2-6-1897

Certain state bonds belonging to the United States. Letter from the Acting Secretary of the Treasury, transmitting a further reply to the House resolution of June 6, 1896, in relation to the payment of certain state bonds and stocks now belonging to the United States under the provisions of the Indian appropriation Act of August 15, 1894, with documents accompanying.

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CERTAIN STATE BONDS BELONGING TO THE UNITED STATES.

LETTER
FROM
THE ACTING SECRETARY OF THE TREASURY,
TRANSMITTING
A FURTHER REPLY TO THE HOUSE RESOLUTION OF JUNE 6, 1896, IN RELATION TO THE PAYMENT OF CERTAIN STATE BONDS AND STOCKS NOW BELONGING TO THE UNITED STATES UNDER THE PROVISIONS OF THE INDIAN APPROPRIATION ACT OF AUGUST 15, 1894, WITH DOCUMENTS ACCOMPANYING.

February 6, 1897.—Referred to the Committee on Indian Affairs and ordered to be printed.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., February 4, 1897.

Sir: Referring to Department letter dated December 18, 1896, replying to House resolution of June 6, 1896, requesting the Secretary of the Treasury to report to Congress what steps, if any, have been taken by the Treasury Department to collect or procure a settlement of the principal and interest of certain State bonds and stocks now belonging to the United States under the provisions of the Indian appropriation act of August 15, 1894, etc., I have the honor to transmit herewith, as a further reply to said resolution, a copy of an opinion of the Attorney-General, dated January 25, 1897. Your attention is called to the conclusions therein, which indicate the necessity for further and appropriate legislation by Congress before the Secretary of the Treasury may be able to enforce collection or undertake a settlement of the bonds in question.

There are also transmitted for the information of Congress copy of a letter from the Secretary of the Interior of the 16th ultimo, reporting what efforts have heretofore been made by his Department in the premises, and copies of reports made by the Treasurer of the United States to the Secretary of the Treasury, dated December 11, 1896, and January 8, 1897, respectively, together with their inclosures. From the latter an account of the demand for payment of the bonds of the State of Virginia, and also of the refusal to pay and reasons given therefor by the Treasurer of said State, may be obtained.

Respectfully, yours,

W. E. CURTIS, Acting Secretary.
The SPEAKER OF THE HOUSE OF REPRESENTATIVES.
DEPARTMENT OF JUSTICE,  
Washington, D. C., January 25, 1897.

Sir: I have the honor to acknowledge the receipt of your letter of December 16, 1896, in which, after setting out that the United States is owner of certain bonds made and issued by the States of Arkansas, Florida, Louisiana, North Carolina, South Carolina, Tennessee, and Virginia aggregating $2,075,466.66, you request an opinion "as to what legal proceedings may be taken, if any, by the Secretary of the Treasury or the Treasury Department, under existing legislation, for the settlement or collection of these bonds; and if any such power should exist how the same may be exercised; and if no such power or authority should be found to belong to the Secretary of the Treasury or the Treasury Department, in whom, then, if in any, does such power or authority reside, and how may the same be exercised?"

I shall confine my answer to that portion of your inquiry which relates to the power of your Department and its exercise, inasmuch as under section 356 of the Revised Statutes the head of an Executive Department is authorized to require the opinion of the Attorney-General only on questions arising in the administration of his Department.

There is no act authorizing you to compromise this indebtedness. The first step toward enforcing the payment of these bonds would be a suit by the United States to recover judgment against the several States.

Assuming that such a suit could be maintained in the Supreme Court of the United States, under the authority of the United States v. Texas, 143 U. S., 621, the inquiry arises whether or not you have the authority, or having it, should institute such a suit.

As appears by your letter, all of these bonds were formerly in the Indian trust fund, except $538,000 bonds of the State of Arkansas, which were received from the Smithsonian Institution.

The question of the collection of these bonds has been repeatedly before the Interior and Treasury Departments and Congress.

In December, 1867, Attorney-General Stanbery, in a report made to Congress concerning certain of these bonds, said:

"I am at a loss to suggest any specific measure for further security in respect to these bonds. But it may happen that the indebted States and corporations may offer propositions for compromise favorable to bondholders, and Congress may deem it expedient to give the Secretary of the Interior or the Secretary of the Treasury authority to entertain, and in the exercise of a proper discretion, to agree to such proposition. (House Ex. Doc. 59, Fortieth Congress, second session.)"

On May 28, 1885, the Treasurer of the United States asked the Secretary of the Interior, the trustee of the Indian fund, for instructions in reference to the collection of the unpaid principal and interest of the bonds then belonging to the Indian trust fund. On August 7, 1885, Secretary Lamar, reviewing the opinion of Attorney-General Stanbery, replied saying that he did "not consider it necessary or proper that any further means should be attempted with reference to the collection of the unpaid principal and interest of the bonds under consideration until appropriate legislation therefor shall have been enacted by Congress."

The report of the Secretary of the Treasury for the fiscal year ending June 30, 1886, calls attention to the necessity for legislative action as follows:

"The bonds held by this office should receive the serious attention of the legislative power, the greater part of these bonds having been lying in the vaults of the Treasury, paying no interest save such as may have been sequestered from sums due the respective defaulting States, notwithstanding that the States have in great part compromised with their creditors and are now paying interest on a part of the whole of their debt."
House bill 6913, Fifty-third Congress, page 59, contained the following provision:

The Secretary of the Treasury is authorized and directed to sell and dispose of said bonds with the accumulated interest thereon at the best price that can be realized for the same, and to that end he shall at once advertise for thirty days, inviting sealed proposals, and shall accept only such bids as may equal or exceed the face value of the principal of such bonds as the bidder proposes to buy.

This was stricken from the bill as enacted.

Congress has annually appropriated for the payment of the interest on this trust fund.

In 1870 Congress passed an act which, as section 3481 of the Revised Statutes, is as follows:

Whenever any State is in default in the payment of interest or principal on investments in stocks or bonds issued or guaranteed by such State, and held by the United States in trust, the Secretary of the Treasury shall retain the whole, or so much thereof as may be necessary, of any moneys due on any account from the United States to such State, and apply the same to the payment of such principal and interest, or either, or to the reimbursement, with interest thereon, of moneys advanced by the United States on account of interest due on such stocks or bonds.

This is the only legislation that I know of looking to the collection of these bonds. I find no general statute making it your duty to sue on this class of claims.

As a recourse to law on your part would involve the very grave act of suing States, and as Congress has had this question repeatedly before it and has not directed such a proceeding, I am of the opinion that you should not institute any suit.

Respectfully,

JUDSON HARMON,
Attorney-General.

The SECRETARY OF THE TREASURY.

DEPARTMENT OF THE INTERIOR,
Washington, January 16, 1897.

SIR: I have the honor to acknowledge the receipt of your letter of 19th ultimo, in relation to certain State bonds formerly belonging to the Indian trust fund, of which the Secretary of the Interior was trustee, which became the property of the United States by the act of August 15, 1894, and also to those State bonds formerly belonging to said fund which became the property of the United States under acts previous to August 15, 1894.

