

now outstanding is as follows:

28 certificates of stock for

0 certificates of stock for \$500 each.....

437 certificates of stock, of

miscellaneous denomina-

81 exchange and transfer

certificates of stock of mis-

cellaneous denominations

Total amount of bonds and

certificates of stock out-

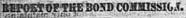
debtedness of the State; and the amount of matured interest on the consolidation

certificates of stock is \$26,920.57.

\$1,000 each

tions.....

to be \$8,792,779.



BATES OF SUBSCRIPTION .- ONE DOLLAR

han six u

To the Honorable the Senate and House of

debtedness of the State, elected at the last session of your honorable bodies, That the commission met in the State capital on Wednesday, the State day of ectfully to report s

August, 1877, and continued to meet for the performance or their duties from day day antil the seconth day of Februa-

Their chairman having previously given public notice to all holders of con-rolidation bonds, coupous and certifi-cates of stock to produce the same before the commission at Columbia from the irst day of August to the first day of er, the commission proceeded at once to receive, examine and register such of them as were produced for that purpose; and, as many of them were not produced until after the expiration of the period mentioned, the commission continued the work of reception, exami-nation and registry until the first day of Japuary, 1878, when they closed their

books for registration. All the consolidation bords, coupons and certificates of stock produced b the commission had been issued in proper form except bold No. 442, for 1900, which was without the counter-signature of the Comptroller General, and eschange and transfer certificate of steck No. 860; for \$252.50, which was without the great seal of the State: "" The numbers and denominations of the consolidation bonds and certificates of stock produced before the commission

are as follows: 3,137 bonds for \$1,000 each...\$3,137,000 00 1.082 bonds for \$500 each ... 541,000 00. 27 certificates of stock for 27,000-00 37,000 each. 39 intificates of stock for _____ 5000 each. 348 certificates of stock of miscellaneous denomina-188,680 70

tions...... 62 exchange and transfer certificates of stock of various denominations... 34,299 43 Total amount of bonds and

certificates of stock pro-\$3.882.980 13 duced. A schedule of these bonds and certificates of stock, with the matured coupons attached to said bonds designated as Schedule No. 1, is hereto innexed and made a part of this report. this connection, the commission In

deem it proper to state that they did not certify as correct any of the consolida-Total amount of bonds and tion bonds, coupons and certificates of stock produced before them, because it was impossible to determine upon their validity at the time of their production, and because, by the terms of the supply bill of June 9, 1877, the final determi tion of their salidity was wisely reserved for the action of your honorable bodies; and it appeared to the commission that a certificate of their correctness in any other sense than their validity would be more likely in mielead that to inform their holders or others. The commis-sion, however, furnished certificates of

the fact of their production, whenever the fact of their production, wherever requested by the production, wherever After the larger part of the consolida-tion bonds, houtpons and certificates of stock had been received, examined and registered, the commission appointed a sub-commission, composed of two of their number, to attend to that duty, with before to make these bonds converse

reference to such other bonds, coupons and certificates of stock as should be promission addressed themselves to the duty of making a complete and thorough in-vestigation of the following and kindred matters "particularly" mentioned in the Total amount of bonds and\$3,999,146 djudge part of these \$3,999,146 of vouch-s to be not authorized to be consolidated second section of the joint reolution providing for their election : First, The entire amount of consolidaby the act above recited are respectfully nitted as follo tion bonds and certificates of stock that had been issued under the act to reduce the volume of the public debt and proubmitted as follows: 1. As to detached coupons from relief of the treasury bouds, numbers 777 to \$18, 820 to 827, 859 to 906 and 983 to 985, ide for the payment of the same. Second. Whether there is in the State amounting to \$9,135. Between March 16, 1869 and April 21. Failed bond, coupons and certificates work, assist in accordance with law 869, inclusive, the State Treasurer harged the Financial Agent with relief of the treasury bonds amounting to 31,000,000, and ander date of October 31, 1871, the State Treasurer credited the and authorized to be consolidated by the act above recited, to the amount required by the said act. Without dwelling upon the extent of the labor incolved in the performance of this duty, or the difficulties under which the labor has been performed, growing as well out of the character of the labor itself as out of the absence from the State of all who had been con-metted with the statement of the performance. Financial Agent with 101 relief of treas-ury bonds numbered as above, for \$1,000 each, amounting to \$101,000, "they never having been issued as a charge sgainst the State;" and in recognition of this fact these \$101,000 of relief of the treas-ury bonds were not included amongst those "authorized to be consolidated by neuted with the treasury during the peri-od in which these transactions had been he acts above recited." Assuredly, as the bonds were never is

reduce the volume of the public debt and provide for the payment of the same, five of these bonds for \$1,000 each, numbers 158, 127, 131, 138 and 210, have been ex-126, 127, 131, 735 and 210, hars been ex-changed for certificates of stock No. 870 for \$5,000? Aventy-three_10f them for \$1,000 each, numbers 77, 78, 139, 144 to 146, 162, 208, 205 to 209, 216 to 220, 262, 263, 269, 288 and 283; have been exchanged for certificate of stock No. 855 for \$23,000, Bills receivable bonds, amount ing to ... public debt bonds Interest amounting to..... Bills Bank of State bonds, amounting to ... Relief of Treasury bonds, amount and "the certificate of stock immediately exchanged for bonds Nos. 3455 to 3477

ing to..... Land commission bends, amountfor \$1,000 each. A large number of cer-tificates of stock have been exchanged for ing to. bonds, and a considerable number of cer-tificates of spock have been transferred and surrendered at the treasury and new certificates of stock issued in their stead. Conversion bonds, amounting to Total amount of detached cou-

