as disbursements made from the union defense fund, and $188,566.01 as interest disbursements, a total of $856,348.66.

The petition alleging $803,568.38 as due sets out that the item of $188,290.01 “interest disbursement” is so much of a total interest disbursement of $188,290.01 as was paid on $662,414.56.

It has been developed in this audit that the amount $188,290.01 includes an overpayment of interest by the city of New York on December 31, 1862, of $51.69, and that apparently the true item of interest on the entire bond issue was no more than $188,238.32.

Eliminating for comparison from both statements the items of interest disbursements it is noted that the petition shows a total of $662,414.56, while the claim filed by Mr. Sizer shows $667,782.65, or a difference of $5,368.09, for which no explanation is found.

The item of $188,566.01 as interest, named in the supplemental claim filed by Mr. Sizer, is more than the petition shows as the amount of interest paid upon the entire bond issue. The audit develops that this $188,566.01 includes an item of $61, which is also included in the item for “clothing and equipment,” and an item of $266.69, which corresponds in amount with the unexpended balance in the
city treasury as shown by a "Consolidated statement of expenditures" rendered by the union defense committee to the city April 30, 1862. Deducting the items of $61 and $256.69 from the $188,566.01, produces $188,238.32, or the amount above shown as the apparently true interest payment on the entire bond issue.

The certified transcripts of the records of the comptroller's office of the city of New York purporting to show the original entries made at the time disbursements were made from the union defense fund of the city of New York total $1,001,655.31. As it is doubtful if the bonds were sold at a premium, it is presumed that the proceeds from certain sales made by the union defense committee were credited to the fund and again applied to subsequent purchases.

A comparison of the transcripts of the records kept in the office of city comptroller of the city of New York, filed with the claim, with the figures found in the two published reports and with those in the petition presented to the Fifty-eighth Congress develops that with certain reconciliations they are substantially in accord, and it is concluded that the sum of $1,001,655.31 may properly be used as the basic amount for such statement as can be prepared considering the character of the audit made.

In determining the value of the evidence that has been obtained from reports made by the union defense committee it should be remembered that the committee was intrusted with and disbursed a considerable sum of money that was raised by voluntary subscriptions. It is presumed that in its accounts the committee did not commingle voluntary subscriptions with the money appropriated by the city, yet no positive evidence supporting such a presumption has ever been called for or voluntarily furnished.

Evidence has been found showing that there were five bonds or notes amounting to $3,000 in the possession of Mr. A. A. Low, treasurer of the union defense committee, on December 17, 1867, and that a duly constituted commission of the union defense committee, composed of Messrs. Hamilton Fish, A. A. Low, Alexander T. Stewart, and Charles H. Russell, ordered and specified the disposition that should be made of said bonds or notes. It is presumed these securities were purchased from voluntary subscriptions, but evidence of that fact has never been called for or voluntarily furnished.

The audit has developed, however, that some payments made by the United States to the claimant's agents on account of the union defense fund have never been credited to the United States in any reports submitted, and raises the question whether there may have been still other payments which this audit failed to locate. The payments developed were as follows:

A duly authorized agent of the union defense committee presented to Lieut. Col. I. V. D. Reeve, mustering and disbursing officer, New York City, five vouchers purporting to cover expenditures made by the union defense committee for meals furnished the De-Kalb Regiment, Col. L. Von Gilsa (Forty-first New York State Volunteers). The aggregate of these vouchers is $4,107.52, which sum was paid to said agent by Lieutenant Colonel Reeve on December 2, 1862.

Likewise, four vouchers purporting to cover cost of rations furnished Tammany Regiment, Col. W. D. Kennedy (Forty-second New York State Volunteers) were presented to Lieutenant Colonel
Reeve by the same agent. The aggregate of these vouchers is $7,277.40, which sum was paid to said agent by Lieutenant Colonel Reeve on December 4, 1862. (See account 2864/1871, Bx. 4022, vouchers Nos. 16, 17, 18, 19, 20, 73, 74, 75, and 76.)

No acknowledgement of these payments has been discovered in any evidence ever presented by the claimant or the claimant’s agents.

In the absence of the original vouchers covering the expenditures made by claimant and in the absence of the books, papers, and documents of the union defense committee, totals have been made of items which agree in the several reports and statements which this office has been able to secure and they are incorporated in the following summary statement:

### CREDITS

Amount for which warrants drawn against union defense fund were issued by city comptroller, city of New York $1,001,655.31

### DEBITS

Amount expended in aid furnished to families of soldiers 230,350.00

Amount received by union defense committee for munitions of war transferred to State of New Jersey and other parties 1,822.00

Amount allowed union defense committee for arms furnished the United States Government by second auditor’s settlement No. 2054 approved by second comptroller September 9, 1861 66,793.25

Amount paid union defense committee Apr. 29, 1862, by E. N. Stebbins, P. M. and M. S. K., for arms sold to United States 40,215.50

Amount paid to Hamlin Blake, agent union defense committee, by Lieut. Col. I. V. D. Reeve, mustering and disbursing officer, New York City, Dec. 2 and 4, 1862, for subsistence furnished Forty-first and Forty-second New York State Volunteers 662,474.56

Unrefunded balance (amount expended for arms, ammunition, wagons, rations, medical stores, clothing, outfit and equipment and for which no reimbursement has ever apparently been made) 651,089.61

Exhibit C attached is a condensed statement, prepared in the General Accounting Office from the certified transcript of the books of the city comptroller and from other records, classifying all of the above items by organizations benefited or general purposes for which expenditures were made. This condensed statement is summarized below showing deductions for the amount expended for relief of families which was not claimed and for amounts for which reimbursement has heretofore been made. The designation of classes refers to (1) organizations mustered into the service of the United States under the designations given at the time of recruiting or enrollment; (2) organizations partially completed under their original designation which were incorporated in some organization bearing a different designation which was mustered into the service of the United States; (3) organizations for which no record has been found of the muster of any part thereof into either State or United States service; (4) expenditures for the aid of soldiers’ families; (5) expenditures for arms and ammunition either sold to the United States or issued to
organizations not designated; (6) expenditures for clothing, equipment, camp stores, clerk hire, etc.

