

COLUMBIA, S. C., July 10, 1941.

Governor Burnet R. Maybank and Mr. Winchester Smith, members of the Budget Commission, and Colonel S. M. Ward, former member of the Commission, met in the office of the Governor at 3:30 o'clock P. M. for a further discussion of the suit sponsored by the Budget Commission against the South Carolina Electric and Gas Company. It was suggested that Senator R. M. Jefferies, the other member of the Budget Commission, not attend this meeting since the contract employing the attorneys and engineer to prosecute the suit was signed by the Budget Commission prior to his becoming a member of the Commission, and Senator Jefferies accordingly was not present, although he was available if needed.

Mr. Thornwell McMaster, engineer, and Mr. Cordie Page, attorney, attended this meeting.

Governor Maybank stated that it was his opinion, and it was concurred in by the other members representing the State, that the authority conferred upon the attorneys and engineer in their contract with the Budget Commission had been exceeded in asking damages to the extent of One Billion Dollars. He called attention to the fact that the contract specifically provided that the action should be "for recovery of the properties commonly known as The Columbia Canal, properties appurtenant thereto, or the value thereof."

It was further brought out at this meeting that the members of the Budget Commission were not aware of the fact that damages to the extent of

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One Billion Dollars had been asked in the complaint filed by the attorneys until after this complaint had been filed.

The question of the payment to the attorneys and engineer of the remaining fees due them under the terms of the contract was brought up and Governor Maybank advised them that Senator Jefferies had expressed himself as desiring to study the matter and was not prepared to sign warrants for the payment of these fees at the present time.

After further discussion of the matter the meeting adjourned without definite action.

J. M. Sweet - Sec'y

The Senate
State of South Carolina

J. EMILE HARLEY
LIEUTENANT GOVERNOR AND PRESIDENT
R. M. JEFFERIES
PRESIDENT PRO TEMPORE
JAMES H. FOWLES
CLERK

Columbia
Walterboro, S. C.
July 12, 1941.

The Honorable J. M. Smith, Secretary,
State Budget Commission,
Columbia, S. C.

Dear Jim:

I acknowledge receipt of yours of the 11th enclosing minutes and proposed newspaper release.

The minutes of the meeting of July 9th at Senator Ward's house seem to be in order and should be included in the permanent minutes.

As to the meeting of July 10th, I would like very much for the second sentence on page 1 to be changed to read as follows:

"It was suggested that Senator R. M. Jefferies, the other member of the Budget Commission, not attend this meeting since the contract employing the attorneys and engineer to prosecute the suit was signed by the Budget Commission prior to his becoming a member of the Commission, and Senator Jefferies accordingly was not present, although he was available if needed."

On Page 2 of the minutes in the first paragraph, I would like for you to delete the words "certain other angles of". Frankly what is worrying me is the legality of the entire matter and I think it would be better to let me study all of it rather than "certain other angles".

With the changes indicated above, the minutes of the meeting of July 10th will be satisfactory to me. Others may suggest other changes and, therefore, I ask that when all of the changes are made you send me a copy of the final minutes to be placed in my minute file.

As to the newspaper statement, I think the Governor should ask for the deletion of the second sentence from the bottom reading as follows:

"The Budget Commission had no knowledge as to the value of this property, its idea being that this value should be fixed by the Court."

The value of all the properties of the Power Company, including the canal, has been arrived at in the negotiations which the Governor conducted and I do not think that he would want to take the position that he wished the Court to fix the value which had already been determined as a part of

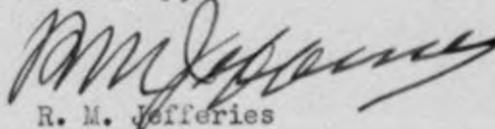
The Honorable J. M. Smith, Secretary -2-

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the appraised value of all the properties. If the statement is used something could be placed in it in lieu of the sentence quoted to the effect that the Commission thought it best for the Court to end forever any dispute as to the ownership of the canal.

With kind regards, I am

Sincerely,



R. M. Jefferies

RMJ:G

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