\$486,025 The Comptroller General, who was The entire amount of consolidation specially charged by law with the super-vision of the public debt of the State, and who had the largest means of knowbonds and certificates of stock issued and

18:410

45.643

48,930

94,110

59,988

130,900

4 770

61;194

8,547 bonds for \$1,000 each..\$3,547,000 00 1,216 bonds for \$500 each.. 608,000 00 ing its amount and condition, estimated 608.000 00 interest thereon as follows : For fiscal year ending Octo-28.000 00

For fiscal year ending Octo-ber 31 1860 5,000 00 ber 31, 1869.. For fiscal year ending Octo-

ber 31, 1870..... \$38,693 86 156,549 86 For fiscal year ending October 31, 1871..... 482.594 40

51,741 05 Total amount of estimates.\$1,585,572 16

It is to be borne in mind that the act to provide for the funding of the interest and principal of certain stocks and bo of the State past due, ratified September 21, 1866, provided for funding part of the the outstanding consolidation bonds is \$249,300, being for January 1, 1877, and July 1, 1877—the commission regarding 21, 1000, provided for funding part of the principal and all of the interest of the debt of South Carolina, the said interest to be calculated as due up to the date of July 1, 1867, so that the 'Comptroller Comparison's comparison of the said interest all coupons maturing at previous dates as constituting a part of the floating in-General in estimating the interest on the debt was not required to go back of the latter date. And the commission re-

A schedule of outstanding consolida-tion bonds and certificates of stock, desspectfully add that they have carefully and thoroughly examined the Comp troller General's estimates and find then ignated as Schedule No. 2, is hereunto to be substantially correct. nnexed and made'a part of this report. The payments of interest on the public

As this sum of \$5,356,290.41 represents the actual amount of consolidation bonds and cartificates of stock issued in exdebt for the same years were as follows BY THE STATE TREASURER-During fiscal year ending Occhange, for old bonds, coupons, certifi-cates of stock and interest at the rate of

tober 31, 1869..... fifty per centum of the face value of the latter, the entire amount of the latter in During fiscal year ending Oc-190.879 44 tober 31, 1870 the treasury as youchers should be \$8,792,-580.82. The investigation of the commis-During fiscal year ending October 31, 1871 176,371 98

sion shows the actual amount of vouchers Amount of payments by State Amount of all classes of bonds. \$6,261,850 Treasurer By FINANCIAL AGENT-Amount of attached coupons... 873,171 Amount of detached coupons... 603,590 During fiscal year ending October 81, 1869.....\$196,714 50

During fiscal year ending October 81, 1870..... 808,623 50 mmission find that \$4,798,638 were During fiscal year issued in accordance with law and au therized to be consolidated by the act above recited." They consist of the folending October 31, 1871...... 395,070 00 Amount of payments by Filowing vouchers issued in accordance with law and suthorized to be consolidanancial Agent.....

ted by the act: Amount of all classes of bonds..\$3,246,640 Amount of attached coupons... Amount of detached coupons... 56,569

Total amount of bonds and

sist of the following voitchers not issued in accordance with law and authorized to be consolidated by the act:

be consolutated by the bonds \$3,014,710 Amount of attached coupons... 437,415 Amount of detached coupons... 547,021 Amount of detached coupons... 547,021 a wide margin for any possible underesti-a wide margin for any possible underestimates of the Comptroller General, all the presumptions in the matter point to the only paying the interest as it due, up to and after July 1, 1871, but paying it in gold, and the holder of a coupon had every possible inducement to collect it at maturity. In occasional cases, absence, illness or other causes may have prevented him from collecting it promptly, but neither absence. illnes nor other causes would have led him to detach it from the bond, when no practi-cal purpose would or could be subserved thereby. It is a matter of both legislative and indicial record, that all matured coupons were cut off from bands before the latter were issued from the treasury or Financial Agency; and all the circumstance attending these transactions indicate that the detached coupons in question were obtained in that way or from that source But, however or wherever obtained they were not valid claims against the state, and were not authorized to be consolidated under the act.

ANDERSON, S. C., THURSDAY, FEBRUARY 14, 1878.

ds, at 70c

been so detached-mere waste papers missioner, but actually issued by the designated as "issued under act approved without an element of value or vitality- Treasurer as for the market and sent di- August 26, 1868." rectly to the Financial Agent for sale or enough to be passed over the Treasurer's hypothecation, without authority of law, as Governor, in his testimony before a counter and filed away as vouchers for and the total amount is \$3,200,000.

The reports made and forwarded by consolidation bonds issued in their place. the Financial Agent to the Comptroller There are four other classes of vouchers which were cansolidated under the act in General show the proceeds of the sale of ccordance with its provisions, but which | bonds to have been as follows: the commission, under the authority con- \$300,000 bills receivable

tained in the joint resolution providing for their appointment, respectfully report to your honorable bodies as not having been "issued in accordance with law." \$4,214,500 bonds \$4,214,500 bonds.. 5 .- AS TO THE HYPOTHECATED BONDS

AND COUPONS. A mount of all classes of bonds..\$1,718,300 A mount of attached coupons... 263,759

A nount of detached coupons 183,980

1.41 Total amount of all bonds and "

the act to authorize a State loan to nees could desire. By pay interest on public debt, ratified the 26th August, 1868, the Governor was au-thorized to borrow \$1,000,000, or as much

receivable of the State of South Carolina, ratified the 26th August, 1868, the Gov-ernor was authorized to borrow \$500,000, or as much thereof as he might deem necessary, on coupon bonds, within some of them with particular signifitwelve months from the passage of the cance.

act. By the act to authorize a loan for the

passage of this act. Under the directions of the officers nentioned in the several acts, the Financial Agent might sell the bonds provided for in the first and second acts and use as ment of the public debt to the amount of collateral security for loans, or sell the ands provided for in the third act.

