

ation of your honorable body. No promise was made by me that this Commissioner should receive any compensation for his services, and he accepted the commission with an understanding that an account of his doings should be presented to the General Assembly for such action in the premises as might be considered expedient. This report contains much interesting and practical information, and I respectfully recommend that it be printed, in order that its contents and merit may be more fully understood, and that you may thereby determine more satisfactorily whether the Commissioner has entitled himself to any compensation for the services rendered.

W. M. STONE.

GOVERNOR'S SPECIAL MESSAGE

AND REPORT OF

COL. J. N. DEWEY, COMMISSIONER OF CLAIMS.

STATE OF IOWA, EXECUTIVE DEPARTMENT,
DES MOINES, January 15th, 1868.

Gentlemen of the Senate and House of Representatives:

I have the honor herewith to present to the General Assembly the report of Colonel J. N. Dewey, containing a full and satisfactory account of the settlement which has recently been obtained with the Treasury Department at Washington, of the claims for military disbursements made by the State, and alluded to in my recent biennial message.

The total amount of claims on file at the United States Treasury, on account of expenditures incurred in raising troops for the Federal Government, was \$647,563.78, of which the sum of \$619,717.24 has just been allowed and passed to the credit of the State.

Against this credit the State stood charged with the sum of \$384,274.80 as our proportion of the direct tax levied upon the several States, under the Act of Congress approved August 5th, 1861, as fully explained in my message to the Eleventh General Assembly, and the payment of which was assumed by the Act of the General Assembly approved January 31st, 1862, and charged against us by the United States Treasury.

In addition to this the State stood debited at this Department with the sum of \$100,000.00, advanced by the General Government on account of military expenditures in 1862, making a total charge against the State of \$484,274.80, which being deducted from the amount allowed the State, as above mentioned, leaves a balance of

\$135,442.44 due us from the United States. This amount I have just received by proper draft from the hand of Col. Dewey, and the same is now in the State Treasury.

There remains of the claims on file at the United States Treasury the sum of \$27,846.54 which still remains disallowed and suspended subject to readjustment. In addition to the foregoing there are, for future settlement, claims for military expenditures against the Federal Government of about the sum of \$388,000.00, the allowance of the most of which, if properly presented and urged, we may anticipate with reasonable certainty. And in order that a favorable adjustment of these claims may be hastened and procured without unnecessary delay, I respectfully recommend that Col. Dewey be retained as agent of the State in the transaction of this business with an adequate and liberal compensation, and that authority be conferred upon him to proceed immediately to file and present the same to the proper department at Washington.

I may be permitted to congratulate the General Assembly that we have finally succeeded, after great delay, in obtaining this act of justice to our State, and of the encouraging prospects for receiving the additional sums due us from the United States. Perhaps no State has succeeded in obtaining a larger percentage of its war claims; and our success is undoubtedly attributable to the fact that these claims had been incurred by the State in the most faithful and prompt discharge of its duties to the country during the dark hours of the great Rebellion.

If we succeed, as I have no doubt we shall, with proper and earnest attention, in pressing the residue of our claims, we will have been remunerated to nearly the entire amount of our military expenditures, incurred during the whole war. With this amount we shall be able to liquidate the war bonds of \$300,000, with a residue of over \$100,000 remaining in the treasury, thus presenting to the world the example of a State, second to none in the success of its various enterprises, with all its institutions enjoying a high degree of prosperity, and entirely free from indebtedness, although just emerged from the period of a protracted and desolating war.

W. M. STONE.

REPORT.

DES MOINES, January 14th, 1868.

GOVERNOR: In accordance with Section 4, Chapter 95, of the Session Laws of 1866, providing for the settlement of certain claims against the General Government, I beg to submit the following report.

These claims are of a three-fold character, viz:

First — For expenses incurred in enrolling, subsisting, clothing, etc., etc., troops employed in aiding to suppress the insurrection against the United States, the same being subsequently mustered into the United States' service.

Second — For expenses incurred in raising, arming, paying, subsisting, etc., etc., certain troops of the State for the purpose of defending the northern and southern borders thereof against incursions by hostile Indians and rebel bushwhackers.

