

ANNUAL MESSAGE

OF

HIS EXCELLENCY

ROBERT K. SCOTT,

GOVERNOR OF SOUTH CAROLINA,

TO THE

GENERAL ASSEMBLY,

AT THE

Regular Session, Commencing November 28, 1871.

COLUMBIA, S. C.:

REPUBLICAN PRINTING COMPANY, PRINTERS TO THE STATE.

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STATE OF SOUTH CAROLINA,
EXECUTIVE DEPARTMENT,
COLUMBIA, November 28, 1871.

Gentlemen of the Senate and House of Representatives:

You have assembled for the fourth time since the establishment of a system of free government in South Carolina. Pursuant to the Constitution, it is the duty of the Governor to "give to the General Assembly information of the condition of the State, and recommend to their consideration such measures as he shall judge necessary or expedient."

The present financial condition of the State especially demands a rigid and unshrinking compliance with this constitutional requirement, in order that the General Assembly and every department of the State Government may unite in a common effort to correct such evils as are remediable, and prevent their recurrence. In this, the last Annual Message that I shall transmit to the General Assembly, I propose to state my views frankly upon the chief matters of public interest, and to give all the facts within my knowledge, without reserve, as alike due to the people, and imposed by my official obligation. I will thus, I trust, be enabled to correct gross exaggerations that are being diligently circulated in reference to our finances, and the entire administration of the State.

In performing this duty I shall not shrink from charging upon others any just share of their responsibility for evil consequences of their acts, and will not hesitate fully to admit my own.

THE STATE DEBT.

The following is the Treasurer's exhibit of the actual debt of the State. I know, from severe personal scrutiny, that this exhibit is full and correct. It shows the present debt of the State in its entirety, suppressing nothing:

Statement of Total Amount of Bonds and Stocks Printed by the American Bank Note Company, and accounted for.

500 Bonds redemption Bills Receivable, at \$1,000.....	\$ 500,000
2,000 Bonds payment interest Public Debt, at \$1,000..	2,000,000
1,000 Bonds relief of the Treasury, at \$1,000.....	1,000,000
Carried forward.....	<u>\$3,500,000</u>

Brought forward.....	\$3,500,000
700 Bonds Land Commission, at \$1,000.....	700,000
800 Bonds redemption Bills Bank of State, at \$1,000.....	800,000
1,500 Bonds redemption Bills Bank of State, at \$500.....	750,000
800 Bonds redemption Bills Bank of State, at \$50.....	40,000
3,500 Bonds conversion State Securities, at \$1,000.....	3,500,000
4,000 Bonds conversion State Securities, at \$1,000.....	4,000,000
1,200 Bonds conversion State Securities, at \$500.....	600,000
1,000 Bonds conversion State Securities, at \$100.....	100,000
Sterling Loan.....	6,000,000
Certificates conversion Stock.....	2,550,000
	<hr/>
	\$22,540,000

Accounted for as follows :

On Hand in State Treasury.

Bonds conversion State Securities, not signed.....	\$ 473,500
Bonds relief of Treasury, (7 per).....	101,000
Bonds payment interest Public Debt.....	50,000
Bonds redemption Bills Bank of State.....	331,000
Stock conversion State Securities.....	2,117,300
	<hr/>
	\$3,072,800

Deposited for Safe Keeping with American Bank Note Company.

Sterling Loan.....	6,000,000
<i>Bonds Cancelled and Destroyed.</i>	
500 Bonds, payment interest on Public Debt, burned in State House.....	500,000
500 Bonds conversion State Securities, erroneously printed, returned and cancelled by American Bank Note Company.....	500,000
Conversion Bonds issued in effecting conversions at State Treasury.....	1,260,500
Conversion Bond, No. 520, cancelled and destroyed at State Treasury.....	1,000
Bonds redemption bills Bank State, issued at State Treasury.....	1,259,000
Conversion Stock, issued, cancelled and transferred at State Treasury.....	432,700
	<hr/>
	13,026,000
	<hr/>
	\$9,514,000

Statement of Debt.