The bonds referred to are as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Amount.</th>
<th>Date of maturity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>$168,000.00</td>
<td>Jan. 1, 1900</td>
</tr>
<tr>
<td>Florida</td>
<td>42,000.00</td>
<td>Jan. 1, 1877</td>
</tr>
<tr>
<td>Louisiana</td>
<td>15,000.00</td>
<td>May 1, 1897</td>
</tr>
<tr>
<td>North Carolina</td>
<td>7,000.00</td>
<td>Nov. 1, 1894</td>
</tr>
<tr>
<td></td>
<td>16,000.00</td>
<td>Apr. 1, 1887</td>
</tr>
<tr>
<td></td>
<td>1,000.00</td>
<td>Apr. 1, 1889</td>
</tr>
<tr>
<td></td>
<td>21,000.00</td>
<td>Oct. 1, 1886</td>
</tr>
<tr>
<td></td>
<td>122,000.00</td>
<td>Jan. 1, 1881</td>
</tr>
<tr>
<td>South Carolina</td>
<td>66,666.66</td>
<td>Jan. 25, 18-1</td>
</tr>
<tr>
<td>Tennessee</td>
<td>104,000.00</td>
<td>July 1, 1890</td>
</tr>
<tr>
<td></td>
<td>125,000.00</td>
<td>Jan. 1, 1863</td>
</tr>
<tr>
<td></td>
<td>10,000.00</td>
<td>Jan. 1, 1870</td>
</tr>
<tr>
<td>Virginia</td>
<td>1,000.00</td>
<td>Nov. 13, 1882</td>
</tr>
<tr>
<td></td>
<td>540,000.00</td>
<td>Jan. 1, 1894</td>
</tr>
<tr>
<td>Total</td>
<td>1,127,666.66</td>
<td></td>
</tr>
</tbody>
</table>
You request to be advised as fully and particularly as practicable of any efforts made by the Interior Department for the collection of these bonds while they were subject to its jurisdiction, and also as to any grounds advanced by the respective States in resisting the payment thereof.

In response thereto you are advised that prior to the act of June 10, 1876 (19 Stat. L., 58), transferring the custody of certain Indian trust funds to the Treasurer of the United States, the records of the Department fail to show any demands made for the payment of the bonds as they matured. Since that time in most cases demand has been made on request of the Secretary of the Interior by your Department.

Very respectfully,

D. R. Francis, Secretary.

The SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
OFFICE OF THE TREASURER,

SIR: In reply to your indorsement on resolution of the House of Representatives dated June 6, 1896, herewith returned, asking “what steps, if any, have been taken by the Treasury Department to collect or procure a settlement of the principal and interest of certain State bonds and stocks the ownership of which was assumed by the United States under authority of the Indian appropriation act of August 15, 1894,” and also “what efforts, if any, have been made to procure payment of the bonds of the original State of Virginia taken over under said act,” I have the honor to inform you that no action looking to the settlement of the bonds referred to has been taken by this office since that date.

The act of August 15, 1894, took over from the Indian trust fund bonds of various States as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Amount</th>
<th>Act of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>$84,000.00</td>
<td>Dec. 13, 1872</td>
</tr>
<tr>
<td>Florida</td>
<td>90,000.00</td>
<td>Mar. 3, 1891</td>
</tr>
<tr>
<td>Louisiana</td>
<td>15,000.00</td>
<td>Do.</td>
</tr>
<tr>
<td>North Carolina</td>
<td>13,000.00</td>
<td>July 15, 1870</td>
</tr>
<tr>
<td>South Carolina</td>
<td>7,000.00</td>
<td>Mar. 3, 1891</td>
</tr>
<tr>
<td>Virginia</td>
<td>53,800.00</td>
<td>Aug. 7, 1882</td>
</tr>
<tr>
<td>Total</td>
<td>$168,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Prior to August 15, 1894, there were in the possession of the United States bonds of various States, which, with the exception of $538,000
bonds of the State of Arkansas received from the Smithsonian Institution, were formerly in the Indian trust fund, as follows:

Arkansas ......................................................... $625,000
Florida ............................................................ 30,000
Louisiana .......................................................... 15,000
North Carolina .................................................... 20,000
South Carolina .................................................... 3,000
Tennessee .......................................................... 21,000
Virginia ............................................................. 53,800

Total ................................................................. 827,800

RECAPITULATION.

Bonds transferred to the United States by act of August 15, 1894 ........ $1,247,666.66
Bonds of same kind owned by the United States prior to that date.... 827,800.00

Total .............................. 2,075,466.66

The report of the Treasurer of the United States for the fiscal year 1886 contains a full history of the bonds from the time of their receipt on account of the "Indian trust fund" to the 30th of June, 1886, giving correspondence between Hon. C. N. Jordan, Treasurer of the United States, Hon. A. McCue, Solicitor of the Treasury, and Hon. L. Q. C. Lamar, Secretary of the Interior, with reference to this matter.

In a letter from Hon. L. Q. C. Lamar, Secretary of the Interior, to Hon. C. N. Jordan, Treasurer of the United States, dated August 7, 1885, he says: "In view of the opinion of the Attorney-General, and of the further facts herein set out, the Secretary of the Interior does not consider it necessary or proper that any further means should be attempted with reference to the collection of the unpaid principal and interest of the bonds under consideration until appropriate legislation therefor shall have been enacted by Congress."

In May, 1894, demand was made by the Treasurer of the United States on the State of Virginia for payment of bonds of that State. Payment was declined.

(Copies of correspondence herewith.)

Respectfully, yours,

D. N. MORGAN,
Treasurer of the United States.

The SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT, OFFICE OF THE TREASURER,
Washington, D. C., May 14, 1894.

Sirs: In accordance with the request of the Secretary of the Interior, dated May 11, 1894, you are hereby directed to receive from this office $540,000 in registered bonds of the State of Virginia, described as follows, viz: One bond No. 115, $90,000, and one bond No. 116, $450,000, upon which interest at 6 per cent is due from January 1, 1861, to January 1, 1867, and at 2 per cent from January 1, 1867, to January 1, 1870, and at 6 per cent from January 1, 1870, to date. Said bonds are dated July 9, 1860, and matured January 1, 1894.

You will proceed to Richmond, Va., and there make demand of payment of principal and interest of said bonds from the treasurer of said State. If payment is offered, you will communicate with the Treasurer of the United States by wire, and receive further instructions.

If payment is refused, you will request a written reply from the treasurer or other authorized officer, stating the reasons for said refusal.

The bonds will be retained in your possession and returned safely to the custody of this office, when the necessity for their presence in Richmond has ceased.

The actual and necessary expenses incurred by your compliance with these instructions will be paid, upon presentation of the proper vouchers, by the Commissioner of Indian Affairs.