Third — The alleged deficiency on the part of the General Government in the payment to this State of the five per cent on the sales of the public lands. The payment of so much of these claims as is embraced under the first head, was provided for by a general act, or acts of Congress, approved July 17th and 27th, 1861, and the accounts of the State as ascertained and paid up to January 1st, 1863, accompanied by the original vouchers and proper abstracts, were filed with the Third Auditor of the Treasury Department in months of March and April following. These accounts amounted to the sum of \$647,563.78, and constituted at the date of the passage of the act, the great bulk of the claims so long at issue between the State and the General Government; all of which, with the exception of about \$40,000, was either suspended or disallowed as against the State.

Your intimate acquaintance (acquired by experience) with the difficulties in the way of obtaining anything like a fair and proper settlement of these claims (as set forth in your annual message to the General Assembly in 1866), renders it unnecessary for me to say a single word upon that subject, except to add, that each attempt resulting in failure, necessarily added to the embarrassments to be overcome in the next succeeding. It was, therefore, with extreme diffidence, notwithstanding my personal knowledge of their strict justice, as well as of all the material facts originally connected with them, that I approached the undertaking devolved upon me by the act in question, in the language of which, the commissioner to proceed "with all convenient speed, and should he be of the opinion after making the attempt, that a settlement is at present impracticable he shall suspend his action until a more favorable opportunity;" a wise provision intended to prevent the paying out of any more good money to recover that which was considered bad.

At as early a day as possible I proceeded to Washington for the purpose of renewing the attempt hitherto made to obtain a modification of some of the most rigorous rules hitherto applied in the examination of our accounts, without which it would seem profitless further to pursue the subject. The object had in view was partially successful in this, that the rule requiring an acknowledgement of the receipt of payment from the State by the original claimant as a condition precedent to the admission of the voucher, was materially relaxed by the ruling of the Second Comptroller; while the rule absolutely forbidding re-payment for transportation of recruits by wagons was stricken out by the Secretary of the Treasury, leaving that peculiar kind of transportation, so common in our State, to stand upon the same footing as that of any other class. With this accomplished, it did not seem probable that any "more favorable opportunity" would occur than was then presented for the adjustment of our claims, and upon returning home I proceeded at once to take up the several vouchers comprising the same and examine the reasons set forth for their suspension, or disallowance on the part of the General Government, at the same time making notes of such explanations as seemed best adapted for their removal.

This was a work of no small magnitude, involving a large amount of correspondence with various officers and others whose certificates or receipts might be necessary to pass the several claims, and who were now scattered over all parts of the country.

With patience and perseverance, however, the work was accomplished and reduced to writing; when, about the middle of October last, having spared no pains in making the explanatory statements as full and complete as possible, I again repaired to Washington and called for a "special" settlement with the Department. The request was complied with, and I am happy to add, with better results than had hitherto been obtained. Nearly three months was occupied by the same officers who had previously passed upon them in closely scrutinizing the several vouchers in connection with the explanations now furnished, which ended in passing to the credit of the State the sum of \$570,729.62, leaving only \$27,846.54 as disallowed or suspended for further explanation. This sum added to the amount admitted upon the original settlement, carried to over credit the sum of \$619,717.24; against this credit stood charged the sum of \$384,274.80, on account of the "District Tax" imposed by Act of Congress, August 8, 1861, the collection of which was assumed by Act of the General Assembly in January, 1862, and the still further sum of \$100,000.00 advanced by the General Government to the State during the same year, making in all the sum of \$484,274.80, which deducted from the amount of claims *admitted* left a balance in favor of the State of \$135,442.44. This amount I have the gratification of handing you herewith by draft on the "Depository U. S. at Chicago, Illinois," payable at sight to your order.

Of this class of claims there still remains behind the entire amount adjusted and paid by the State since January 1st, 1863, amounting in the aggregate (it is estimated) to about \$140,000 which has never been presented for settlement for the reason that until it was known whether the State would ever obtain a proper settlement of those already filed, it was not worth our while to go to any further trouble or expense in that direction. It will be the immediate duty of the Commissioner to now take up these claims and put them in proper shape for filing with the necessary abstracts accompanying.

Of the claims of the second class, the sum of \$18,988 84 was appropriated in 1860 by Congress for payment of expense incurred on account of protecting our frontier after the Inkpadutah massacre, coupled, however, with such restrictions as to make it hitherto unavailable. I accordingly withdrew this claim from the Third Auditor's Office, where it had lain on file since 1860, and with the assistance of Gen. G. M. Dodge, was enabled to take it before the Secretary of War, *ad interim*, who promptly ordered a re-examination of the same, the result of which was that the action of the State authorities in the premises were approved, and the claim was again referred to the Third Auditor, with instructions to take it up, and settle the same in accordance with the provisions of the act authorizing its payment and the established usages of the Department. It is but reasonable to suppose that a *fair share*, if not the entire claim will eventually be secured to the State. Coming also under the head of claims of the second class, are the payments made by the State on account of the Regiments, Cols. Morledge and Edwards, the northern and southern border brigades and other miscellaneous companies called into the military service of the State during the existence of the rebellion.

