

The Special Joint Committee on the Redemption of the State Debt.
To the Honorable the Senate and House of Representatives:
 The Special Joint Committee appointed to investigate and report on what bonds of the State have been funded under the Act to reduce the volume of the public debt and provide for the payment of the same; what interest coupons have been funded under the said Act; and, also, whether the funds for the payment of interest, raised under the said Act, have been kept separate and apart from all other funds, as provided for in the said Act, and as otherwise provided by law, beg leave respectfully to report:

The committee met in the State Capitol immediately after their appointment, and proceeded at once to the performance of their duties. The committee examined the books and records used at the treasury in connection with the funding operations. The committee also examined, as far as practicable within the time allowed them, the bonds surrendered for funding and the coupons attached to said bonds. The committee also examined the whole of the detached coupons surrendered for funding without any bonds accompanying them. The committee also examined the bank books and other books in the State Treasury connected with the receipt, deposit and payment of the funds raised under the funding Act for the payment of the interest on the public debt. The committee also examined the State Treasurer and other witnesses in reference to such points as seemed to them necessary for a proper understanding of the several matters under investigation; and the result of their examinations the committee propose to state to your honorable bodies as briefly and directly as possible.

As to the FUNDED BONDS.—The committee find that there have been surrendered and received at the treasury, for the purpose of funding, the following bonds and certificates of stock, to wit: Revolutionary war claims stock, Act 1794, \$4,000; fire loan stock, Act 1794, \$15,624.82; Blue Ridge Railroad bonds, Act 1854, redeemable 1875, \$16,000; 1876, \$17,000; 1877, \$3,000; 1878, \$15,000; 1879, \$4,000. State Capitol bonds, Act 1855, redeemable 1831, \$3,000. State Capitol stock, Act 1856, redeemable 1877, \$22,843; 1857-1858, \$25,015.97; 1858-1859, \$28,805; 1858-1859, \$12,075; 1859-1861, \$9,520; 1859-1861, \$19,238.64; 1861-1862, \$5,072.50; 1861-1866, \$14,440; 1863-1860, \$350. Funding stock, Act 1866, redeemable 1887, \$9,450. Funding bonds, Act 1866, redeemable 1887, \$98,500; 1888, \$50,000. Redemption bills receivable bonds, Act 1868, redeemable 1888, \$167,000. Payment interest public debt bonds, Act 1868, redeemable 1888, \$586,000. Funding bills Bank of the State bonds, Act 1869, redeemable 1888, \$161,550. Relief of the treasury bonds, Act 1869, redeemable 1888, \$523,000. Conversion bonds, Act 1869, redeemable 1888, \$411,000. Land commission bonds, Act 1869, redeemable 1888, \$7,000; 1870-1889, \$199,000. Total \$2,473,384.98.

Of the bonds above enumerated, \$75,500 of the funding bonds, \$75,000 of the redemption bills receivable bonds, \$257,000 of payment interest public debt bonds, \$481,000 of the relief of the treasury bonds, \$7,000 of the Land Commission bonds of 1869, and \$83,000 of the Land Commission bonds of 1870, are portions of the bonds which were reported by the Special Joint Committee appointed to ascertain what bonds of the State were pledged by the Financial Agent of the State as having been pledged "without lawful authority," and which the Senate, by a unanimous vote, on the 4th instant, resolved, as the sense of the Senate, "should not be funded under the Act to reduce the volume of the public debt." That is to say, of the \$2,473,384.98 of bonds funded up to the present time, \$978,500 of them belong to a class which, in the united judgment of the Senate, should not have been funded at all.