<table>
<thead>
<tr>
<th>Class</th>
<th>Total expended</th>
<th>Nonclaimed and received payment</th>
<th>Reimbursement claimed from United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$630,536.20</td>
<td>$11,384.92</td>
<td>$519,151.28</td>
</tr>
<tr>
<td>2</td>
<td>3,678.00</td>
<td>-</td>
<td>3,678.00</td>
</tr>
<tr>
<td>3</td>
<td>8,000.00</td>
<td>-</td>
<td>8,000.00</td>
</tr>
<tr>
<td>4</td>
<td>230,350.00</td>
<td>230,350.00</td>
<td>112,356.25</td>
</tr>
<tr>
<td>5</td>
<td>221,187.00</td>
<td>169,830.75</td>
<td>7,904.11</td>
</tr>
<tr>
<td>6</td>
<td>7,964.11</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1,001,655.31</td>
<td>356,565.67</td>
<td>651,089.64</td>
</tr>
</tbody>
</table>

Of the total of classes (1), (2), and (3), $530,829.28, for which reimbursement is claimed from the United States, $171,147.32 represents disbursements to sundry officers or to the treasurer of the union defense committee and recorded on the books of the comptroller of the city of New York as "aid furnished" designated organizations as follows: Class (1), $160,547.32; class (2), $2,600; class (3), $8,000. As class (3) stands for organizations for which no record can be found of muster into the service, the including of the sum of $8,000 in the amount to which the city of New York may be entitled under the claim is to be questioned in view of the fact that the resolution directs that the provisions of the act of July 27, 1861, shall be applied in making the audit, and that the provisions of that act authorize payment to States only for costs, etc., incurred for enrolling, etc., troops "employed in aiding to suppress the present insurrection against the United States."

As the disbursements aggregating $171,147.32 were made largely in lump sums, it would seem that vouchers showing payments to the treasurer of the union defense committee or to the various officers receiving the money would constitute little additional evidence as to the actual use of the money. To be of any real value as showing the purposes for which the money was used there would have to be submitted detail vouchers receipted by those who actually furnished to the various organizations supplies and services of the classes for which reimbursement may be authorized.

The amount of interest which might be allowed in conformity with the resolution under which the audit was made is that proportion of the total interest paid by the city of New York ($188,238.32), determined by the ratio existing between the amount allowed for expenditures for which reimbursement is to be made and the amount of the bond issue, $1,000,000.

If the entire amount of $651,089.64 classified in statements above is to be allowed, then there should be an allowance for interest of $122,560.02, a total of $773,649.66.

If there is to be deducted the sum of $8,000 expended for the purposes indicated under the heading of class (3) the interest allowance should be reduced and the amount allowed would be $643,089.64, plus $121,054.11 for interest, a total of $764,143.75. Any further deductions from amounts expended should result in corresponding interest reductions.
If there had been submitted detailed vouchers supporting the expenditure of $643,089.64 for organizations and for items as indicated in transcripts and if such detailed vouchers did not in themselves contain information indicating that the city of New York had been previously reimbursed for a part of such items, then the sum of $643,089.64, plus interest $121,054.11, would be the amount which the Comptroller General would ascertain from the audit and report to the Senate for consideration as directed by the resolution of February 26, 1925.

In determining, in accordance with the terms of the resolution of February 26, 1925, that an amount may be due the city of New York upon its claim, there has not been overlooked the fact that on February 3, 1876, the board of aldermen of the city of New York adopted a resolution reciting the need for the opening of the Harlem River and Spuyten Duyvil Creek, urging the State's representatives to take measures to prevail upon the general government to carry forward that project and stating:

* * * that this city will in the event of the success of the measure, relinquish all claims against the Government for the moneys advanced at the outbreak of the late war; * * *

It appears that no appropriation was made by the Forty-fourth Congress, first session (1876), for the river or creek improvements sought. In the Forty-fifth Congress, second session, by the act of June 18, 1878 (20 Stat. 158), an appropriation of $300,000 was made for the improvement of Harlem River, with the proviso that "this sum is not to be available until the right of way for this work is secured to the United States free of cost." In the Forty-fifth Congress, third session, by the act of March 3, 1879 (20 Stat. 372) an appropriation of $100,000 was made, with the proviso that "this appropriation is made subject to the provisions and limitations contained in the act of June 18, 1878, relative to said Harlem River improvement and the right of way therefor."

The petition of the city of New York dated November 9, 1903, hereinbefore referred to, sets forth the action taken by the city in reference to the conditional appropriations cited and the effect thereof as follows:

The city of New York, acting in its corporate capacity, accepted the new condition prescribed, obtained from the State legislature at Albany the proper authority, and thereafter issued its bonds in a sum aggregating $250,000 for the purchase of this right of way, which was thereupon conveyed in fee to the United States, free of cost.

Your petitioner had, during the pendency of its offer of settlement, forborne its applications for repayment of these moneys, but its proffered waiver having failed of acceptance your petitioner resumed its applications to Congress, * * *

No evidence has been found that by bill or resolution any cognizance has ever been taken by Congress of the relinquishment of claim provision of the resolution of February 3, 1876, and the two appropriations above noted, the payment by the city of New York for the right of way, and its interpretation of the effect of the action of the Federal Government, appear to negative any view that the making of appropriations by subsequent Congresses was in contemplation thereof.