Respectfully, yours,

D. N. MORGAN,
Treasurer of the United States.

Mr. W. R. RUSSELL.
DEAR SIR: As instructed by your letter of the 14th instant, Mr. W. R. Russell called and demanded payment of $540,000 registered bonds held by the United States and claimed to be genuine bonds of the Commonwealth of Virginia. I declined payment for the following reasons:

First. Because the general assembly of Virginia in session when these bonds became due did not make nor at any previous session has made appropriation for the payment of the bonds held by the United States.

Second. Because the bonds were issued before the State of West Virginia was formed out of the Territory of Virginia and it was a condition precedent, assented to by the United States and by West Virginia, that "the new State shall take upon itself a just proportion of the public debt of the Commonwealth of Virginia prior to the first day of January, 1861," but no credit is allowed for West Virginia's "equitable proportion" of these bonds.

Third. Because the Government of the United States is indebted to the Commonwealth of Virginia for advances made and money loaned during the war of 1812, to wit:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1813</td>
<td>$350,000</td>
</tr>
<tr>
<td>1814</td>
<td>$750,000</td>
</tr>
<tr>
<td>1815</td>
<td>$450,000</td>
</tr>
<tr>
<td>1816</td>
<td>$150,000</td>
</tr>
<tr>
<td>1817</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Total: $1,792,371

The records of your office, the Journals of the House of Representatives and Senate conclusively prove this debt is due and should be paid, and the only open question is, What is the true balance?

For forty-four years this Commonwealth, by Representatives, Senators, and special agents, has demanded payment again and again. Bills to pay her have passed the House of Representatives at one time and the Senate at another, but failed to become laws. Massachusetts and Maryland have been paid the advances made by them.

Virginia was as patriotic and more liberal. In 1784 she gave to the United States "the Northwest Territory," and out of this magnificent domain the States of Ohio, Illinois, Indiana, Michigan, and Wisconsin were formed. In 1790, by act of her legislature, she advanced to the then needy and struggling Republic $120,000 to aid in building the Capitol at Washington, and there is no reason in law or justice why the terms of settlement made with these Commonwealths should not be given her.

Apply them, and, as is evidenced by a statement in my possession, and made up by your Department, and attested by the Hon. George S. Boutwell, then Secretary of the Treasury, there was due to Virginia on the 1st day of January, 1833, the principal sum of $342,494.

To this add interest to the 1st day of January, 1894, the day the registered bonds became due, and on that day the United States was indebted to the Commonwealth of Virginia $1,596,022.04, a sum more than sufficient to pay the bonds.

Very respectfully, your obedient servant,

A. W. Hannan, Jr.,
Treasurer of Virginia.

Hon. D. N. Morgan,
Treasurer of the United States, Washington, D. C.

TREASURY DEPARTMENT,
OFFICE OF THE TREASURER,
WASHINGTON, D. C., JANUARY 8, 1897.

SIR: In compliance with request contained in your letter of December 19, 1896, to report fully and with as much particularity as practicable what efforts have been made by this office looking to the settlement or collection of State bonds formerly in the Indian trust and Smithsonian funds, and interest on same, I inclose herewith copies of correspondence on this subject had by this office with governors and
treasurers of States, assistant treasurers of the United States, officers of banks, and others, as follows:

Letter from A. U. Wyman, dated August 29, 1876.
Letter from A. U. Wyman, dated August 31, 1876.
Letter from A. U. Wyman, dated September 12, 1876.
Letter from James Gilfillan, dated November 10, 1877.
Letter from Thomas J. Hillhouse, dated August 30, 1876.
Letter from assistant treasurer United States, dated April 20, 1880.
Letter from James L. Gaines, dated September 6, 1876.
Letter from James Gilfillan, dated November 4, 1881.
Letter from S. J. Kirkwood, dated November 11, 1881.
Letter from A. U. Wyman, dated December 7, 1883.
Letter from A. U. Wyman, dated January 8, 1884.
Letter from Charles H. Belvin, dated January 14, 1884.
Letter from A. U. Wyman, dated March 25, 1884.
Letter from A. U. Wyman, dated March 18, 1885.
Letter from A. U. Wyman, dated April 4, 1885.
Letter from A. U. Wyman, dated April 17, 1885.
Letter from A. U. Wyman, dated April 17, 1885.
Letter from A. U. Wyman, dated April 24, 1885.
Letter from A. U. Wyman, dated May 7, 1885.
Letter from C. S. Fairchild, dated May 26, 1885.
Letter from A. McCue, dated May 22, 1885.
Letter from C. N. Jordan, dated May 25, 1885.
Letter from L. Q. C. Lamar, dated August 7, 1885.

Respectfully yours,

D. N. Morgan,
Treasurer United States.

The SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT, OFFICE OF THE TREASURER,
Washington, D. C., August 29, 1876.

SIR: It is reported here that a statement was published some days ago to the effect that the State of Tennessee would pay or had made arrangements to pay some of the back interest on certain of her bonds. I have no definite knowledge of the statement, and it may be erroneous, but I have deemed it proper to write to you and ask if you can not ascertain who the financial agent of the State is, and what has been done in relation to unpaid interest on her bonds. As custodian of the Indian trust fund, I hold a large amount of Tennessee bonds, among them the following coupon bonds on which interest is due and unpaid:

Act of February 4, 1848, $512,000 (N. & C. R. R.); interest due, $346,335.
Act of June 30, 1850, $104,000 (O. & W. Turnpike); interest due, $156,000.
Act of February 20, 1852, $40,000 (State); interest due, $11,400.

I should be glad to know what, if any, arrangements have been made in regard to the payment of the back interest.

Very respectfully,

A. U. Wyman,
Treasurer United States.

Hon. Thos. Hillhouse,
Assistant Treasurer United States, New York City.

TREASURY DEPARTMENT, OFFICE OF THE TREASURER,
Washington, D. C., August 31, 1876.

SIR: By a notice in the New York Tribune of the 30th I see that your State has made arrangements to pay past-due coupons on her bonds. As custodian of the Indian trust fund I hold the following Tennessee coupon bonds on which there is a considerable amount of unpaid interest, viz: Bonds issued under—

Act of February 4, 1848, N. & C. R. R. Co., due 1881-82, $512,000.
Act of January 30, 1850, O. & W. Turnpike Co., due 1890, $104,000.
Act of February 20, 1852, $40,000 (State); interest due, $11,400.

I should be glad to know what, if any, arrangements have been made in regard to the payment of the back interest.

Very respectfully,

A. U. Wyman,
Treasurer United States.

H. Doc. 58—5
Are all of these bonds included among those upon which your State will pay interest? If not, please designate those upon which the interest will be paid, and advise me what, if anything, the State will do in relation to the overdue principal of the bonds of February 20, 1852.

Very respectfully,

Hon. JAS. L. GAINES,
State Comptroller, Nashville, Tenn.

