

## HOUSE....No. 88.

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### Commonwealth of Massachusetts.

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HOUSE OF REPRESENTATIVES, February 15, 1862.

The Committee on Finance who were instructed by an Order of the House to ascertain "whether any moneys have been borrowed by the Treasurer since the extra session of the legislature, in the year eighteen hundred and sixty-one, for which he had no authority from the legislature, and if so, what and under what authority," have made the necessary examination, and report: that the Treasurer has borrowed the following sums without authority from the legislature, to wit:

On August 2, 1861, and previous thereto, . . .	\$1,000,000
September 20th, 1861, . . . . .	500,000
December 3d, 1861, . . . . .	300,000
December 17th, 1861, . . . . .	201,000
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	\$2,001,000

The Treasurer borrowed the above sums,—all of which have been repaid except \$310,000,—of the banks and of individuals, under orders passed from time to time by the governor and council, requiring him to obtain a loan to this amount.

All the parties were apprised in advance of the nature of the authority under which these loans were negotiated.

Prior to August 3d, 1861, one million of dollars was obtained at five per cent. interest per annum, and since then most of the loans have been obtained at six per cent. per annum.

Although not authorized by the legislature, the urgent requirements of the military service and the unavoidable delay incident to preparing and negotiating the scrip authorized at the extra session, rendered necessary this exercise of power.

By virtue of "an Act to provide for the maintenance of the Union and the Constitution," approved May 21st, 1861, the governor, with the advice of the council, was vested with full power and authority to raise a military force to maintain in its full integrity the authority of the government of the United States, and for this purpose was authorized to incur expenses and to issue scrip to an amount not exceeding three millions of dollars.

It appears that under this Act an expenditure has been made of \$3,473,047.15, being in excess of the amount authorized of \$473,047.15, which excess, though incurred without authority of law, was, in the opinion of the Committee, fully justified by the pressing exigencies of the public service. This excess has likewise been paid by the Treasurer under orders passed by the governor and council.

For the Committee,

HENRY L. PIERCE.