New York, to pledge State tonds as col-lateral security and for other purposes, approved the 26th March, 1869, the Fi-..\$332,554 62 cial Agent was authorized to pledge the bonds of the State which the State then had or might thereafter have in its ossession, as collateral security for State oans, provided that in all transactions he should conform to the provisions of the act to muthorize a loan to redeem the .\$699.806 04 obligations known as the bills receivable of the State of South Carolina. And the act to authorize a State loan to pay the interest on the public debt and the act to anthorize a loan to redeem the obligations known as the bills receivable of the State

of South Carolina were so amended as to extend the time during which said loans might be negotiated to twenty-four months from the passage of said acts. 900,408 00 Whether the authority thus given to

Total amount of payments.\$1,600,214 04 Excess of payments over

\$14,641 88 estimates. In addition to this, there have been \$2,474 of coupons which matured during the same years consolidated with the bonds to which they were attached, showing payments of interest for those years of \$17,115.88 over and above the amount estimated by the Comptroller General While this fact would seem to afford

comparative evidence, in the absence of interest on the public debt maturing for R. K. Scott, who signed these bonds

Intelligencer.

committee appointed to ascertain what security for State loans, said :

\$700.000 bonds, at 70c..... 490,000 00 1.503,783 38 1.238.344 01 \$3,442,127 39 Showing that \$242,126.39 more money

was raised by the sale of bonds than * * * * was authorized to be raised page 741. under the most latitudinarian construct tion of the acts which the Financial

The pledging of the bonds in question therefore, was absolutely without author thereof as he might deem necessary, on coupon bonds, within twelve months from the passage of the act. By the act to authorize a loan to re-deem the obligations known as the bills receivable of the State of South Carpling.

been consolidated under the act. While these considerations apply to all the bonds in question, there are additional considerations which apply to

1. By the act to provide for a sinking fund and the management of the same it relief of the treasury, approved the 17th was provided that all revenues derived February, 1869, authority was given to from the sales to be made by the commisorrow \$1,000,000, or as much thereof ds sioners, should be applied to the extin-

them invested in State bonds. By the terms of the act, this was the extinguish-

which the lands were appropriated, and from the sales of land scrip therein pro-vided for, should be invested in stocks of the United States, or of the States, or some other safe stocks, yielding not less than 5 per centum upon the par value of

the Financial Agent gave him only the same authority to pledge the bonds to pay the interest on the public debt and the bonds to redeem the bills receivable as he already had to pledge the bonds for the relief of the treasury, or whether it gave him authority to pledge other bonds besides, it is not necessary in this connec ion to determine. Even if it gave him tive Legislatures of said States.

accepting the donation of lands for the State of South Carolina for the endowwhich he shall exercise such authority to twelve months from the passage of the ment of agricultural colleges, the State of South Carolina accepted all the proact, so that, while he might pledge bonds to pay the interest on the public debt and visions of the said act of Congress and of the 26th August, 1870, he could not pledge any bonds beside after the 26th March, 1870. And yet the proper officers were subbrind to the sell and assign the scrip or land warrants issued to this State by virtue of the act of Congress referred to, and it was pro-vided that the proceeds of sale should be invested either in bonds of the United States or in 6 per cent. interest bearing bonds of this State, the principal of which honds should be forever held sacred for the purposes directed in the act of Congress aforesaid. The agricultural land scrip issued t this State by virtue of the said act of Congress was obtained by officers authorzed to receive it and sold by then through the Financial Agent, and the proceeds of sale were invested in bonds f this State. According to the express provisions of the said act of Congress, and by the ob-ligations of the State of South Carolina sumed by the act of the General Assembly accepting its provisions, these bonds were held by the State, not in actual ownership, but in sacred trust, for the purpose of endowing, supporting and maintaining at least one college in this State where the leading object should be, maintain without excluding other scientific and classical studies, and including military tactics, to teach such branches of learn ing as are related to agriculture and the nechanic arts, and for no other purpose or purposes whatsoever, and were not ects of hypothecation by the Financial Agent. But the report of the special joint Sut the report of the special joint committee, appointed by the General Assembly to ascertain what bonds of the State were pledged by the Financial Agent of the State as collateral security for State loans, shows that the bonds i which the proceeds of the sales made by the Commissioners of the Sinking Fund were invested, and which were so as aforesaid paid, retired and cancelled, and the bonds in which the proceeds of sale of the agricultural land scrip were invested, and which were so as aforesaid held by the State in sacred trust for the purpose prescribed in the said act of Congress were all included in the bonds pledged by the Financial Agent for State loans, etween the 21st September, 1871, pr 10th September, 1872. As to bonds for the payment of inter est on the public debt, second issue : 836 bonds for \$1,000 each\$ 836,000 113:595 Attached coupons..... 99,845 Detached coupons.....

bonds of the State were pledged by the Financial Agent of the State as collateral

and did become s part of the public debt; \$500,000 of them were returned, and I destroyed them in the presence of Mr. Parker. D. H. Chamberlain, Dr. Neagle and others. The \$500,000 destroyed had been replaced by conversion bonds." Reports and Resolutions 1874-5,

Before the same committee, N. G. Parker, who was State Treasurer at the time these bonds were issued, in answer to the question, how many bonds were issued under the act for payment of in-terest on the public debt, said : "At first, \$1,000,000; afterwards another \$1,000,-