Old Debt.....	\$6,665,908 98
Less old bonds, paid July 1, 1871.....	212,000 00
	<hr/>
	\$6,453,908 98
	<hr/>
New Bonds.....	\$9,514,000 00
Less in hands of Financial Agent, to the credit of Sinking Fund Commission.....	200,000 00
	<hr/>
	\$9,314,000 00
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New Bonds, in hands of Financial Agent, now in use as collateral security for loans.....	\$3,773,000 00
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Amount of New Bonds sold.....	\$5,541,000 00
Old Debt, as above.....	6,453,908 98
	<hr/>
	\$11,994,908 98
	<hr/>

The facts and data upon which the foregoing statement, which has been examined and approved by the Financial Board, is based, are open to the inspection of the public, both at the State Treasury and at the Financial Agency, in New York. The Financial Board report that, "the bonds have all been issued and used under the authority of the Act of August 26, 1868, entitled "An Act to authorize a loan to redeem the obligations known as Bills Receivable of the State of South Carolina;" the Act of August 26, 1868, entitled "An Act to authorize a loan to pay the interest on the public debt;" the Act of February 17, 1869, entitled "An Act to authorize a loan for the relief of the Treasury;" the Act of March 27, 1869, entitled "An Act to provide for the appointment of a Land Commissioner, and to define his powers and duties;" the Act of March 1, 1870, entitled "An Act to amend an Act entitled 'An Act to provide for the appointment of a Land Commissioner, and to define his powers and duties,' and for other purposes therein mentioned;" the Act of March 23, 1869, entitled "An Act to provide for the conversion of State securities;" and the Act of March 26, 1869, entitled "An Act to authorize the Financial Agent of the State of South Carolina, in the City of New York, to pledge State bonds as collateral security, and for other purposes."

The three first named Acts authorized the borrowing of two million five hundred thousand dollars, on coupon bonds. Owing to the constant

and increasing depreciation in the value of the bonds, it was found necessary, in order to carry into effect the purposes of these several Acts, to issue a much larger number of bonds. The Act for the conversion of State securities, giving authority for a more available and uniform class of bonds than the one which had, in the first instance, been issued under the several Acts referred to, the remainder of the bonds required to raise the amounts of money authorized by the several Acts were prepared, in accordance with the Act for the conversion of State securities, to the amount above named.

The indebtedness of the State being as above stated, the State authorities now hope to be able to retire the bonds in New York, and to save the securities now hypothecated from sale. It is also intended to discontinue the Financial Agency in New York, except to designate some banking institution as the place for the payment of the interest on the Public Debt."

TAX LEVY, TAXES COLLECTED, AND DELINQUENT TAXES.

Many and extravagant statements have been made regarding the assessment and collection of taxes, and those not familiar with the actual facts, when compared with collection of revenue for the same purposes in other States, are doubtless frequently led to believe that taxation is extravagant and unusual. I undertake to say that not a State in the Union has collected less tax in the same length of time in proportion to its population and resources. The following is a correct exhibit of the appropriation of moneys, the levy of tax, collection of revenue per annum, and the delinquent list for the years 1868, 1869 and 1870:

Statement of Amount of Taxes Levied, Amount Collected, and Appropriations made, during Years 1868, 1869 and 1870.

Total taxation for 1868, rate of taxation, State, 7½ mills.....	\$1,338,742 19
Total amount collected.....	1,163,053 28
Delinquent	\$175,688 91
Total appropriations for the year 1868, exclu- sive of interest on public debt, for which no appropriation was made.....	\$817,968 28
Total taxation for 1869, rate, State, 5 mills....	\$1,014,901 83
Total amount collected.....	766,736 08
Delinquent.....	\$248,165 75
Total appropriations for the year 1869, in- cluding interest on public debt.....	\$1,191,805 09

Total taxation for 1870, State, 9 mills.....	\$1,670,063 66
Total amount collected.....	1,146,037 06
Delinquent	\$524,026 60
Total appropriations for the year 1870.....	\$1,604,053 54
Total delinquent taxes.....	\$947,881 26
Twenty per cent. penalty.....	189,576 25
Total.....	\$1,137,457 51

If the taxes, as shown in the foregoing statement had been paid, as they should have been, it would have saved the State at least two millions and a half of bonded debt.