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**Treasury Department, Office of the Treasurer, Washington, D.C., September 28, 1876.**

Sir: I hand you herewith 107 coupons of State bonds of Tennessee, amounting in all to $3,195, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>104 coupons at $30 each</td>
<td>$3,120</td>
</tr>
<tr>
<td>3 coupons at $25 each</td>
<td>$75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,195</td>
</tr>
</tbody>
</table>

These coupons I will thank you to present to the proper person for payment, crediting my currency transfer account with the amount.

Respectfully,

A. U. Wyman,
Treasurer United States.

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**Assistant Treasurer United States, New York City.**

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**Treasury Department, Office of the Treasurer, Washington, D.C., November 10, 1877.**

Sir: In accordance with your request and memorandum of the 9th instant, I herewith deliver to you certain coupons, enumerated below, clipped from North Carolina State bonds held in custody in this office for the Indian trust fund:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 coupons, $30 each, January, 1874</td>
<td>$780.00</td>
</tr>
<tr>
<td>26 coupons, $30 each, July, 1874</td>
<td>780.00</td>
</tr>
<tr>
<td>100 coupons, $30 each, April, 1874</td>
<td>3,090.00</td>
</tr>
<tr>
<td>1 coupon, $30, April, 1874, indorsed $4.50</td>
<td>25.50</td>
</tr>
<tr>
<td>96 coupons, $30 each, October, 1874</td>
<td>2,880.00</td>
</tr>
<tr>
<td>1 coupon, $30, October, 1874, to be indorsed</td>
<td>15.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,570.50</td>
</tr>
</tbody>
</table>

Respectfully,

Hon. SAMUEL F. PHILLIPS,
Solicitor-General, Department of Justice.

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**Treasury Department, Office of the Treasurer, Washington, D.C., October 15, 1878.**

Sir: In accordance with your request, I herewith deliver to you certain coupons clipped from North Carolina State bonds held in custody in this office for the Indian trust fund and enumerated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 October, 1874, indorsed $15 balance</td>
<td>$15.00</td>
</tr>
<tr>
<td>24 October, 1874, $30 each</td>
<td>720.00</td>
</tr>
<tr>
<td>24 April, 1875, $30 each</td>
<td>720.00</td>
</tr>
<tr>
<td>26 January, 1875, $30 each</td>
<td>780.00</td>
</tr>
<tr>
<td>97 April, 1875, $30 each</td>
<td>2,910.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,145.00</td>
</tr>
</tbody>
</table>

Very respectfully,

A. U. Wyman,
Assistant Treasurer United States.

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Hon. SAMUEL F. PHILLIPS,
Solicitor-General, Department of Justice.
STATE BONDS BELONGING TO THE UNITED STATES.

Office of United States Assistant Treasurer,
New York, August 30, 1876.

SIR: Referring to your letter of the 29th instant, relative to the payment of the interest on the Tennessee bonds, I inclose herewith a notice taken from the Tribune of to-day, from which you will see that arrangements have been made to pay the past due interest through the Fourth National Bank of this city. The president, Mr. Calhoun, informs me that funds for that purpose have not yet been received by him, but he thinks there is little doubt that they will be transmitted in time to enable him to make the payment on the date mentioned.

Very respectfully,

THOS. J. HILLHOUSE,
Assistant Treasurer United States.

TREASURY OF THE UNITED STATES,
Washington, April 20, 1880.

Sir: This office having been instructed by the Honorable Secretary of the Treasury, under date of the 19th instant, to make demand of the proper officers of the Nashville and Chattanooga Railroad Company and of the State of Tennessee for payment of certain past due coupons on bonds of said road, secured by said State, and now held by this office, and directed, if necessary, to consult with the Solicitor concerning the manner of making such demand. I have the honor to request that you will furnish such written instructions as you may consider necessary and proper for the guidance of this office in making said demand.

Very respectfully,

Hon. KENNETH RAYNOR,
Solicitor of the Treasury.

COMPTROLLER'S OFFICE,
Nashville, Tenn., September 6, 1876.

Sm: Referring to your favor of the 31st ultimo, it is proposed to pay the coupons past due July 1, 1875, together with a few unpaid coupons of July, 1874, and January, 1875.

The legislature has made no provision for the past due bonds of the State which may be outstanding, except that the act of 1873 provides that they may be funded into new bonds.

Yours, truly,

TREASURER UNITED STATES,
Washington, D. C.

TREASURY OF THE UNITED STATES,
Washington, November 4, 1881.

Sir: As custodian of the Indian trust fund I hold $125,000 of the bonds of the State of South Carolina, on which interest was not paid from July 1, 1860, to July 1, 1867, and from July 1, 1871, to January 1, 1881, the coupons for said periods being in this office. The coupons for the interest from July 1, 1867, to July 1, 1871, were not delivered with the bonds when the transfer was made under the act of June 10, 1876, and I have respectfully to inquire if the records of your Department show the payment of said coupons? If paid will you please advise me when they were paid, by whom, and to whom, and the date of payment or payments?

Very respectfully,

JAS. GILFILLAN,
Treasurer United States.

DEPARTMENT OF THE INTERIOR,
Washington, November 11, 1881.

Sir: I acknowledge the receipt of your letter of the 4th instant, asking if the records of this Department show the payment of coupons for interest from July 1, 1887,
to July 1, 1871, on $125,000 bonds of the State of South Carolina, and if so, when
they were paid, by whom and to whom, and the date of payment or payments.

In reply I would state that the records of this Department show that coupons repre-
senting the interest for two years on $125,000 South Carolina bonds, from July 1,
1867, to July 1, 1869, amounting to $15,000, were placed in the hands of the assistant
treasurer of the United States at New York for collection on the 21st day of August,
1869, and on the 24th day of August, 1869, the assistant treasurer transmitted to this
Department certificate of deposit No. 1654, $15,000, being proceeds of South Carolina
State coupons, and said certificate of deposit was transmitted to the Secretary of the
Treasury in letter of August 30, 1869, with request that the amount thereof be cov-
ered into the Treasury. See statement of interest No. 44, inclosed in letter of August
30, 1869, above referred to, and copies of letters from the assistant treasurer of the
United States at New York, dated August 21 and 24, 1869.

The coupons for six months' interest on said bonds from July 1, 1869, to January
1, 1870, were collected through the office of the assistant treasurer of the United
States at New York. (See letter of the Secretary of the Interior to the Secretary of
the Treasury, dated February 17, 1870, transmitting statement of interest No. 53
for the period of time above mentioned.)

The coupons for interest on said bonds (for six months' interest) from January 1,
1870, to July 1, 1870, were collected same as above. (See letter of the Secretary
of the Interior to the Secretary of the Treasury, dated July 9, 1870, transmitting
statement of interest No. 70, for the above period of time.)