As to the FUNDED COUPON BONDS. The committee find that there have been surrendered and received at the treasury, for the purpose of funding, the following coupons and interest orders, to wit: Coupons and interest orders attached to the above enumerated bonds and certificates of stock, \$403,975. Coupons detached from Blue Ridge Railroad bonds—January, 1868, \$540; July, 1868, \$450; January, 1869, \$240; July, 1869, \$510; January, 1870, \$450; July, 1870, \$630; January, 1871, \$7,950; July, 1871, \$14,790; January, 1872, 1873 and 1874, \$22,200—\$47,820. Coupons detached from funding bonds—No. 6, due July, 1870, \$4,620; No. 7, due January, 1871, \$15,120; No. 8, due July, 1871, \$16,620—\$36,360. Coupons detached from redemption bills receivable bonds, and payment interest public debt bonds, due April, 1869, \$630; October, 1869, \$630; April, 1870, \$15,445; October, 1870, \$44,800; April, 1871, \$36,800; October, 1871, \$29,480—\$127,825. Coupons detached from funding bills Bank of the State bonds, due July, 1870; \$1,740; January, 1871, \$25,365; July, 1871, \$30,322—\$57,427. Coupons detached from relief of the treasury bonds, due January, 1870, \$34,800; July, 1870, \$35,815; January, 1871, \$31,228; July, 1871, \$31,228—\$133,671. Coupons detached from conversion bonds, due July, 1870, \$70; January, 1870, \$900; July, 1870, \$1,800; January, 1871, \$18,900; July, 1871, \$37,800—\$59,400. Coupons detached from Land Commission bonds of 1870, due October, 1871, \$1,800—\$1,800.

Of the coupons above enumerated, there are several classes which demand the consideration of your honorable bodies.

THE DAILY PHOENIX.

"Let our Just Censures Attend the True Event."

BY J. A. SELBY. COLUMBIA, S. C., FRIDAY MORNING, FEBRUARY 26, 1875. VOL. X—NO. 292.

1. The following coupons matured in the years 1868, 1869, 1870 and 1871, to wit: Coupons on Blue Ridge Railroad bonds, \$25,620; funding bonds, \$36,300; redemption bills receivable bonds, \$31,000; payment interest public debt bonds, \$32,660; funding bills Bank of the State bonds, \$57,427; conversion bonds, \$57,944—\$241,011. As all these coupons matured on or before July 1, 1871, and during the period that the State was not only paying the interest on the public debt, but paying it in gold, and as there is every reason to believe that the whole of the interest due by the State from 1868 to July 1, 1871, or after, was paid previous to October 31, 1871, the committee are compelled to believe that these coupons were not a valid claim against the State, and that their surrender and receipt for the purpose of funding, and the issuing of consolidated bonds or certificates of stock in their place, was a fraud upon the State. It is true that the State Treasurer says, "the interest account does not show that the full amount of interest due at any one time was ever paid, to the best of my recollection." But the committee are not limited in their means of information to the recollection of the State Treasurer.

The annual reports hitherto presented to the General Assembly, show that the Comptroller-General's estimates of the sums required to pay the interest on the public debt for the four fiscal years ending October 31, 1868, October 31, 1869, October 31, 1870, and October 31, 1871, amounted in the aggregate to \$1,586,762.24, and that the payments of interest on the public debt made by the State Treasurer and the Financial Agent for the same four years amounted in the aggregate to \$1,601,146.40, being \$14,384.16 more than the Comptroller-General had estimated for.

2. The following coupons matured between April, 1869, and October, 1871: Coupons on payment interest public debt bonds, \$63,660; relief of treasury bonds, \$131,325; Land Commission bonds, \$1,860—\$196,845.

As the report of the Special Joint Committee appointed to ascertain what bonds of the State were pledged by the Financial Agent of the State shows that these bonds were pledged by the Financial Agent for State loans after the maturity of these coupons, it is evident that these bonds must have been the property of the State at the time these coupons matured. Of course, these coupons must have been the property of the State as well, and their surrender and receipt for the purpose of funding, and the issuing of consolidated bonds or certificates of stock in their place, was a fraud upon the State.