BONDED DEBT.

It must not be presumed that the increase in the bonded debt of the State is the creation, in any considerable degree, of the existing administration. This increase represents mostly liabilities contracted under previous administrations, the form of the obligation, in some cases, alone being changed, while a large fraction consists of bonds issued to meet the matured principal and accruing interest of the ante-war debt, in order to maintain the faith and credit of the State.

The seven hundred thousand dollars of bonds issued for the Land Commission form the only portion of the debt actually created by the present administration, and for this the State has an ample equivalent in the lands purchased, which will ultimately repay both principal and interest.

By reference to the various Acts cited in the foregoing statement of the Treasurer, it will be seen that, with the exception of those authorizing the issue of bonds for the Land Commission, they severally provide that a specified sum of money shall be raised on bonds of the State, and not simply that a given amount of bonds shall be issued.

The amount of bonds to be issued for this purpose was not specified by law, as our securities were untried, and therefore had no determinable market value. If the General Assembly had attempted to approximate the probable market value of the new State securities, they would doubtless have rated them at not more than five or ten cents on the dollar, provided that in this they had been guided by the views of the opposition press, which, in its efforts to break down the State credit, fastened upon these securities, in advance, the stigma of a threatened repudiation, and declared that they would be worthless to the holder.

But it was believed by the Financial Board that our securities might

be so made to appreciate as to be negotiated at par, and that a million in our bonds would thus purchase a million of dollars.

As the result of the financial policy adopted, these new bonds commanded, in the early part of 1870, from 80 to 85 per cent. of their par value, and so well satisfied was I that our securities—bearing, as they did, six per cent. interest, payable in gold—would, in the natural order of things, further appreciate, that I refused my consent to sell even at those comparatively high rates. This apparent confidence of capitalists in the State Government aroused its opponents to a combined effort to depreciate the bonds, and not only were the most active individual efforts made to discredit our securities, but even the Chamber of Commerce and the Board of Trade of Charleston lent their aid to the scheme of depreciation. The exchangeable value of a State bond depends: First, upon the ability of the State to pay the interest upon it as it accrues, and to redeem it at maturity; and, second, upon the recognized and acknowledged disposition and intention of those who administer the affairs of the State, to provide for the punctual liquidation of all its just obligations. As the resources of the State were, and are, unquestionably ample, even on an ordinary scale of taxation, as compared with its indebtedness, the class of persons especially hostile to the State Government, and the principles upon which it is founded, directed their efforts to make it appear to capitalists that the State administration was corrupt and profligate, and that a popular reaction had taken place that would soon bear them into power. Founding their claims to consideration upon these false pretences, and pretending to represent the people of South Carolina, they boldly proclaimed their purpose to repudiate all debts contracted subsequent to the adoption of our new State Constitution.

As, by this course of action on the part of men professing to have the honor and credit of the State peculiarly at heart, the purchasing value of the bonds was seriously diminished, thereby requiring an increased amount in bonds to raise a given amount in money, it follows that they, and not this administration, are responsible for any undue increase in our bonded debt, upon the just legal principle that every man is accountable for the natural consequences of his own acts. Added to these causes for the decline in the value of our securities was the manifest want of confidence among capitalists in the management of our finances by our Financial Agent in New York.

In proof that this scheme to discredit the government of the State has its origin in political causes, I cite the following extracts from the *Charleston Daily News*, a widely circulated journal, published at the commercial center of the State. The first of these extracts, taken from the issue of that paper of date of July 17, 1868, but ten days after the new State government went into operation, makes it evident that the determination

to depreciate our securities was formed almost simultaneously with the advent of the present administration, and before it could have rendered itself, by any act of its own, obnoxious to the charges of corruption or improvidence:

“‘BAYONET’ BONDS.—It would doubtless be a very comfortable thing if the debt of the State could be paid, or the interest funded, until the people, under a legitimate government, are able to meet their public obligations. But this cannot be done by the motley Legislature now in session in Columbia; nor can they, by the issue of ‘bayonet’ bonds, provide, as proposed, for the deficit in the annual revenue of the State.