For collection of coupons for interest due on said bonds from July 1, 1870, to Jan-
uary 1, 1871, see letter of the Secretary of the Interior to the Secretary of the
Treasury, dated April 4, 1871, transmitting statement of interest No. 100, and letter
from the Secretary of the Interior to the Treasurer of the United States, dated
March 27, 1871. For collection of coupons for interest on said bonds from January
1, 1871, to July 1, 1871, see letter of the Secretary of the Interior to the Treasurer
of the United States dated June 29, 1871, and letter from the Secretary of the In-
terior to the Secretary of the Treasury dated July 20, 1871, transmitting statement
of interest No. 122, and requesting that the interest collected on said bonds for
the above period of time be covered into the Treasury under the proper heads of
appropriation.

It therefore appears that the coupons for interest on $125,000 South Carolina bonds
due from July 1, 1867, to July 1, 1871, were forwarded by the Secretary of the Interior
to the assistant treasurer of the United States at New York for collection, and that
the proceeds thereof were deposited in the Treasury of the United States. The
records of this Department do not show what officer of the State of South Carolina
paid said interest.

Very respectfully,

JAMES GILFILLAN,
Treasurer of the United States.

TREASURY OF THE UNITED STATES,
Washington, November 14, 1881.

SIR: As custodian of the Indian trust fund under the act of Congress of June 10,
1876, I hold $125,000 of the bonds of the State of South Carolina, issued in pursuance
of an act of the general assembly of the State, approved December 19, 1855. The
bonds are dated January 1, 1856, and are of the denomination of $1,000, with interest
coupons attached.

It is set forth in the bonds that "The State of South Carolina will pay J. D. Ash-
more or bearer $1,000 with interest thereon at the rate of 6 per cent per annum, pay-
able semiannually on the 1st days of January and July on the presentation of the
proper coupons for the same, hereto annexed, at the State treasury office in Charles-
ton, where the principal sum will also be paid on the surrender of this bond on the
1st day of January, 1881, and not before without the consent of the holder of this
bond, which is issued in pursuance of an act of the general assembly of the State of
South Carolina, ratified on the 19th day of December, 1855." which bonds bear the
signature of the governor and secretary, and seal of the State. The coupons are of
the denomination of $30, payable as above stated.

The principal of these bonds being due and payable, together with interest
amounting to $123,750, in all, $248,750, I have respectfully to ask what provision
your State has made for their payment.

Very respectfully,

JAS. GILFILLAN,
Treasurer United States.

Hon. Johnson Hagood,
Governor of South Carolina, Columbia, S. C.
STATE BONDS BELONGING TO THE UNITED STATES.

EXECUTIVE DEPARTMENT, OFFICE OF STATE TREASURER,
Columbia, S. C., November 17, 1881.

DEAR Sir: We beg leave to state, in regard to the communication of the Treasurer of the United States, dated 14th instant, addressed to your excellency and asking what provision has been made for the payment of $125,000 coupon bonds of this State, issued under act of 19th December, 1855, held by him as custodian of the Indian trust fund, etc., which communication has this day been referred to this office, that the only coupon bonds issued under act cited by the Treasurer of the United States are the 6 per cent bonds issued for continuing the construction or the new State house, under authority of the act to make appropriations for the year commencing in October, 1855, ratified 19th December, 1855. (Stats., Vol. XII, Sec. XI, p. 350.) We have ascertained by the proper examination that the description given by the Treasurer of the United States of the bonds held by him corresponds with that of bonds of the issue referred to, which have been surrendered for consolidation, and which are now on file in this office.

These bonds are embraced in the provisions of the act of December, 1873, "to reduce the volume of the public debt, etc." and of the subsequent acts which relate to the funding of the bonds and stocks of the State in consolidation bonds and stocks.

Under the act of December 24, 1880, "to extend the time for funding the unquestionable debt of the State," the State capital bonds of 1855 and all bonds issued prior to January, 1866, together with all their unpaid coupons, which matured on or before January 1, 1880, and exchangeable on the surrender thereof at this office for 6 per cent consolidation bonds or stock bearing interest from January 1, 1880, at the rate of 50 per cent of the face value of the bonds and coupons so surrendered, according to the statement appended hereto. No other provision has been made by law either for the payment or funding of the principal and interest of the bonds referred to by the Treasurer of the United States in his letter of 14th instant.

With great respect, your obedient servant,

I. P. RICHARDSON,
State Treasurer South Carolina.

His Excellency JOHNSON HAGOOD,
Governor of South Carolina.

Principal of bonds held by Treasurer United States .............. $125,000
Interest claimed (assuming same to be represented by coupons) ........ 123,750
At 50 per cent reduction ........................................... 248,750
Fundable in consols amounting to ................................ 124,375
Bearing interest from January 1, 1880.

TREASURY OF THE UNITED STATES,
Washington, December 7, 1883.

Sir: Herewith I beg to hand you 230 coupons from North Carolina State bonds held in custody in this office for the Indian trust fund, payment for the same having been received:

26 coupons of July 1, 1878, $30 each ................................ $780
121 coupons of April 1, 1878, $30 each .......................... 3,630
83 coupons of October 1, 1878, $30 each ........................ 2,490

230 Total .......................................................... 6,900

Very respectfully,

A. U. WYMAN,
Treasurer United States.

Hon. SAMUEL F. PHILLIPS,
Department of Justice, Washington, D. C.

TREASURY OF THE UNITED STATES,
Washington, December 28, 1883.

Sir: I have this day forwarded to you, per Adams Express, $19,000 North Carolina State bonds, due January 1, 1884, held by this office in custody for the Secretary of the Interior, trustee, said bonds being part of the Indian trust fund, as follows: 19 bonds, $1,000 each, Nos. 1033, 1035, 1044, 1061, 1062, 1075, 1076, 1077, 1078, 1114, 1227, 1235, 1236, 1238, 1256, 1323, 1325, 1364, 1365, with 209 coupons, $30 each, $6,270; total, $25,270.
I have respectfully to request that you make demand of the National Bank of the Republic, successor of the Bank of the Republic, for payment of said bonds, together with the interest due and unpaid as represented by the coupons therewith.

If the demand is not complied with, and you can ascertain that there is a financial agent of the State of North Carolina in New York, or an agent of the North Carolina Railroad Company, for the benefit of which company the bonds were issued, you will please endeavor to make collection of such agent.

The proceeds of the bonds and coupons, if collection is made, to be placed to the credit of the Treasurer of the United States in transfer account.

In case you are unable to obtain payment please advise me, and return the bonds and coupons to this office, unless some assurance is given of speedy payment.

I have to suggest that the person deputed to make the demand be accompanied by another as witness, and that in the report upon the demand such particulars be included as you may deem essential for record.

Very respectfully,

Hon. THOS. C. ACTON,
Assistant Treasurer United States, New York.

TREASURY OF THE UNITED STATES,
Washington, J anuary 4, 1884.