His testimony before this commiss together with the evidence developed in the examination of the vouchers for conversion and consolidation bonds, leaves no room for doubt, that under the act to authorize a loan to pay interest on the public debt, \$2,000,000 of bonds were issued, being \$1,000,000 in excess of the

amount authorized by the act. In addition to the illegality of the second issue of these bonds, the testimony indicates that the element of fraud en tered into the transaction. In his testimony before the committee already referred to, D. H. Chamberlain, Attorney General and member of the Financial Board at the time these bonds were issued, in answer to a question con cerning over-issues of bonds being discussed by the Financial Board, says: "I remember the question was raised as to issuing the additional bonds for the relief of the treasury, and for the paynent of the interest on the public debt but I think the question was raised because if the numbers of the bonds issued showed a larger amount than \$1,000,000, t would injure their credit in the mar

To deceive the public, therefore, the second issue of bonds were numbered from 1 to 1,000, thus duplicating the ssue under the act, the only distingu ing feature being that upon the first issue were endorsed the words "loan to pay interest on the public debt," while the endorsement upon the second issue was "issued under act August 26, 1868." The evidence of N. G. Parker, accompanying this report, shows that the fraud was detected by a party in New York becoming possessed of bonds of both issues, having the same number. The fraud being exposed, the \$500,000 since reported as destroyed and \$50,000, since cancelled and remaining in the treasury were somehow redeemed and retired leaving \$450,000 of the first issue, as well as the whole of the second issue, outstanding. The commission are of opin-ion that the whole of the second issue were fraudulently issued and placed upon the market without authority of aw, and were null and void ab initio. Nor can there be any pretense that the econd issue was in any wise necessary

for the purposes of the act. In his message to the General Ass oly, on the 7th July, 1868, Governor Orr stated the debt due by the State on Ocober 1, 1867, was \$5,523,576.50, of which \$5,407,215.23 was principal and \$116, 361.33 was interest. The Comptrolle General estimated the amount of interest due on October 1, 1868, was \$434,791.52. is to be assumed that its provisions did not extend to the payment of interest becoming due after October 1, 1868, the last day on which any interest became due for that fiscal year; and \$434,791.52 must, therefore, be considered the amount of interest proposed to be paid by moneys raised under the act. How much of this interest was paid out of the taxes collected under the act o raise supplies for the year commencing in October, 1868, approved March 23 1869, it is impossible to determine with certainty, but the reports and records of the Treasurer throw enough light on the matter to afford a practical solution of it. 1st. The recapitulation of expenditures at the State treasury for the fiscal year ending October 31, 1869, shows the amount of interest paid at the treasury during that fiscal year on account of in terest accrued since the same was last funded was \$529,269.12; but the amount actualy paid at the treasury was \$332, 524.62, the treasurer having credited the Financial Agent with \$196,714.50 of coupons paid at the Financial Agency as so much cash, and then credited himself with the payment of that additional amount of coupons. Of this amount of \$332,534.62, as apears from the records of the Treasurer, 224,908.62 was paid on account of inerest on stock accrued since the same was last funded to October 31, 1869, exclusive of what was paid for coupons on bonds which matured during the same period; and it will appear from the statement designated as schedule 3, ap-pended hereto and made a part of this report, that \$120,925.96 of it vas paid on account of interest accrued since the same was last furided up to October 1, 2d. No part of this \$120,925.96 was paid by the State Treasurer out of the proceeds of the sale of interest on the ublic debt bonds sent to the Financial Agent. By schedule 4, appended hereto, and made a part of this report, it will ap pear not only that no proceeds of the sale of such bonds had been received from the Financial Agent-none of them having yet even been reported as old-but that the Financial Agent had not yet fully paid over the proceeds of the sales of other bonds which had been sent to him and which he had reported the sale of. 3d. As no part of this \$120,925.96 wa paid out of the preceeds of the sale of interest on the public debt bonds, and as here was no other sufficient source ex cept the taxes collected under the act of March 26, 1869, from which it could be paid, and as the report of the State Treas-urer shows that the amounts received from the said taxes during the months in which the interest was paid were much larger than the amounts paid for interest, it necessarily follows that he paid the interest out of the taxes collected under the said act. The whole amount of interest due on October 1, 1863, being estimated at \$434,791.52, and \$120,925,96 of it being paid out of taxes, the amount to be paid out of the proceeds of the interest on public debt bonds was the remaining um of \$313,865.54. The only sale of bonds which can be determined to be nterested on the public debt bouds was ncluded in the reported sale of \$700,000 South Carolina bonds at 70 cents on the dollar; so that the sale of 450,000 of hem must have produced \$315,000, be ing \$1,134.46 more than the amount of interest remaining to be paid out of their proceeds.

Attached coupons..... 16,710 Detached coupons..... 900 \$141.610 Under act of 1870.

VOL. XIII---NO. 31.

Detached coupons..... 16,230 \$397.780- 397.780

Whilst there can be no question of the authority of the General Assembly to create public debts, or to enact all laws not inconsistent with the Federal and State constitutions, it is equally clear to the minds of the commission, that when

an ordinance of the State constitution prescribes, limits or defines the condition under which legislative authority may be exercised, the Legislature cannot proceed in any other manner than that pre scribed, limited or defined by the ordi-

On March 7, 1868, the people of South Carolina in convention met, did ordain as follows:

SECTION 1. That it shall be the duty of the General Assembly to provide for the establishment of a board to be known and designated as Commissioners of Public Lands

"SEC. 2. The Commissioners of Public Lands shall have authority under regulations prescribed by law, to purchase at public sale or otherwise, improved and unimproved real estate within this State, Sc.: Provided, That the aggregate amoun of purchases made in any fiscal year shall not exceed the par value of the public stock of this State, created and appropri-ated by the General Assembly for the purpose contemplated in the 4th section of this ordinance for such fiscal year: And provided, also, That the rate at which any purchase shall be made shall not exceed seventy-five per cent. of the value of the land so purchased, including the mprovements in the manuer prescribed

vouchers SEC. 3. The General Assembly shall have authority to issue to said commis-sioners, public stock of this State to such amount as it may deem expedient, which stock, or the proceeds thereof, the com-missioners shall have authority to apply in payment of all purchases made in ac-cordance with the second section of this ordinance; provided that such public stock shall not be negotiated at a rate less than the par value thereof.