The following coupons matured in January, 1871, and July, 1871: 232 coupons on conversion bonds, numbered in blue, between 3271 and 3498—\$6,960. As these bonds are shown by the records in the treasury to have been issued at various dates between November, 1871, and March, 1872, it is evident that these coupons, which matured many months before, were the property of the State at the time of their maturity; and their surrender and receipt for the purpose of funding, and the issuing of consolidated bonds or certificates of stock in their place, was a fraud upon the State. The presumption of the State Treasurer, that these bonds might have been issued with matured coupons upon them "because the bonds presented for conversion may have had the coupons on of that date," is fully met by the testimony of Captain Little, the clerk in the treasury at the time of the conversion, that "all matured coupons, up to the time of the conversion, were canceled and attached to the certificate of stock, and filed away as vouchers," and that he does not know how it would "be possible for any coupons to be presented for funding which had matured prior to the issue of the conversion bonds." Besides all this, the committee find, on examination, what the State Treasurer ought to have known before he funded these coupons—that "the bonds presented for conversion" are filed away in the treasury, without having "the coupons on of that date."

4. The following coupons matured between January, 1870, and July, 1871: 263 coupons on bonds for relief of the treasury, numbered 777 to 818, 820 to 827, 829 to 906, 983 to 985—\$9,205. As these bonds have been uniformly reported by the several State officers as "enclosed, unused," the committee are satisfied that the coupons were never properly taken from them, and were not a valid claim against the State, and that their surrender and receipt for the purpose of funding, and the issuing of consolidated bonds or certificates of stock in their place, was a fraud upon the State.

In the early part of his examination, the State Treasurer appeared to have the same opinion of the coupons as the committee, and testified that he did not know any of the coupons had been funded, and that when \$1,300 or \$1,400 of the coupons were presented for funding, Captain Little called his attention to the fact, that these bonds were canceled, unused by the treasury,

and he declined to fund them for that reason. But when he learned, from the Chairman of the Committee, that the committee had ascertained some of these coupons had been actually funded, he testified "that the coupons on those bonds, perhaps, have just as much right to be funded as the coupons on any other bonds that were hypothecated." It is to be observed, in connection with the \$1,390 or \$1,400 of these coupons which the State Treasurer alleges he declined to fund, that the objection to funding them does not appear to have originated with him, but that they passed through the treasury in the regular course of funding, and were thrown out by Captain Little when they reached the Comptroller-General's office; and yet Captain Little testifies that he had called the State Treasurer's attention to the probability of these coupons being presented for funding some time previously, and the State Treasurer himself testifies that he had really had a list of these bonds before. The State Treasurer did not explain to the committee why he wanted a list of these bonds, if "the coupons on those bonds, perhaps, have just as much right to be funded as the coupons on any other bonds that were hypothecated," nor why, if such were the case, he declined to fund the \$1,390 or \$1,400 of coupons when presented for funding.

The committee feel bound to state, as their unanimous judgment, that, in the whole matter of the funding of the several classes of bonds hereinbefore particularized, the State Treasurer has shown a singular want of vigilance in guarding the public interests confided to his care, and that, without a singular want of vigilance on his part, the frauds which the committee have mentioned as having been perpetrated upon the State could not have been perpetrated at all. Nor is that singular want of vigilance rendered any the less culpable from the fact, that by far the larger portion of the coupons which have been fraudulently funded were funded by the Chairman of the Committee appointed by the two houses to examine the accounts of the treasury for the last fiscal year. Senator Owens is not known as a banker, or broker, or business man of experience or capacity; and the committee can imagine no reason for his being chosen as agent for the funding of nearly \$300,000 of fraudulent coupons outside of the calculation; that, as Chairman of the Examining Committee, he would not be likely to make a troublesome or inconvenient examination into the character of proceedings to which he had himself been a party. In courtesy to him, as a member of the Senate, the committee invited his attendance at one of their meetings, for the purpose of affording him an opportunity of making an explanation; but, as he failed to attend, the committee assume that he had no explanation to make.

As to the FUNDS FOR THE PAYMENT OF INTEREST.—The committee find that there has been collected, up to the 13th instant, inclusive, under the levy of one mill for the payment of interest due July 1, 1874, \$135,144.91, and under the levy of two mills for the payment of interest due January 1, 1875, and July 1, 1875, \$183,832.90, making a total of \$318,977.81; and that there has been paid out for interest due July 1, 1874, \$44,645.69, and for interest due January 1, 1875, \$45,461.59, making a total of \$90,107.28, and leaving a balance of \$228,870.53.