Sir: Referring to your letter of the 7th ultimo to the Secretary of the Treasury in reference to the presentation for payment of $19,000 North Carolina State bonds belonging to the Indian trust fund, I have the honor to inform you that on the 28th ultimo, said bonds, with the unpaid coupons attached, amounting in all to $25,270, were forwarded to the Hon. Thomas C. Acton, assistant treasurer of the United States at New York, with a request that he present said bonds for payment to the National Bank of the Republic, successor of the Bank of the Republic, which latter was designated in the bonds as the place at which payment would be made. The assistant treasurer was also requested in case payment was refused to ascertain whether there was an agent of the State of North Carolina in New York or of the North Carolina Railroad Company, and to endeavor to obtain payment from such agent.

The bonds were duly presented to the National Bank of the Republic and the demand made for payment, which was refused for the reason that the bank had no funds for the purpose. The assistant treasurer states that there is no agent in New York for the State of North Carolina or the North Carolina Railroad Company other than the National Bank of the Republic. The bonds have been returned to this office by the assistant treasurer, together with a certificate by the officers designated by him to make the demand, setting forth that the demand was made and payment refused.

I have respectfully to ask whether you deem it necessary or desirable that demand for payment of the bonds be made of the State of North Carolina. If so, they can be forwarded to Raleigh National Bank, a Government depository, for presentation by an officer of that bank, or the bonds can be presented by officers sent from the Department, they to make demand, and bring back such evidence of the same as may be deemed essential for record.

In case presentation to the authorities of the State is desired, will you be so good as to indicate which method, as suggested above, shall be adopted; and also to state whether your Department will be prepared to pay the expense attending such presentation, whether made by special messengers or by the depository at Raleigh, the latter probably involving express charges only.

Your early reply and instructions are requested.

Very respectfully,

A. U. WYMAN,
Treasurer United States.

Hon. H. M. TELLER,
Secretary of the Interior, Washington, D. C.

TREASURY OF THE UNITED STATES,
Washington, D. C., January 7, 1884.

Sir: I have this day forwarded to you, per Adams Express, $19,000, North Carolina State bonds, with 209 coupons of $30 each attached thereto, making in all $25,270. Said bonds are held by this office in custody for the Secretary of the Interior, trustee of various Indian tribes.

The bonds fell due January 1, 1884, and were presented to the National Bank of
the Republic of New York, successor of the Bank of the Republic, at which place, as set forth in the bonds, payment was to be made. Payment was refused by the bank on the ground that it had no funds for that purpose.

In accordance with instructions from the Secretary of the Interior, I desire to make formal demand of the proper officer of the State of North Carolina for payment of the bonds and coupons, and for that purpose forward the same to you, having no doubt that you will cheerfully render this service to the Government. I will thank you to present the bonds and coupons for payment to the treasurer of the State of North Carolina, and also to any officer in your city to whom in your opinion presentation should be made in order to complete the legal demand or to obtain payment. If collection is made please place the proceeds to the credit of the Treasurer United States in general account as a transfer of funds, and forward certificate of deposit to this office.

I beg to suggest that the officer making the demand be accompanied by another person as witness, and that if payment is refused a joint certificate be executed by the two, setting forth the demand, the refusal of payment, and the reasons given therefor.

If payment is not obtained please return the bonds and coupons by Adams Express to this office. Any necessary expense will be met by this Department. For your attention to this matter I shall be obliged to you.

Very respectfully,

A. U. Wyman,
Treasurer United States.

CHAS. A. Belvin, Esq.,
Cashier Raleigh National Bank, Raleigh, N. C.

TREASURY OF THE UNITED STATES,
January 8, 1884.

Sir: I telegraphed you to-day: "Wrote you yesterday and forwarded bonds; await letter mailed to-day." The reason of this was that I desired the certificate of demand should describe the bonds by number and other particulars. I now inclose lists of the bonds, which you will please use in making the certificate, furnishing a copy to the officer on whom the demand is made, if he so desires.

Very respectfully,

A. U. Wyman,
Treasurer United States.

CHAS. A. Belvin, Esq.,
Cashier Raleigh National Bank, Raleigh, N. C.

TREASURY OF THE UNITED STATES,
January 14, 1884.

Sir: Referring to your letter of the 4th instant in reference to making further demand for payment of North Carolina bonds belonging to the Indian trust fund, I have the honor to inform you that on the 9th instant I forwarded to Charles H. Belvin, cashier of the Raleigh National Bank, Raleigh, N. C., $19,000 bonds, and the coupons attached, and requested that he make demand of the proper State authorities for payment.

I am to-day in receipt of a letter from Mr. Belvin, stating that he has endeavored to fully comply with the instructions given him, and inclosing a certificate of which the following is a copy:

RALEIGH, N. C., January 11, 1884.

I certify that on the 11th of January, 1884, I, in presence of James G. Brown, cashier of the Citizens' National Bank of Raleigh, N. C., presented to Dr. J. M. Worth, State treasurer of North Carolina, the above-mentioned bonds and coupons (list preceding certificate), and demanded and requested of him payment in money of the same, and that he refused and declined to pay them, saying "I decline to pay the bonds and coupons in cash for reasons: First, that funds have not been placed in my possession for that purpose; second, that provision is made by the general assembly of North Carolina for exchange of said bonds into new bonds."

CHAS. H. Belvin,
Cashier Raleigh National Bank.

Correct:

Jas. G. Brown,
Cashier Citizens' National Bank, Raleigh, N. C.
The bonds and coupons have been returned to this office. I have also received a letter and circular in reference to the proposed exchange of said bonds, from the State treasurer of North Carolina, which I inclose herewith.

Very respectfully,

A. U. Wyman,
Treasurer United States.

Hon. Henry M. Teller,
Secretary of the Interior, Washington, D. C.

TREASURY OF THE UNITED STATES,
January 14, 1884.

Sir: I have your letter of the 12th instant, with inclosures as stated, and also the bonds and coupons returned by you per Adams Express.

I thank you for the prompt attention given to the matter.

Very respectfully,

A. U. Wyman,
Treasurer United States.

Chas. H. Belvin, Esq.,
Cashier Raleigh National Bank, Raleigh, N. C.

TREASURY OF THE UNITED STATES,
March 25, 1884.

Sir: Referring to your note of the 20th instant, with check on the Citizens' National Bank, of Raleigh, N. C., for $6,330, in payment of coupons on North Carolina State bonds held in custody in this office for the Indian trust fund, I beg to hand you herewith 111 coupons from said bonds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 due January 1, 1879, $30 each</td>
<td>$780</td>
</tr>
<tr>
<td>26 due July 1, 1879, $30 each</td>
<td>780</td>
</tr>
<tr>
<td>38 due October 1, 1878, $30 each</td>
<td>1,140</td>
</tr>
<tr>
<td>121 due April 1, 1879, $30 each</td>
<td>3,630</td>
</tr>
<tr>
<td>Total</td>
<td>6,330</td>
</tr>
</tbody>
</table>

Very respectfully,

A. U. Wyman,
Treasurer United States.

Hon. Samuel F. Phillips,
Department of Justice, Washington, D. C.

TREASURY OF THE UNITED STATES,
March 18, 1885.