SEC. 4. The commissioners shall have authority under regulations established y the General Assembly to cause lands rchased "to be surveyed and laid of into suitable tracts to be sold to actual settlers" subject to the condition that one-half thereof shall be placed in culti-

vation within three years, &c. SEC. 5. All lands purchased by said commissioners, or the proceeds of the sales thereof, shall be and remain pledged for the redemption of the public stock sued under section 3 of this ordinance but the General Assembly shall have authority subject to such lien and pledge, to make upon the faith and credit of the State fund, further issues of public stock, but the stock issued as last aforesaid and the proceeds thereof, shall be used exclu-sively for the redemption of the debt of

the State outstanding at the date of such issues and which shall not be funded. Whilst this ordinance was in full force to wit: On the 27th March, 1869, the General Assembly passed an act entitled 'An act to provide for the appointment f a Land Commissioner and to define

his powers and duties." .This act created an Advisory Board; the requirements of section 14, article 9, of the constitution, does not appear to have consisting of the Governor, Comptroller General, State Treasurer, Secretary of by the court. In speaking, however, of this section, Associate Justice Willard, who de-livered the opinion of the court, said : State and Attorney General, who were authorized and required to appoint a suitable person to be known as the Land "This section determines both the evidence that shall entitle the public creditor, and that which shall guide the executive officers Commissioner of the State of South Car-olina, and said commissioner shall in all the duties imposed upon him by the pro-visions of this act, be governed by their instructions and advice." Under the 5th section of this act the in all duties pertaining to such indebted-ness. The creditor must hold a bond of a certain character and number, and the exec certain character and number, and the exec-utive officers must test the validity of such evidence of debt by the official registry re-quired by the constitution." Morton, Bliss & Co. vs. Comptroller General, 4 Richardreasurer of the State was "authorized and directed to issue to the Land Commissioner, bonds of this State, in the sum son, New Series, p. 456. In this connection the commission reof \$200,000 with the coupons attached, if in the opinion of the Advisory Board, so In the opinion of the Advisory Board, so much be necessary." Under this author-ity and direction the Treasurer issued \$200,000 of bonds. On March 1, 1870, the General Assemapectfully call the attention of your honor-able bodies to an act, entitled "An act relating to the bonds of the State of South Carolina," approved March 13, 1872, and known as the "validating act." The purbly passed an act amending the act las pose of this act was to waive certain irreg-ularities, and to put at rest "doubts which thad arisen whether said issues were in strict referred to "and for other purposes," in which the Treasurer of the State was Ind arisen whether sud issues were in strict conformity to the provisions of the said several acts under which they were respec-tively issued." In the preamble to this act the classes of bonds concerning which doubts had arisen were enumerated; and among them were all the classes above men-tioned as not having been registered in ac-mendance with the constitutional resultion 'authorized and directed to issue to the Land Commissioner, bonds of the State in the sum of \$500,000, with coupons attached, if in the opinion of the Advis-ory Board so much be necessary, which honds shall be negotiated in such form and manner as the Advisory Board by a majority of votes shall determine. Under this act the Treasurer issued bonds to the cordance with the constitutional require-ments. The 3d section of this act provides s follows: "That each and all of the bonds named amount of \$500,000. Whilst under the terms of these two "Inst each and all of the bonds named in the said annual report of the Treasurer of this State for the fiscal year ending with October 31, 1871, be and the same are here-by, declared to be legal and valid bonds of the State of South Carolina, for the pay-ment of which the faith, credit and funds of the State have been and are berefer pledered. acts of the General Assembly, "the Treas-urer of the State is authorized and directed to issue to the Land Commissioner. the bonds provided for under said acts the fact has been established, that for reasons best known to the Advisory and Financial Boards and the Financial Agent, the State have been, and are hereby pledged Provided. That no bonds be included which the bonds never went into the possession of the Land Commissioner, as directed in are not registered in the Treasury at the time of the passage of this act, as provided said acts, but were · unlawfully delivered for by section 14, article 9, of the co tion relative to finance and taxation." constitu by the Treasurer to the Financial Agent, by whom they were sold or hypothecated By this provision of the validating act, the above mentioned classes of bonds are at much less than their par value, contrary to the manifest purpose of the ordi-nance, and in utter disregard of the terms expressly excluded from the benefits, if any, there to be derived from that act. The commission invite the attention of your honorable bodies to the fact, that the of the acts aforesaid. (Reports and resolutions, 1875-76, testimony of R. K. Scott, page 1171, D. H. Chamberlain, page 1217; C. P. Leslie, page 1223.) following consolidation bonds and certifi-cates of stock, to wit: Bonds Nos. 3529 to 3575 for \$1,000 each, \$46,000; Nos. 1206 It is not unreasonable to conclude that to 1216 for \$500 each, \$5,500; certificate of stock No. 53, \$500; certificate of stock the framers of the ordinance expressed themselves in careful terms, correspond-No. 988, \$360; certificate of stock No. 988, \$202.50; certificate of stock No. No. 989, \$202.50; certificate af stock No. 990, \$495; certificate of stock No. 991, \$237.50; certificate of stock No. 992, \$30; certificate ing with the importance of the authority to be exercised by the Legislature, and in order to protect the public interests by leaving so little implication. The pro-viso "that such public stock shall not be of stock No. 993, \$235; certificate of stock No. 994, \$55; certificate of stock No. 995, No. 994, \$55; certificate of stock No. 995, \$75; certificate of stock No. 996, \$300; certificate of stock No. 997, \$135; exchange and transfer certificates of stock No. 883, \$85; exchange and transfer certificate of stock No. 884, \$75, exchange and transfer certificate of stock No. 885, \$70; exchange and transfer certificate of stock No. 886, \$235, were issued by F. L. Cardozo as State Treasurer, the same being signed by D. H. Chamberlain as Governor, and countersiennegotiated at a rate less than the par value thereof," is the standard by which the ordinance intended the Legislature to measure the exercise of its authority, so that the purposes of the ordinance, as to its essential provisions, might not be frustrated or disappointed. "When the means for the exercise of granted power is given, no other or dif-Chamberlain as Governor, and countersign ed by Thomas C. Dunn as Comptrolle ferent means can be implied as being more effective or convenient. The rule General, after the terms of all those applies to the exercise of power by all departments and all officers. What the had expired. As there are a proper number of vouchers law requires to be done for the protection of the taxpayer is mandatory and not remaining in the treasury for the issue of these consolidation bonds and certificates of directory merely. Constitutions do not usually undertake to prescribe mere rules stock, it would seem that they should b made good to the parties to whom they were issued in all cases where the vouchers had been issued in accordance with law and auof proceeding, except when such rules are looked upon as essential to the thing to be done, and they must then be regarded in thorized to be consolidated under the act and the commission therefore recommend such action on the part of your honorable the light of limitations on the power to e exercised." By comparing the arrangements of deodies as will secure that result. tails as well as the identity of language employed both in the ordinance and the acts, it is conclusive to the minds of the It will be observed that the amount o the several classes of vouchers respectively described as not "issued in accordance with law and authorized to be consolidated under the act," appears to be much larger than the commission that the provisions of each are connected in subject matter, the acts amount of em as previously sta depending upon the ordinance for au-thority, and both so operating together aggregate. The apparent excess grows out of the fact that some of the vouchers are for the same purpose that the act could not have been passed without direct reincluded in more than one of the classes in