These expenditures not coming within the meaning of any of the acts of Congress above quoted, it became necessary to bring the subject before that body. Accordingly, in the summer of 1866, a joint resolution was introduced into the Senate of the United States by ex-Governor Kirkwood, providing for the appointment by the President of some suitable person as a Commissioner, whose duty it should be to examine and report upon the same to Congress in order that that body might have before them what it would concede to be reliable data upon which they could base their action. The party designated by the President was Brevet Major-General R. C. Buchanan, U. S. A., a gentleman well qualified by large experience for the duty assigned him, having seen some thirty-six years of military service, a good share of which had been spent upon the frontier. Gen. Buchanan visited the State in May last, where every opportunity was offered him by Adjutant-General Baker and myself for the fullest examination on his part of this class of our disburse-

ments with all the attendant circumstances relating to their origin, necessity, &c., &c. After indicating the character of the abstracts, orders, correspondence, history, &c., &c., which he should require to be furnished with, in connection with each separate organization, the General returned to Washington, and as soon thereafter as possible the same was forwarded to him.

These claims amount in the aggregate to \$229,848.23, and were made the subject on the part of the General, both while in the State and after his return to Washington, of his most careful consideration. It was not until the middle of December that his report was submitted to Congress which, after giving with great conciseness the result of his investigation and the reasons governing his conclusions, recommended the payment of the entire amount claimed. Having successfully carried this branch of our claims through this investigation, ordered by Congress, it is left in charge of the able delegation from our State for a safe passage through that honorable body. Should it succeed (and I have no reason to fear otherwise) it will then have to be carried through the hands of the proper accounting officers of the Treasury Department, but I doubt not with fair success. Upon the whole I am decidedly of the opinion that the full measure of justice, so long withheld in the settlement of our military claims, will at length be awarded us, and that no State in the Union will have refunded them at last, a greater per centage of their disbursements than the State of Iowa.

As to the third class of our claims — the alleged "deficiency on the part of the General Government in the payment of this State of the five per cent on the sales of the public lands" — I can only say that owing to a misunderstanding on my part of the duties undertaken by the Hon. J. A. Harvey in the settlement of the swamp land claims of the State, but little attention was bestowed upon the subject by the undersigned. As preliminary however to taking it up, I called on the 9th instant upon the Honorable Commissioner of the General Land Office, and requested him to furnish an account current between that Department and the State, in connection with this claim, which will form the basis, when received, of further investigation.

In conclusion, I wish to bear witness to the readiness (with few exceptions) with which officers, ex-officers, and others with whom I have had occasion to communicate upon the subject of these claims, have responded with the sought-for information, or certificates, &c. To them, as well as to ex-Governors Kirkwood and Grimes, Representatives Price and Dodge, I am under *especial* obligations for their cordial assistance at all times, in furthering my endeavors to effect an adjustment of the State claims.

I have the honor to remain your Excellency's obedient servant,

J. N. DEWEY,
Commissioner.

To His Excellency, WM. M. STONE,
Governor of Iowa.

SPECIAL MESSAGE.

EXECUTIVE OFFICE, January 24, 1868.

Gentlemen of the Senate and House of Representatives:

There are a few subjects of especial interest to which I desire to call your attention, and which I wish to make the basis of some recommendations for legislative action.

The successful settlement of the claims of our State against the General Government has placed our finances in a most satisfactory condition. Col. Dewey, by whose faithful services so large a sum has been placed in our treasury, ought to receive the thanks of the Assembly, and a compensation more nearly commensurate to the valuable results he has been instrumental in effecting. The good fortune which has attended his connection with this matter plainly indicates the advisability of empowering him to complete its final settlement. I would therefore recommend that he be authorized to prosecute the work to its conclusion, and moreover, that he be allowed a certain per cent upon all claims to be recovered, in addition to the compensation he now receives.

RAILROADS.

The development of our agricultural and mineral resources is largely affected by the completeness and extent of our facilities for transportation. This fact renders it imperative that the State pursue a liberal and even generous policy in dealing with this class of corporations.