“The Legislature will, of course, bleed freely every property holder in South Carolina, and, as long as they usurp the machinery of the law, may compel the payment of taxation. Negro Legislators, negro Sheriffs and negro Constables may distrain, and there the scheme of financial white-washing will come to a premature end.

“Beyond this they cannot go. What capitalist would touch ‘bayonet’ bonds issued by our bogus Legislature. Would New York or Boston touch these bonds, issued by authority of a horde of negroes, and in face of the protest of the white people of the State? Would not our Northern brethren prefer to wait until after November?

“The State debt of South Carolina—the debt now existing—will be paid to the last cent, whatever the General Assembly may do; but no ‘bayonet’ bond, for whatever reason issued, will ever be recognized by the white people of the State.”

Referring to the Act of the General Assembly providing for the payment of the interest on our State bonds in specie, the same paper says, under date of December 1, 1869:

“We can pay our debt as it stands. The question, is whether one year more of Radical rule will not so largely swell the total that the people will, at the first opportunity, shuffle off the weight of care, and repudiate every dollar of debt contracted after the war.

* * * * *

“Had the Governor advised that the war debt be paid—a debt contracted for the advancement of a cause in which our people embarked fortune, life and honor—an attentive ear and willing heart would have met the proposal, and the whole subject would have been considered with kindly and generous care.

* * * * *

“Every merchant or financier does see, or will see, that the whole scheme is a job and a swindle. Beyond this, there is the certainty that the law of specie payments will assuredly be repealed as soon as prop-

erty holders and honest men have a majority in the councils of the State. This majority we shall have in less than a year."

The cry of repudiation thus raised by a large portion of the press, and continued, with a shameless pertinacity, in the interest of a small and malignant political organization, has done much to produce the recent depreciation of our securities, coming, as it did, at a time when the money markets were rendered peculiarly sensitive and stringent by various causes.

The debt statement made at the meeting of the Tax Payers' Convention in May last, and that furnished by me to the Congressional Committee in September, were correct, to the best of my knowledge, at those dates. My information as to the sale of bonds was then necessarily limited to the amount reported by the Financial Agent and Treasurer.

Twenty-two hundred thousand of the amount of conversion bonds, issued as above stated, were signed by me for the express purpose of withdrawing from the market and cancelling an equal amount of those issued and hypothecated under the Acts for relief of the Treasury, the payment of the interest on the public debt, and for the Land Commission. They were signed about the time the Tax Payers' Convention assembled. Subsequently, the Financial Agent represented that the rapid decline in the value of our State securities disabled him from getting control of the bonds deposited as collaterals, and to relieve which these conversion bonds were signed at that date.

The action of that body, and of the Charleston Board of Trade, in reference to the proposed Sterling Fund Loan, warning capitalists abroad against its negotiation, and declaring that, if negotiated, it should never be paid, had a most disastrous effect upon our securities, and thereby compelled a large and rapid increase in the volume of our bonded debt. At the time the Sterling Fund Bill was enacted, I deemed its policy a wise one, and it was endorsed as a good financial measure, by many leading financiers, both in this State and in New York. Its design was to replace our securities, already issued, with a uniform class of bonds, many of such securities not being a good delivery at the Stock Exchange in New York. This loan was calculated to commend itself to capitalists, for, while it changed the form of the debt advantageously, it was guarded with the irrepealable restriction that its proceeds should be "*exclusively used in exchange for, or in payment of, the existing public debt of the State.*"

Its very terms thus show how unwarranted was the action of the Convention in stigmatizing it as an intended increase of the bonded debt of the State. In view of all the facts in the premises, the Sterling Loan, thus discredited in advance, was not put upon the market.

