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From the National Intelligencer.
REPORT.

The Committee appointed "to enquire and report whether monies drawn from the Treasury have been faithfully applied to the objects for which they were appropriated, and whether the same have been regularly accounted for; and to report likewise whether any further arrangements are necessary to promote economy, enforce all recent legislative restrictions, and insure the accountability of persons employed with public money," favourably.

FOLLOWING REPORT:

In order to ascertain generally in what manner, and under what checks, monies were drawn from the treasury of the United States, and were afterwards expended and accounted for, the committee appointed by the Secretary of the Treasury, to enquire the several objects to which they intended to direct their enquiry; his answers under date of the second of March, and the 9th of April, are annexed to this report; to which, as well as the statements of the accountants of the war and navy departments, on the same subject, they beg leave to refer.

The committee deem it sufficient to state here, that all public monies are drawn from the treasury in virtue of warrants signed by the Secretary of the Treasury and countersigned by the Comptroller, and are paid to the officers or agents to whom the same are due or who are entrusted with their application; or when relating to the war or navy departments, they are placed in the hands of the treasurer, as agent for those departments, who disburses them on warrants drawn by the secretary of the department, and countersigned by the respective accountant.

For the general construction heretofore given by the treasury department to the various appropriation laws, the committee refer to the communication made to them by the Secretary of the Treasury on the 2d of March, and more particularly for the construction given to the annual appropriations for the support of the navy and army respectively, they refer to a report made by the Secretary of the Treasury on the 1st day of May, one thousand seven hundred and ninety-six, to the committee of Ways & Means. From both of these it appears that the appropriations for the army and navy respectively, have been considered as constituting but one general fund for each of these objects although in most of the laws making appropriations a variety of heads of expenditure were distinctly specified. If the general construction be correct, it may perhaps be said that in most instances monies have been drawn from the treasury in the manner prescribed by law. Some irregularities are stated to have occurred, where monies have been advanced upon the simple application of the Secretary of the Treasury by letter, without the formality of a warrant, and sometimes even without a previous appropriation, but in these cases the irregularity has been afterwards covered by subsequent warrants and appropriations, and the committee do not discover that it has been productive of any injurious consequence to the United States. The secretary of the Treasury, in his communication of the second of March, having expressed a doubt whether the monies advanced on account of the removal of the seat of government from Philadelphia to Washington had been authorized by any previous law, the committee directed their attention to that object, and now offer the result.

The law establishing the permanent and temporary seat of government (passed on the 16th of June in the year seventeen hundred and ninety,) provided, "that all officers attached to the seat of government should be removed to this district on the first day of December in the year one thousand eight hundred; by their respective holders," and declared

that the necessary expence of such removal should be defrayed out of the duties on import and tonnage. This appropriation is indefinite in its nature and perhaps some contrariety of opinion may exist as to the extent of the expence it was intended to cover; but the committee conceive that a strict adherence to the letter of the law, would confine the appropriation to the expences, actually incurred in removing the books, papers, records and furniture of the respective offices. From the document (marked G,) hereto annexed, it appears, that the sum of 15,293 dollars and twenty-three cents were paid for the transportation of the books, papers, records and furniture of the several offices, and the furniture of the President; and the sum of 32,872 dollars and thirty-four cents for expences incurred by the officers and clerks for the removal of themselves and families. In general the vouchers produced in support of these last mentioned expences are the stated accounts and the declarations of the officers and clerks, to whom the same were allowed. Transcripts of the accounts of the officers only, are annexed, those of the clerks being too numerous to be detailed. From these accounts (which are marked G 1 to G 12, inclusive) it will be seen that the charges consist of travelling expences, losses on the sale of articles thought too inconvenient to remove, package, breakage and transportation of furniture, house rent in Philadelphia and extra expences after their arrival at the City of Washington. As all the officers and clerks, were at the time, in the service and pay of the government, and received the full amount of their salaries, exclusively of these extraordinary allowances, and as the act of June, 1790, provided only for defraying the expences incident to the removal of the offices, the committee are of opinion that this sum of 32,872 dollars and 34 cents was drawn from the treasury and expended without any legal authority.

The manner in which monies drawn from the treasury under previous appropriations have been afterwards applied, present a subject of enquiry of more difficulty and importance. The expences in relation to the civil list, being chiefly for salaries, are not otherwise liable to abuse, than in cases where monies advanced to agents have not been applied to the objects for which the advance was made, & have not been afterwards regularly accounted for. Amongst the subordinate agents to whom monies have been advanced for miscellaneous objects of a civil nature, some appear to be delinquents, and some not to have rendered their accounts, as will be seen by a reference to the document marked D, herewith reported.