The committee are compelled to state that these funds "have not been kept separate and apart from all other funds, as provided for in the said Act, and as otherwise provided by law." It is true the State Treasurer testifies that the interest account has been kept separate on his books; but he also testifies that the funds themselves have been kept in bank along with all other funds, "in one account, not in separate accounts." Although the Act to reduce the volume of the public debt expressly provides "that the fund so created shall be kept separate and apart from all other funds," and although the Acts which levied the taxes to pay the interest both expressly provide that the proceeds from the taxes levied thereby "shall be kept by the State Treasurer separate and apart from each other, and from all other public funds," yet the State Treasurer testifies that he has never kept the interest fund separate and apart from other funds, and appears to find a sufficient justification for his conduct in the averment that the interest fund is not different from any other fund, and that they are all deposited in bank together, and kept together in one account—as if his flagrant violation of the law in regard to the other funds justified his flagrant violation of the law in regard to the interest fund also. But, in his manner of using it is a still more flagrant violation of the law. Although the Act to reduce the volume of the public debt expressly provides that the fund shall be applied, first, to the payment of the annually accruing interest, and the surplus shall be applied to the extin-

guishment of the public debt, and to no other purpose; and although the Acts which levied the taxes to pay the interest both expressly provide that the proceeds from the taxes levied thereby "shall be applied to the purposes for which they are respectively levied, and none other," yet the State Treasurer has persistently applied the proceeds of the tax levied to pay the interest due July 1, 1874, to other purposes. He himself testifies that he "borrowed some of the interest money of July 1, 1874, account to pay the Legislature, December 22, 1874, and to pay the interest due January 1, 1875, and also to pay the deficiencies for the fiscal year ending October 31, 1874." As the State Treasurer, after diverting \$50,000 to pay the Legislature, on 22d of December, 1874, had still a balance in bank of \$79,004.20, and as he has run down that balance in bank, by the 11th of January, 1875, to about \$22,000, notwithstanding all his receipts for taxes in the meanwhile, and as his January 1, 1875, interest account shows that his payments exceeded his receipts on that account, up to January 13, 1875, only \$891.63, it can readily be perceived how large a proportion of the money he diverted from the interest fund was devoted to the payment of "some of the deficiency accounts for 1874-75, such as balances due public institutions, salaries of State officers, County officers, &c."

The committee submit that the construction put upon the Act by the State Treasurer, as a justification for his violation of it, is as monstrous as the violation itself. To say that "the Act means that the fund shall not be permanently diverted," is to make a mockery of the Act which provides that any diversion of the fund, whether directly or indirectly, shall be a felony; while the bald assumption, that "if, at the end of the fiscal year, each account shall receive its proportion, or if, at any time during that period, when an account on that specific fund was presented, it should be paid, then the fund was not diverted"—leaving the fund "during that period" to be used "for some other pressing purpose"—is to deride the contract made by the State with the holders of the bonds for the creation of such a fund, and to render worthless all the legislation by which that contract has been sought to be fulfilled.

The committee submit that if a fund which the General Assembly has directed to be raised by a specific levy, and to be kept separate and apart from all other funds, and to be applied to the payment of the interest and to the extinguishment of the principal of the public debt, and to no other purpose—if such a fund, so made the basis of a solemn contract between the State and its public creditors may be mixed up with all other funds in one account, and may be diverted from its lawful purpose and used for any other purpose that the caprice or partiality of the State Treasurer may dictate, and all this in the face, not only of the positive prohibitions of the statute, but of prescribed penalties of fine, imprisonment and deprivation of office—if all this can be done by the State Treasurer with impunity, then all law for the direction and restraint of public officers is a dead letter in South Carolina, and the fear of punishment need deter no public officer from its violation.

The committee herewith submit the testimony taken by them, and respectfully ask to be discharged.

THOS. C. DUNN, Chairman,
 W. B. NASH,
 B. F. WHITEHORE,
 On the part of the Senate.
 E. M. BRAYTON, Chairman,
 W. A. HAYNE,
 H. A. MEEZE,
 R. H. HUMBERT,
 On the part of the House.