The gentlemen who guided the action of the Convention on questions of finance, expressed, as a further objection to the loan, their want of confidence in the Financial Agent in New York. In evidence of the real purpose, and the wantonness of these systematic attacks upon the State credit, I would mention that I thereupon proposed that they should designate the Syndics, or Agents for the negotiation of the loan, both in London and New York. I further proposed, with the unanimous consent of the Financial Board, to guard holders under this loan from loss, through any possible subsequent action of the General Assembly in regard to it, by entering into such stipulations on behalf of the State with the Syndics charged with negotiating the loan, that no future Legislature could divert its proceeds without attempting to "impair the obligation of contracts," thereby giving the Courts of the United States jurisdiction, should a question of the kind ever arise, involving the rights of the bondholders and the faith of the State.

I instanced to them, in this connection, the decision in the case of Minnesota, where, under a similar stipulation, the rights of the bondholders were enforced by the Federal Courts, on *ex post facto* grounds, even against a provision in the Constitution of that State adopted subsequent to the creation of its debt. Nothing, however, could change their predetermined purpose. Had they and their allies displayed the same diligence in co-operating with the Financial Board for the negotiation of the Sterling Loan that they have shown in their efforts to discredit the securities of the State, our entire bonded debt would not now exceed ten millions of dollars, and the State would have been saved near three millions necessarily sacrificed in the negotiation of its depreciated bonds.

For them now to complain of our immense bonded debt and high taxation, and to claim commiseration for these direct and inevitable consequences of their own acts, is to imitate the criminal who, having murdered his parents, plead orphanage in mitigation of sentence.

On this question of responsibility between them and the State administration, I invoke and fearlessly await that just judgment which always springs from the sober second thought of the people.

The depreciation in our bonds, therefore, springs from causes purely artificial, and in their nature temporary. The State can and will redeem all her obligations, to the last cent. I might, with propriety, end this branch of my Message here, but I deem it both proper and timely to show who these men are that arrogantly and falsely assume to represent abroad the wealth of the State, and the sentiment of the people of South Carolina. They are a remnant of the class who ruled this State when the many toiled and suffered for the benefit of the few, and its Government subserved the largest good of the smallest number. Asserting and exercising a prescriptive right to govern wrong, in times past they made

the laboring masses, without regard to race, their pack-horses, to bear the burdens of a Government that conferred its benefits only upon a limited and select class of its people. They are essentially non-producers, and do not contribute five per cent. to the thirty millions value of the annual exported products of the State. Claiming to represent a large amount of capital, their names are chiefly found upon the arrear list, when found at all in the tax books, and nearly all of them have long since voluntarily recorded themselves upon the roll of bankrupts. Their pretence that they are the guardians of the honor and credit of South Carolina would be supremely ridiculous, if it were not so supremely shameless.

Their present cry of "repudiation" is not surprising. Repudiation is their chronic disease. When they were in power in 1862 they repudiated all their debts due loyal men, both private and public, and have themselves been repudiated by the people of South Carolina, upon the blood and muscle and sinews of whose hard-handed laborers these privileged few so long fattened. Professing to be the champions of good government, when they were in power, instead of effecting an equitable distribution of the taxes over all classes of property, they created numerous railway and other corporations, exempting them from all taxation forever. These corporations, although owning millions of property throughout the State, pay not one dollar of taxes into its treasury, and even successfully claim, in the courts, exemption from all municipal taxation for the residences and pleasure carriages and horses of their officers in our towns and cities, where, in nearly every street, these wealthy beneficiaries of the State own long rows of houses, untaxed and untaxable, which they buy and sell on speculation.

Remembering the general private suffering that they have caused, and the great public burdens that they have aided to create by their treasonable acts, it would better become these self-styled representatives of South Carolina to walk more humbly, and to show a grateful appreciation of the generous magnanimity that they have received at the hands of the National and State Governments, by honestly endeavoring in some measure to repair the ruin that they have made. As these persons have been pleased to except from their proposed scheme of "repudiation" the "old bonds" of the State, it may be well to inform them that should the evil day ever come for South Carolina to proclaim her perfidy or insolvency by repudiating any part of her valid debt, she will not first dishonor that class of her obligations in the benefits arising from the creation of which the largest number of her people have shared. On such a financial doomsday the last would surely not be the first.

In dismissing this branch of my Message I would observe that the local combination against our finances was simply Ku Kluxism applied to the State credit, and naturally had, upon the exchangeable value of

our securities, the same depressing effect which that infamous system has had upon the material prosperity of the State.