Sir: Referring to your note of the 12th instant, by reference from the Secretary of the Treasury, directing that $128,000 of the bonds of the State of North Carolina belonging to the Indian trust fund, held in custody in this office, be presented for payment in the manner set forth in the letter of the Secretary of the Interior in reference to other bonds of said State, under date of January 14, 1884.

In reply I have to say that demand for payment will be made on the 1st proximo of the National Bank of the Republic, successor to the Bank of the Republic, of New York, which latter is designated in the bonds as the place at which payment would be made. In case of refusal, demand will be made of the State authorities of North Carolina, at Raleigh, of which due report will be made to your Department.

Very respectfully,

A. U. Wyman,
Treasurer United States.

Hon. L. Q. C. Lamar, Secretary of the Interior.

TREASURY OF THE UNITED STATES,
April 4, 1885.

Sir: Referring to your letter of the 12th ultimo, to the Secretary of the Treasury, in relation to the presentation for payment of $128,000 bonds of the State of North Carolina, and $43,570 interest thereon, belonging to the Indian trust fund, held by
the Treasurer United States, custodian for the Secretary of the Interior, I have the honor to inform you that on April 1 instant said bonds were presented to the National Bank of the Republic of New York, successor to the Bank of the Republic of New York, at which place, according to the terms of the bonds, payment was to be made at maturity, and that payment was refused for the reason that the bank had no funds for the purpose.

In further conformity with instructions in your letter referred to I am ready to forward said bonds to Raleigh, N. C., and cause demand also to be made of the proper officers of the State. I am informed that the charges of the express company for forwarding and returning the bonds will be $1 per thousand on $173,870, principal and coupons, making a cost of $173.87 for presentation by this method. This Department having at times, as a matter of saving expense, availed itself of services of special messengers in similar cases, I have deemed it best to call your attention to such practice. The probable expense of presentation by special messengers will not exceed $85.

If you should decide that the bonds may with safety be taken by messenger, not less than two reliable men should be sent, and I will be prepared to designate an officer of this Bureau who, accompanied by an officer of your Department, if you see fit to make a designation for this purpose, may be intrusted with the bonds for the purpose of completing this demand. Should you not authorize the latter method, the bonds will be forwarded by express. Awaiting your instructions,

I am, very respectfully, yours,

A. U. Wyman,
Treasurer United States.

Hon. L. Q. C. Lamar,
Secretary of the Interior.

TREASURY OF THE UNITED STATES,
April 17, 1885.

Sir: I have your letter of the 13th instant, in reference to North Carolina State bonds presented to the National Bank of the Republic for payment on the 1st instant.

The bonds, now belonging to the Indian trust fund, were issued by the State to the North Carolina Railroad Company. As you were aware at the time (you with others having been consulted by the assistant treasurer at New York), the Department of the Interior gave some consideration to the proposition of the State for exchange of the Indian trust fund bonds in accordance with the terms of the act to which you refer, but the proposition was not accepted. A bill authorizing the exchange of the bonds was introduced into Congress, but it appears that it failed to become a law.

The Treasurer is simply custodian for the Secretary of the Interior, trustee, and has no authority to act upon any proposition of compromise or exchange. Any proposition of this kind, therefore, should be submitted to the Secretary of the Interior.

Very respectfully,

A. U. Wyman,
Treasurer United States.

John B. Manning,
No. 6 Wall Street, New York.

TREASURY OF THE UNITED STATES,
April 17, 1885.

Sir: Referring to your letter of the 13th instant, authorizing Mr. J. C. Burnett, of this office, and Mr. H. V. Betz, of your Department, as special messengers to take $128,000 past-due bonds of the State of North Carolina, and $45,870 coupons attached, to Raleigh, N. C., and make demand for payment of the same, I have the honor to report that the bonds were delivered to the messengers named on the 14th instant, and have been returned to this office, together with the reply of the treasurer of the State of North Carolina, of whom payment was demanded. A copy of the demand and the reply of the treasurer, with printed papers submitted by him, are inclosed. The papers are "An act to adjust and renew a portion of the State debt," an explanatory letter by the State treasurer, and a statement to bondholders by commissioners appointed under the act referred to.

Very respectfully,

A. U. Wyman,
Treasurer United States.

Hon. L. Q. C. Lamar,
Secretary of the Interior.
STATE BONDS BELONGING TO THE UNITED STATES.

Treasury Department, Office of the Secretary,
Washington, D. C., May 26, 1885.

Sir: I have received your letter, "J. C. B.," of the 7th instant, asking for information respecting your duties as custodian of certain bonds and stocks of the Indian trust fund, under the act of June 10, 1876.

C. N. Jordan,
Treasurer United States.
In reply, I inclose herewith copy of communication, dated 22d instant, from the Solicitor of the Treasury, to whom your letter had been referred, stating his views on the subject of your inquiry.

Very respectfully,

C. S. Fairchild,
Acting Secretary.

The Treasurer of the United States.

DEPARTMENT OF JUSTICE,
Office of the Solicitor of the Treasury,
Washington, D. C., May 22, 1885.

Sir: By the act of June 10, 1876, the securities held by the Secretary of the Interior in trust for the benefit of Indian tribes were transferred to the custody of the United States Treasurer. It was made the duty of this officer to collect the interest falling due thereon and deposit the same and issue certificates of deposit therefor in favor of the Secretary of the Interior as such trustee, and to make purchases and sales of the securities authorized by treaty or acts of Congress when requested by the Secretary of the Interior.

From a statement made by the Treasurer it appears that the principal and interest of a large number of these securities have become due and have remained unpaid, some of them for many years.

He asks, in view of this fact, what steps are necessary for him to take to collect the principal and interest of overdue State bonds, and what proceedings should be taken where the securities are liens on railroads or other corporations.

The statute to which I have referred places a certain specific responsibility on the Treasurer. He is to be the custodian of the bonds, he is to collect the interest as it falls due, and he is to make purchases and sales of bonds when requested so to do by the Secretary of the Interior. His duties, it seems to me, as defined by act, are ministerial simply.

If the principal of the stock or bonds or the interest on the same falls due and is not paid on demand made by the Treasurer of the United States, that fact should be communicated by him to the trustee, the Secretary of the Interior.

Whether or not such suit should be brought or other proceedings taken to compel payment from the defaulting maker of the bonds or other securities rests with the Secretary of the Interior, the trustee.

Very respectfully,

A. McCue,
Solicitor of the Treasury.

TREASURY OF THE UNITED STATES,
Washington, May 25, 1885.

Sir: I have the honor to transmit herewith a copy of an opinion of the Hon. A. McCue, Solicitor of the Treasury, delivered to the Honorable Secretary of the Treasury, in reference to certain unpaid stocks and bonds of the Indian trust fund, in response to a request made by myself on the 7th instant, a copy of which is also inclosed.

If in pursuance of this opinion it is necessary to take any action in reference to the unpaid principal and interest of said bonds, I respectfully ask for instructions in relation thereto.