Subcribe for the PHOENIX.

City Taxes.
 The books of the City Treasurer are now open for the receiving of taxes for 1875. All city taxes must be paid before the 15th day of MARCH NEXT.
 RICHARD JONES,
 City Treasurer.

100 NEW Sugar-Cured HAMS,
 choice quality, just received and for sale by
 JOHN AGNEW & SON.

Imported Wines, Brandy, &c. Etc.
 SCOTCH WHISKIES,
 Old Jamaica Rum,
 Brandy—Orard, &c.,
 Holland Gin,
 Sherry Wine, Port Wine, Madeira Wine,
 Also, a large stock of fine Old Whiskies,
 GIBBS & CO.

Elaine Oil.
 The undersigned are sole agents for the celebrated ELAINE OIL,
 185 FIRE TEST.
 Perfectly pure and cannot be exploded.
 ABSOLUTELY SAFE. Prices at retail 40c. per gallon.
 JOHN AGNEW & SON.
 Jan 6

OAR LOAD CALIFORNIA
Wine, Brandy & Champagne
 JUST RECEIVED direct from California. These Wines and Brandy are made of delicious grapes of California.
 For sale by
 J. C. SEEGERS.
 Dec 18

Spring Prints--New Styles,
 JUST RECEIVED.
 FOR SIXTY DAYS, FALL AND WINTER GOODS will be sold REGARDLESS OF COST.
 O. F. JACKSON,
 Jan 29
 Leader of Low Prices.

The Ball Opened for 1875.

Dry Goods,
Boots and Shoes,
Carpets, &c.

FOR THE MILLION.

NEW GOODS received tri-weekly, and STUNNING LEADERS in all lines of goods exhibited every day. A visit to the store of

W. D. LOVE & CO.

Will convince the public that we mean to give them better value for their money than they can buy in any other DRY GOODS HOUSE IN THE STATE. Facts proven at the

GRAND CENTRAL
Dry Goods House
 OF
W. D. LOVE & CO.

Samples sent to all parts of the country on application.
 Jan 30

Finest Goshen Butter
 In town reduced five cents per pound, at Feb 6
 HARDY SOLOMON'S.

New Garden Seeds.
 Novelties and Approved Kinds.
 FORTNER'S EARLY DRUMHEAD,
 Carter's Superfine Early,
 Early Schweetstast—Quintal,
 Early Warrigstead,
 Early French Ox Heart,
 Early Peas, Early Corn, Peas.
 For sale by
 E. H. HEINITSH,
 Drug and Seed Store.
 Jan 20

City Taxes.
 PARTIES having city taxes and licenses to pay can be supplied with CITY NOTES, receiptable for same, at a discount, by applying to
 JOHN AGNEW & SON.
 Feb 5

Hams! Hams!!
 100 CHOICE Louisville Sugar-Cured HAMS, large sizes, just received and for sale at 14c. per pound.
 Jan 26
 JOHN AGNEW & SON.

Seventy-five Out of Every Hundred PERSONS are affected with some derangement or disease of the skin. No matter what the nature of it may be, "HEINITSH'S QUEEN'S DELIGHT," the great American Blood Purifier, will cure it. This is quite enough to say. If you have any skin disease, use Heinitsh's Queen's Delight.
 Dec 10

FINE'S SALOON.
 No. 41 Richardson Street, between Lady and Gertrude Streets.
 HAVING replenished my entire stock of Liquors, Cigars, &c., having also given proper attention to my Restaurant, I am now prepared to furnish my friends and the public generally with the best the market affords.
 Oct 17
 WM. M. FINE, Agent.

Early Ross Potatoes,
 BRESSEE'S Peerless Onion Sets, Little Pixie Cabbage, Early Elm Cabbage, ten days earlier than Early York. For sale at
 HEINITSH'S,
 Feb 10
 Drug and Seed Store.