THE FINANCIAL AGENT OF THE STATE.

When the present State Government was inaugurated, (July 6, 1868,) there were only forty-five (45) dollars in the State Treasury. A large bonded and floating debt, incurred by former Administrations, had to be provided for. The ancient credit of the State, that had once stood so justly high in the money markets of the world, was gone. It had been blown away with the smoke of the first gun fired at Fort Sumter.

In order to meet the current expenses, until money could be realized from the tax levy, it was necessary for the State to borrow on its securities. To effect this object on the best terms for the State, the General Assembly authorized the Governor, Attorney General and the Treasurer, "to appoint, under a commission signed by them, some responsible bank or banker in the city of New York, to act as Financial Agent of the State."

To this end I visited New York, and conferred with leading banks. They all declined the agency, alleging that the duties were arduous and the time of payment uncertain; that we were only borrowers in the market.

While thus endeavoring to secure the services of a responsible and efficient Financial Agent, the name of Mr. H. H. Kimpton was presented. He was highly endorsed by prominent officials in the State, and by leading bankers in New York, among whom were the Presidents of the Broadway Bank, and the Bank of the Republic.

Although averse to appointing any individual banker Financial Agent, for reasons which time has since fortified, there then appeared to be no other alternative, and I, therefore, as one of the Financial Board, gave my assent to the appointment of Mr. Kimpton, but on the condition that he would give a bond to the State in the sum of five hundred thousand dollars, (\$500,000,) conditioned for the faithful discharge of his trust as Financial Agent. Mr. Henry Clews, a prominent banker of New York, was proposed and accepted as bondsman, and I was afterwards informed by the Treasurer that Mr. Kimpton had executed and filed his bond.

It is proper that I should here remark that the law did not require the Financial Agent to give a bond, nor are bonds ever required of their financial agents by other States, but I insisted upon it, out of an abundance of caution in the interest of the State. I mention this fact simply to show that this trust was not carelessly conferred. In referring to it I do not mean to intimate that the depreciation in our securities bears any relation to the bond of the Financial Agent, for, even though his bond

had exceeded in amount the total value of our securities in his hands, that depreciation and the consequent loss to the State could not have been thereby prevented, as it would have indemnified the State only in the event of damage received through neglect or fraud on the part of the Agent, neither of which is alleged against him.

Subsequent events have made it manifest that it was a grave mistake to appoint an individual instead of a chartered company as our Financial Agent.

An individual banker, whatever may be his capacity as a financier, cannot, in the management of large money transactions, command the same high degree of confidence, on the part of capitalists, that a corporation can.

Especially is this the case when the basis of the proposed negotiation consists of a class of securities new to the market, at a time, too, when there was an active speculative movement in the stocks and bonds of all the Southern States, and the value of the currency to holders was constantly made to fluctuate by operations of speculators in the gold market.

Hence, I again visited New York, a year ago, for the purpose of effecting a change in the Financial Agency. I found this impracticable, as the State was indebted to the Agent, and could not then arrange to liquidate that indebtedness.

The Financial Agent has probably done the best he could, under the circumstances, embarrassed and checked as he was by constant "bear" movements, originating in the State, as a part of an organized scheme to discredit its existing administration.

Nearly every leading man of the opposition—those who had capital and those who had none, but pretended to have it—joined in this scheme.

I am ready to take my share of the responsibility for our present financial embarrassment, but those citizens who combined against the credit of the State, at home and abroad, and systematically depreciated the market value of its securities, cannot evade theirs.

I am, in public estimation, held responsible for the action of the Financial Board, when, in law and in fact, the Governor has no more power in the Board than any private citizen who might be a member of it. I would add, in reference to the Financial Agent, that he has been greatly embarrassed by the practice, on the part of the Treasurer, of drawing upon the Agency for funds to meet the current expenses of the State, in the interim between the periods fixed for the payment of taxes, thus creating a floating debt constantly in advance of the revenue. I do not mean to censure the Treasurer for this course, as he doubtless thought it warranted by the exigencies of the Treasury, but the practice is a bad

one, and I would recommend that it should be prohibited by proper legislation, which should at the same time provide that hereafter no money shall be borrowed or debt contracted to defray the current expenses of the State Government, but let all those to whom money is due from the State await the collection of the taxes. This course, coupled with a system of rigid retrenchment, will soon lift the State above all present financial embarrassments, and prevent their recurrence in the future.