The monies necessary to defray the expences incident to the intercourse with foreign nations, have till lately been paid to the Secretary of the State, who used to disburse the same. The accounts of Messrs. Jefferson, Marshall and Madison, who have at various periods, filled that appointment, have been settled, and no balance is due thereon. A suit not yet decided has been instituted against Mr. Randolph, formerly secretary of state, for a balance unaccounted for by him. The accounts of Mr. Pickering are not yet finally settled. He retains charged with a sum of 3383 dollars and 20 cents, erroneously paid by him for the freight of a vessel supposed to have been employed by the consul at Tripoli, and with another sum of 3,289 dollars and 50 cents, being the balance of an advance made to Samuel Hodgdon, for the purpose of being remitted to Mr. Humphreys, at Madrid, in part of his salary, which Mr. Humphreys did not receive. Both these sums it is believed may, and will be recovered from the persons to whom they were respectively advanced. But the principal reason which appears to have prevented an ultimate settlement with him, arises from

the circumstance of his not having applied the whole of the money drawn by him from the treasurer, to the specific objects for which it was appropriated by law. For the extent and result of this misapplication, the committee refer to the statement (marked C) accompanying the communication of the Secretary of the Treasury, under date of the 2d of March. From this statement it appears that Mr. Pickering drew from the treasury under the appropriations made, "for defraying the expences incident to the intercourse with foreign nations, for negotiating treaties with the Barbary powers, and for the contingent expences of government," the sum of 63,999 dollars and 57 cents more than he applied to those several objects, which together with the sum of 14,588 dollars and 54 cents gained by him on the purchase of bills of exchange for the use of the government, form an aggregate of 78,588 dollars and 11 cents. The same statement (C) will shew that the whole of this sum was expended by him on objects of a public nature (as far as the committee can ascertain the fact,) but this expenditure having been made from appropriations designed for other objects by law, the misapplication of money has prevented the comptroller of the treasury from settling his accounts.

Although the committee will not say there are no cases in which a public officer would be justified in applying monies appropriated to one object, to expenditures on another, yet they are of opinion that in every deviation the necessity for the application ought to be for some obvious benefit to the United States, and in every such case, a disclosure thereof to Congress ought to be made, at the next session which should immediately thereafter ensue.

The monies which have been advanced to the several secretaries of state, have been remitted by them principally to ministers, consuls and other agents abroad, whose accounts are not yet rendered, (although many of them are of an old date) and the committee cannot say how, or in what manner the money has been expended.

The advances necessary for defraying the expences of the military and naval establishments were formerly made in part to individuals who have accounted directly with that department; but since the law of the 16th of July 1793, the whole of the monies have been paid to the treasurer as agent for these two departments, and have been subject to the draft of the respective secretaries. The letter of the secretary of the treasury under date of the 9th of April, accompanied by sundry abstracts, (marked from A 1, to A 9, inclusive) together with the statements of the two accountants (marked E, e 1, e 2, e 3, and F respectively) herewith reported, exhibit the amount advanced, settled and remaining unaccounted for, in each department. From these it appears, that from the 1st day of January 1797, to the end of the year 1801, the advances made by the treasurer on account of the war department, have amounted (exclusively of a sum in the hands of the treasurer) to 9,846,963 dollars 29.100.

Of which there have been paid to individuals who have accounted with, or are accountable to the treasury, a sum of 1,390,238 22
And there have been paid, by virtue of the warrants of the secretary of war, or to individuals accountable to the war department, the sum of 8,456,725 7
Making an aggregate equal to the above sum of 9,846,963 29
To which is to be added a balance remaining unaccounted for, on the books of the accountant,

on the 1st of January, 1797. 1,756,391 36

Making in the whole a sum chargeable to the war department, from the year 1797 to 1801, (both inclusive) of 10,213,116 43

Of which the accountant has settled and rendered to the treasury, accounts to the amount of 6,335,923 dollars and 93 cents; leaving a balance of 3,877,192 dollars and 50 cents unaccounted for, or not yet settled.

Doll's. Cts.

The monies advanced to the navy department, from its establishment in 1798, to the 31st of March, 1801, inclusively of the sum paid by the treasury to individuals, amount to 9,931,313 73

Of which sum, accounts have been settled by the accountant and rendered to the treasury, to the amount of 5,810,661 98

Leaving an unaccounted for or unsettled balance of 4,120,651 75

Dollars 9,931,313 73

These sums differ in amount, nominally, from those contained in the statement annexed to the letter of the secretary of the treasury, of the 2d of March, but the difference is explained, and the actual amount proved to be the same in the letter, and statements of the 9th of April.

The statements of the accountants, although they exhibit balances apparently unaccounted for, to a large amount, will likewise shew that accounts have been rendered for a considerable portion, which are in a train of settlement, but not finally closed.

The late hour at which the voluminous document accompanying this report were received by the committee, (upon the 9th of April), and the labour necessary to investigate such a mass of accounts, and of advances unaccounted for, particularly in the war and navy departments, embracing an expenditure of 20 millions of dollars, have rendered it impossible for the committee, consistently with their attention to their other duties, to form an opinion as to the manner in which this sum has been expended. But from the partial view which they have taken, they beg leave to present some facts and principles which they believe to be worthy of the notice of congress.

There are two previous requisites which are necessary to justify the expenditure of public money, and without which no legal expenditure can be made. First, that the expenditure for the object to which it is applied, should be authorized by law;—and secondly, that an appropriation should have been made to cover that authorized expence. In the war and navy departments, this rule does not appear to have been strictly adhered to in all cases; but for the reasons above assigned, the committee have been unable to ascertain how far it has been departed from. The most prominent instances which have yet presented themselves, are herewith stated:

By an act passed on the 25th day of February, in the year 1799, an authority was given to the President of the United States, to cause to be built six ships of war, to be armed with, and to carry not less than 74 guns each, and to build or purchase six sloops of war to be armed with 18 guns each. In part of the necessary expenditures for these objects, a sum not exceeding one million of dollars was appropriated by the same law. And by another act passed on the same day, it was declared that two docks should be erected in suitable places, under the direction of the President of the United States, for the con-