340 bonds for \$1,000 each\$340,000 Attached coupons..... \$1,550

TO CORRESPONDENTS-In order to receive attention, communications must be accompanied by the true name and address of the writer. Re-jected manuscripts will not be returned, unless the necessary stamps are furnished to repay the postage thereon. Agr We are not responsible for the views and opinions of our correspondents. All communications should be addressed to "Ed-itors Intelligencer," and all checks, drafa, money orders, &c., should be made payable to the order of E.B. MURAY & CO., Anderson, S.C. "As one part of a statute is properly called in to help the construction of another part, and is fitly so expounded as to support and give effect if possible to the whole, so is the comparison of one law with other laws made by the same

Legislature or upon the same subject, or relating expressly to the same point en-joined for the same reason. It is to be inferred that a code of statutes relating to one subject was governed by one spirit and policy, and was intended to be construed harmonious in its several parts and provisions. It is, therefore, an es-\$539,390 tablished rule of law that all acts part

materia are to be taken together as i they were one law, and they are directed be compared in the construction of statutes, because they are considered as framed upon one system and having one biect in view.'

LEGAL ADVERTISING.-We are compelled to require cash payments for advertising ordered by Executors, Administrators and other fiduciaries, and herewith append the rates for the ordinary notices, which will only be inserted when the meney comes with the order: Citations, two insertions, - - - \$3.00 Estate Notices, three insertions, - 2.00 Final Settlements, five insertions - 3.00 TO CORRESPONDENTS-In order to receive sitention, communications much be accommanded

The ordinance, in the judgment of the com mission, being of paramount authority, they regard the issue of bonds under the acts afore aid, known as Land Commission bonds, as aving been issued contrary to the provisi of the ordinance as well as the acts aforegaid and, therefore, without authority of law

AS TO BILLS RECEIVABLE BONDS.

The act to authorize a loan to redeem the obligations known as the bills receivable of the State of South Carolina authorized the Governor to borrow on coupon bonds, a loar not exceeding \$500,000 or as much thereof as he might deem necessary, to redeem the

bills receivable. The whole amount of bills receivable issued

and outstanding was \$300,000. As the bonds issued under the act were all sold at 70 cents on the dollar, it required the issue of not exceeding \$429,000 of them to produce the amount necessary to redeem the bills re-ceivable. The actual issue of bonds was \$500,000, being \$71,000 more than was ne-cessary; and the commission are of opinion that these \$71,000 of bonds was issued in excess of what the act authorized. Inaspute however, as the commission are unable to lesignate the numbers of the bonds issued in excess, they have placed the whole amount of bills receivable bonds which were in all other respects fundable among the valid

AS TO REGISTRATION.

The commission deem it their duty to call the special attention of your henorable bod-ies to the fact, ascertained at the outset of ies to the fact, ascertained at the outset of this investigation, that the following bonds, to wit: For redemption bills receivable, \$500,000; payment interest public debt, \$2,000,000; relief of treasury, \$1,000,000; Land Commission act 1869, \$200,000, Land Commission act 1870, \$500,000, were put upon the market in disregard of section 14, article 9, of the constitution, which requires the fire correct register of all such bonds that "a correct registry of all such shall be kept by the Treasurer in numerical order, so as always to exhibit the numerical and amount unpaid, and to whom severally made payable."