Very respectfully,

C. N. Jordan,
Treasurer United States.

DEPARTMENT OF THE INTERIOR,
Washington, August 7, 1885.

Sir: I have the honor to acknowledge the receipt of your letter of the 28th of May last, inclosing, for the information of the Secretary of the Interior, as trustee for certain Indian trust funds, a copy of an opinion of the Solicitor of the Treasury regarding the duties of the Treasurer of the United States in the matter of certain unpaid State stocks and bonds belonging to the Indian trust fund.

H. Doc. 263—2
The State bonds now belonging to the Indian trust fund which have matured and remain unpaid are as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Amount</th>
<th>Date of maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>6,000.00</td>
<td>Jan. 1, 1877</td>
</tr>
<tr>
<td>North Carolina</td>
<td>19,000.00</td>
<td>Jan. 1, 1884</td>
</tr>
<tr>
<td>South Carolina</td>
<td>7,000.00</td>
<td>Jan. 1, 1885</td>
</tr>
<tr>
<td>Virginia</td>
<td>125,000.00</td>
<td>Jan. 1, 1861</td>
</tr>
<tr>
<td>Tennessee</td>
<td>125,000.00</td>
<td>Jan. 1, 1863</td>
</tr>
<tr>
<td>Do</td>
<td>65,000.00</td>
<td>Jan. 25, 1861</td>
</tr>
<tr>
<td>Do</td>
<td>1,666,666</td>
<td>Do</td>
</tr>
<tr>
<td>Do</td>
<td>19,000.00</td>
<td>Jan. 1, 1870</td>
</tr>
</tbody>
</table>

The interest on these bonds is also due and unpaid by the States for different and various periods.

The Indian trust funds were invested in these bonds by the Secretary of the Interior prior to 1861. The laws governing the matter at the time of purchase will be found in the act of January 9, 1837 (sec. 2696, Rev. Stat.), and act of September 11, 1841 (sec. 3659, Rev. Stat.).

By the act of June 10, 1876 (19 Stat. L., 58) the stocks, bonds, securities, etc., of the Indian trust fund were transferred to the Treasurer of the United States as custodian, and it was thereafter made his duty to collect the interest thereon as it became due, etc.

The solicitor holds, in the opinion referred to, that the Treasurer's duties, as defined by this last-named act, are "ministerial simply." "If the principal of the stock or bonds or the interest on the same falls due and is not paid on demand made by the Treasurer of the United States, that fact should be communicated by him to the trustee, the Secretary of the Interior. The duty of the Treasurer in this regard ends there. Whether or not suit should be brought or other proceedings taken to compel payment from the defaulting maker of the bonds or other securities rests with the Secretary of the Interior, the trustee."

In view of this opinion, you request instructions in relation to the unpaid principal and interest of said bonds, if it is necessary to take any action in relation thereto.

This matter has heretofore been considered by Congress. By the act of March 3, 1865 (13 Stat. L., 539), appropriations were made for the Indians, for whom the non-paying bonds were held in sums equal to the interest then due and unpaid. Since that date annual appropriations have been made to meet the unpaid interest not only on the bonds not yet matured, but also on those which have matured.

The act of March 2, 1867 (14 Stat. L., 497), required "that the Attorney-General of the United States shall be, and is hereby, instructed to inquire into the condition of all funds held in trust by the United States for said tribe (Chickasaw) and for all other tribes of Indians, and what proceedings should be taken for the security of the United States in respect to the same, and report thereon to Congress on the first Monday of December next."

The report of the Honorable Attorney-General, made in compliance with this law, is found in House Ex. Doc. No. 59, Fortieth Congress, second session. The concluding portion of the report is as follows:

"So far as the States are liable upon these, either as principal obligors under the bonds issued by them, respectively, or as guarantors of bonds issued by private or municipal corporations, I see no ground upon which that liability can be enforced either at law or in equity. A State can be sued only by its own consent. I am not advised that either of these States has, by its own consent, submitted itself to suit in any court. Nor is there a case made here for original suits against either of these States in the Supreme Court of the United States under the Constitution of the United States; for whether we regard these bonds as belonging to the United States or to the respective Indian tribes, the right to bring an original suit against them against a State in the Supreme Court of the United States does not exist either in favor of the United States or any of these Indian tribes; for neither the United States nor an Indian tribe is a foreign State within the meaning of the constitutional provision, and as such entitled to bring an original suit against a State in the Supreme Court of the United States. But if any of these States hold claims against the United States, it may be deemed expedient to exercise the right of retention and application in the nature of a set-off, following the precedent set by the joint resolution of March 3, 1845 (5 Stat. L., 801).

"This resolution is as follows: 'That whenever any State shall have been or may be in default for the payment of interest or principal on investments in its stocks or bonds, held by the United States in trust, it shall be the duty of the Secretary of the Treasury to retain the whole, or so much thereof as may be necessary, of
the percentage to which such State may be entitled of the proceeds of the sales of the public lands within its limits and apply the same to the payment of said interest or principal, or to the reimbursement of any sums of money expended by the United States for that purpose.'

"As to the remedy upon the bonds issued by private or municipal corporations by action at law to recover the amount due for principal or interest, or by proceedings in foreclosure where the bonds are secured by mortgage, or in mandamus to compel the levying of a tax by municipal corporations, in order to provide payment, the remedy would be the same in favor of the United States as in favor of any individual creditor upon the bonds.

"I am at a loss to suggest any specific measure for further security in respect to these bonds. But it may happen that the indebted States and corporations may offer propositions for compromise favorable to the bondholders, and Congress may deem it expedient to give the Secretary of the Interior authority to entertain, and, in the exercise of a proper discretion, to agree to such propositions."

Sums of money found by the Treasury due the States in default of payment of interest on bonds have been from time to time covered into the Treasury to reimburse the United States for moneys appropriated by reason of such default.

The authorities of the State of North Carolina submitted in 1883 a proposition for the substitution of the old bonds of that State for those of a new issue, authorized by act of the State legislature. It was considered by my predecessor on December 11, 1883, who, under the circumstances of the case, declined to accede to the proposition, stating among other reasons that he doubted whether it would be proper for the Secretary of the Interior to make the exchange without the grant of special legislation therefor by Congress. Bills were pending in the Forty-eighth Congress which contemplated the granting of the necessary authority, but no law was enacted on the subject.

The facts regarding these State bonds which had matured, as well as those upon which installments of interest past due, are essentially the same or similar to those which obtained at the time of the report made by the Honorable Attorney-General, whose opinion and conclusions on the subject are quoted above.

In view of the opinion of the Attorney-General and of the further facts herein set out, the Secretary of the Interior does not consider it necessary or proper that any further means should be attempted with reference to the collection of the unpaid principal and interest of the bonds under consideration until appropriate legislation therefor shall have been enacted by Congress.

Very respectfully,

L. Q. C. Lamar,  
Secretary and Trustee.

Hon. C. N. Jordan,  
Treasurer United States.