New Books, at Bryan's Bookstore.
 WORKING to Win, a story for girls, \$1.75.
 Mistress of the Manor, by Dr. Holland, author of Arthur Bonnycastle, \$1.50.
 A History of Germany, from the Earliest Times, by Charlton Lewis, \$2.50.
 Manual of Mythology, Greek, Roman, Norse, Hindoo, Egyptian and Old German, by Murray, \$2.25.
 Prairie and Forest, the Game of North America, with adventures in their pursuit, by Gilmore, \$1.50.
 Health and Education, by Kingsley, \$1.75.
 Logarithm's complete works, in three volumes, with plates, \$3.50. History of Clubs and Crib Life, London. Book of Wonderful Characters, with portraits. The Living Dictionary, historical and anecdotal. Homes and Haunts of the British Poets, London, and other new books. Nov 1

MONEY TO LOAN,
 On Marketable Collaterals

EXCHANGE on New York, Baltimore, Philadelphia, Boston and all prominent cities of the United States and Europe bought and sold.

DEPOSITS received and interest-bearing certificates issued.

STOCKS, BONDS, GOLD and SILVER bought and sold.

ACCOUNTS of merchants and others from the city and country solicited, and LIBERAL LINES OF DISCOUNTS granted by the
CENTRAL NATIONAL BANK.
 Corner of Main and Richardson streets.
 JOHN S. PRESTON, President.
 J. H. SAWYER, Cashier.

Pearl Grits and Hominy.
 BARRIS FRESH PEARL GRITS,
 15 barrels fresh PEARL HOMINY,
 Just received and for sale by
 JOHN AGNEW & SON.
 Jan 28

Coughs and Colds.
BROWN'S BRONCHIAL TROCHES.
 Chlorate Potash Pastilles,
 Gelatine Lozenges,
 Wistar's Balsam Wild Cherry,
 Hill's Balsam Honey,
 Ayer's Cherry Pectoral,
 Jayne's Expectorant,
 Piss's Cure. For sale at
 L. T. SILLIMAN & CO.'S,
 Drug Store.
 Dec 29

CELEBRATED
STAR SHIRTS,
 OPEN BACK OR FRONT.
NET CASH.

6 WHITE DRESS SHIRTS for \$10.66
 6 " " " " " " \$12.00
 6 " " " " " " \$13.50
 6 " " " " " " \$15.00
 6 " " " " " " \$18.00

All Linen Bosom and Collar.

NEW HATS,
 SPRING STYLES.

WINTER CLOTHING,
 AT COST.

KINARD & WILBY.
 Feb 17

WINTER CLOTHING
 AT
REDUCED PRICES
 FOR

CASH!!

TRAVELING BLANKETS
 AND
SHAWLS
 AT
COST!

New Style Hats!
 Fall and Winter

CLOTHS AND CASHMERE
 Made to Order Very Low

R. & W. C. SWAFFIELD.
 Jan 26

QUAKER
LINIMENT
A GREAT
MEDICINE

GIVING INSTANT RELIEF.
 IT is the most wonderful MEDICINE ever known, and possesses a curative power unequalled in the history of remedial medicine. For sale only at
 Dec 16
 HEINITSH'S Drug Store.

State of South Carolina.

EXECUTIVE DEPARTMENT,
 STATE TREASURER'S OFFICE,
 COLUMBIA, December 18, 1874.

The Coupons of the Consolidation Bonds of the State of South Carolina, due January 1, 1875, will be paid at that date on presentation at the Treasury, and at the South Carolina Bank and Trust Company, Columbia, S. C.; and also at the People's National Bank, Charleston, S. C., and the National Bank, New York.

The Coupons due July 1, 1874, on all Consolidation Bonds, issued in exchange for old bonds, will be paid whenever presented at any of the above mentioned places.

The Coupons of the Consolidation Bonds due January 1 and July 1, 1875, are receivable for taxes:
 F. D. CARDOZO,
 Treasurer S. C.
 107 Main St., Next to Wheeler House.
 ESTABLISHED 1845.
AND STILL IN THE FIELD,
 WITH
 A LARGE and well selected stock of first class FURNITURE, Parlor, Bedroom and Dining Room Sets, which will be sold as low as any house in the country for cash.
 M. H. BERRY.
 Nov 10