That a registry of these bonds was never made is shown by the evidence of N. G. Parker, former Treasurer, and J. L. Little, his chief clerk, which evidence is append-ed hereto and made a part of this report. What effect this want of compliance with a plain constitutional requirement would have upon the validity of the bonds referred to, the commission submit for decision to your honorable bodies. It would seem, however, that the framers of the constitution required this registration to be kept, not only as a record by the examination of which the outstanding obligations of the State could be readily ascertained, but also that those dealing with the agents of the State or in State securities might, by reference to the record, protect themselves from the impo-sition of bonds improperly put upon the market. This view seems to be supported by the decision of the Supreme Court in the case of Morton, Bliss & Co. vs. Comptroller General. The effect of a departure from

borrow \$1,000,000, or as much thereof as might be deemed necessary, on coupon bonds, within twelve months from the nessage of this act. Solution the same in the public debt, by invest-ing the same in the public securities of the State. Sales were made by the commissioners, and the revenues derived from

the investment-that is to say, the bonds in which the proceeds of sales were in

By the act to authorize the Financial vested, in contemplation of law, were agent of South Carolina, in the city of paid, retired and cancelled, and were not subjects of hypothecation by the Financial Agent. 2. By the act of Congress donating lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts, it was provided that the land scrip therein directed to be issued to each of the States should be sold by said States, and the proceeds thereof applied to the uses and purposes prescribed in said act, and for no other purpose or purposes whatever and that all moneys derived from the sale of the lands aforesaid by the States to

said stocks; and the moneys so invested should constitute a perpetual fund, the capital of which should remain forever

undiminished, except so far as therein provided for the expenditure of a sum not exceeding 10 per centum upon the amount received by any State under the provisions of the said act, for the purchase of lands for sites or experimenta farms whenever authorized by the respec-

the authority to pledge other bonds be-sides, the proviso limits the time within By the act of the General Assembly

carried on, the commission respectfully report that they have made a complete thorough investigation of the matters in ques

1. They have completely and thorough-ly examined all the books in the treasury showing the issue of consolidation bonds and certificates of stock.

and certificates of stocz. 2. They have completely and thorough-ly examined all the rouchers in the treasury is exchange for and in lieu of which the couselidation bonds and cer-tificates of stock were issued. The commission have also prepared

three books: one of them for consolida-tion bonds, for \$1,000; another of them for consolidation bonds, for \$500; and the other of them for consolidation certifi-cates of stock; and have entered therein, under proper heads, the number of each consolidation bond and certificate of stock issued, its date of issue, its date of redemption, its rate of interest, by whom redenption, its rate of interest, by whom it was signed, to whom it was issued, the date it was actually issued, and the numbers, classes and denominations of the old bonds, coupons and certificates of stock it was issued for; and, also, the date of the pro-luction of each consoli-dation bond and certificate of stock produced before the commission, the name of its present holder, the name of the of its present noider, the name of the person producing it, and the number of matured coupons attached to it or the amount of interest accrued upon it, with a blank column left in each book for entering the present status of each consoli-dation bend and certificate of stock, after the action of your honorable bodies on the subject matter of this report, and according to the conclusions of your hon-orable bodies thereon.

From the investigation of the Commission, and as shown by these books, the entire amount of consolidation bonds and certificates of stock issued is as follows: 3,575 bonds for \$1,000 each..\$3,575,000.00 1,216 bonds for \$500 each... 608,000.00 132 certificates of stock for

132,000.00 \$1.000 each 52 certificates of stock for 26,000 00 miacellaneous denomina

certificates of stock of mis-

cellaneous denominations. Total amount of bonds and

certificates of stock issued.\$5,013,278.40 All of these consolidation bonds and certificates of stock, however, have not been issued in exchange for and in lieu of old bonds, coupons, certificates of stock and interest orders. Under the last pro-

such as a charge against the State, the coupons on them could never have beome a charge against the State, and here was no authority for consolidating

then under the act. 2. As to detached coupons from con-version bonds, numbers 3.271 to 3.480 8,474 and 3,476 to 3,496, amounting to

Under the act to provide for the conversion of State securities, it was the uni-ford practice in the treasury, on the surrender of any coupon bonds of the State, to issue in lien thereof certificates stock of like amount, and on the surrender of the certificates of stock to issue render of the certificates of stock to issue were in all other respects fundable, the in lien thereof coupon bonds of like fact that they matured on or before July amount, the coupous already matured on 1, 1871, would not tend in any wise to the latter bonds being detached from render them invalid. then and attached to the certificates of In this view the stock and filed away as vouchers. The

conversion bonds in question were issued already mentioned as consolidated will between November 16, 1871, and May the bonds to which they were attached. 14, 1872, inclusive. The coupon bonds rendered for certificates of stock in the transactions in question are filed away as vouchers in the treasury, with all amounting to \$331,996. the coupons which matured previous to their surrender taken off; the certificates of stock issued in lieu of these bonds bore interest only from the date of the maturity of the last of these coupons; and the conversion bonds issued in lieu of these certificates of stock should have carried only the coupons maturing after their issue, while the coupons which pre-viously matured should have been deached from them, attached to the certifi-cates of stock and filed away as vouchers. The facts are, however, that the courevious to their issue, are not attached the certificates of stock surrendered for them, and do not anywhere appear as

puchers in these matters of conversion. On the contrary, the certificates of stock are without any mark or sign of any coupons having ever been attached to them, and the coupons in question appear as vouchers in matters of consolidation ! Whether they were fraudulently issued

with the conversion bonds to which they were originally attached, or whether they were detached from the conversion bonds and abstracted from the treasury 579.111.70 afterwards, the commission are unable to state; but as they matured before the bonds to which they were originally at-tached were issued from the treasury, they never become a valid claim emitting purpose of the act that composed the 93,166,61

hey never become a valid claim against the State, and there was no authority for consolidating them under the act. 3 .- As to detached coupons maturing on or before July 1, 1871, irom State Capitol bonds, amounting

act.

pledge any bonds beside after the 26th March, 1870. And yet the report of the special joint committee appointed by the General Assembly to ascertain what bonds of the State were pledged by the Finansame conclusion. The State was not cial Agent of the State as collateral secu-rity for State loans, shows that the bonds in question were all pledged by the Fi-nancial Agent for State loans between the 21st September, 1871, and the 10th September, 1872; more than one year after the latest time for pledging any of

them had expired! There is no evidence within the knowl edge of the commission that these bonds any of them, had ever been pledged within the times limited by law. Although the very act which authorized the Financial Agent to pledge the bonds of the State as collateral security for State loans directed him to make and orward to the Comptroller General a report of his transactions quarterly, yet he made no mention of any pledges of these bonds or of any bonds in any of the re-ports he made and forwarded to the Comptroller General during his term of

office But even if these bonds had been previously pledged within the dates limited by law, it would not justify another pledge of them after those dates had Whatever proof exists that any part of the interest on the public debt maturing on or before July 1, 1871, remained un-paid must be found in the fact that cerexpired. It would be difficult to define tain coupons maturing on or before that the legal principle or public policy by date remained attached to the bonds to which a compliance with law in one in stance can be construed to legalize a vio which they originally belonged, or in the presentation of certain certificates of lation of law in another. If the bonds in question were pledged by the Financial Agent within the times limited by law, stock with evidence of the non-payment of interest thereon up to that date. In the matter of such coupons particularly, the fact they remained attached to the bonds to which they originally belonged the fact would establish nothing more than that the law in such case had been complied with ; it could not possibly have must be regarded as conclusive evidence that they had not been paid ; and if they any healing effect upon a subsequent hy-pothecation after the date limited by law and expired. If it had any effect at all, it would rather be to show that the authority conferred upon the Financial Agent had been exercised and exhausted.

If it be suggested that these bonds may In this view the commission have treated as valid the \$2,474 of coupons have been previously pledged within the date limited by law, and that their last hypothecation was necessary to redeem with hem from the first, and consequently 4. As to detached coupons funded by that the two hypothecations were practi-cally only one, it is to be answered, that R. K. Scott, L. N. Zealy, agent, and Y J. P. Owens, agent, between June 10, 1874, and June 24, 1874, inclusive, there is no evidence such was the case, but conclusive evidence to the contrary; Nearly all of these coupons matured for the records of the Comptroller Ge on or before the 1st July, 1871, and would be properly regarded on that ground alone as not valid claims against authorized to be raised by the sale and

authorized to be raised by the sale and hypothecation of bonds was raised, and the State : but the testimony of Niles G. more than raised by the sale of other Parker, late State Treasurer, herewith bonds than those now in question. submitted, as well as the testimony of Waiving all discussion of the question whether the several acts authorizing

other witnesses, and all the known cir-cumstances of the case, point inevitably to the conclusion that all of these couloans authorized the issuing of bonds to the amount of the several sums name pons, as well as those which matured the amount of the several sums named after the 1st July, 1871, those which matured on and before that day, were "cut as would produce those sums by sale or off the bouds that passed through the Fioff the bouds that passed through the Fimatter how many bonds would be re-

They were, in no sense, valid claims quired to produce them, and also assuming that the Governor deemed it necessary to raise \$1,000,000 to pay the interest on against the State, and there was no authority for consolidating them under the the public debt, although only \$434,791.52 was due, and also assuming that the Gov-The commission submit that the

grounds herein presented against the ernor deemed it necessary to raise \$500,000 to redeem the bills receivable, although only \$300,000 of bills receivable were in respectively mentioned are in no wise inconsistent with the spirit or intent of the act, and in no wise impeach or im-ing that it was deemed necessary to raise ing that it was deemed necessary to raise \$1,000,000 for the relief of the treasury, although no one was charged with the authority of determining how much was necessary, and the Treasurer and Finan-cial Agent found that not more than

belonged were issued, and which were not issued with the bonds to which they belonged, but were previously detached from them and filed away in the treasury and financial agency as vouchers to sho \$22,080 that they had never been issued and had authorized to be issued to the Land Com-

Amount of bonds and coupons..\$1,049,440 The act to authorize a State loan to pay

interest on the public debt, approved August 26, 1868, authorized the Governor of the State to borrow on the credit o the State of South Carolina, on coupon bonds, within twelve months from the passage of the act, a sum not exceeding \$1,000,000, or as much thereof as he nancial Agent's hands," and remained in purposes of this statement that they au-his possession as the property of the thotized the raising of such sums, no the public debt, &c.

An examination of the statement of the American Bank Note Company will show that on the 19th and 21st of September, 1868, they sent to the Governor 1,000 bonds of \$1,000 each, amounting to \$1,000,000, designated as "loan to pay nterest on the public debt."

Report of joint special financial invest tigating committee, page 265. Reports and resolutions 1871-72.

An examination of the Treasurer's oks shows that in November, 1868, H. H. Kimpton, Financial Agent in New York, is charged with 1,000 bonds of \$1,000 each, issued to pay interest on the public debt.

On further examination of the state \$899,000 of bonds was necessary to be ment of the American Bank Note Comissued for that purpose, the total amount authorized to be raised by the sale and pany, (p. 264,) it will be seen that on the August and 19th November, 1869, hypothecation of bonds was \$2,500,000. 13th Add to this the face value of the bonds they sent to the Treasurer 1,000 bonds of authorized to be issued to the Land Com- \$1,000 each, amounting to \$1,000,000,

AS TO LAND COMMISSION BONDS Under act of 1869.

124 bonds for \$1,000 each .. \$194 000 ference to the ordinance.