For a detailed statement of the transactions of the Financial Agent, I refer you to his report to the Comptroller General, for the quarter ending September 30, 1871.

EXPENDITURES OF THE STATE GOVERNMENT.

While holding the political opponents of the State Government responsible for the great depreciation in the market value of our securities—a depreciation directly due to their conspiracy against the credit of the State—I am bound by my sense of public duty to expose to the reprobation of the people the improvident expenditures incurred by the General Assembly, and the extravagant and improper disbursement of the State moneys, to which the Legislative department has given either its express or implied sanction. In so doing, I do not wish to be considered as wanting in a due and proper respect to a co-ordinate branch of the State Government, but I desire to appeal, in plain and earnest language, to the sober judgment, the decent self-respect and the public spirit of each member of the General Assembly, to give his active aid in effecting an instant reform in this direction; for the whole people, with united voice, demand it, and the condition of our finances, and every instinct of self-preservation, require it at your hands.

It would scarcely have been possible for the men who combined to destroy the credit of the State, to have executed their purpose so successfully, had not the General Assembly lent them its practical co-operation by exhausting, through its extravagance, the funds in the Treasury, thus leaving the State without any reserve-balance to meet the financial exigency.

I instance the following, among many other items of extravagant expenditures: The money drawn upon the orders of the presiding officers of the two Houses during the last session for current printing amounts to \$68,904.90. In addition to this large sum, \$30,000 were appropriated for current printing for the same session, making a total of \$98,904.90 expended on this item alone. There was further drawn from the Treasury and disbursed by the Clerks of the Senate and House, for printing the laws, &c., the sum of \$103,651.44. These figures show the enormous aggregate of \$202,556.34 expended on printing alone during and incident

to the last session of the General Assembly, while large claims for public printing are still outstanding. In addition to these expenditures, the sum of \$29,814.05 was drawn upon the orders of the President of the Senate and the Speaker of the House, for purposes not very well defined, but designated as "contingent expenses and repairs," making an aggregate, for the above specified objects, of \$232,370.39—a sum startling in its magnitude for one session of the General Assembly, and which may well bid the legislative department pause in the path that it has been pursuing.

The appropriations, including those vetoed by the Executive, aggregate a total of \$480,000. To this is to be added the amount of \$103,651.44, as shown above, drawn upon the certificates of the Clerks of the two Houses of the General Assembly, on account of printing the laws, and the grand total of expenditures, on account of "legislative expenses," amounts to \$583,651.44.

As an evidence of the pernicious consequences of permitting this "money order" system on the part of the presiding officers of the Senate and House, I refer to the fact, well known to the members of the General Assembly, that during the past year, upon the order of the Speaker of the House, an alleged liability against the State was contracted, to the amount of \$91,500, for furniture for the State House. This was entirely without warrant of law, and if the principle is admitted that moneys can be thus drawn from the Treasury, or debts contracted without "appropriations made by law," then all proper safeguards of the Treasury are broken down, and a few ministerial officers in the State may mortgage its revenue in advance, or deprive it at will of the means of meeting its legal liabilities.

THE PAY OF MEMBERS OF THE GENERAL ASSEMBLY.

The first important measure of retrenchment demanded by our financial condition, is a great reduction in the amount received by members of the General Assembly for their services.

The Constitution provides (Article II, Section 23,) that "each member of the first General Assembly under this Constitution shall receive six dollars per diem, while in session, and the further sum of twenty cents for every mile of the ordinary route of travel in going to and returning from the place where such session is held, after which they shall receive such compensation as shall be fixed by law; but no General Assembly shall have the power to increase the compensation of its own members." I would recommend that, in lieu of a per diem, each member shall receive an annual salary, to be fixed at such a rate as will greatly diminish the cost to the State of the sessions of the General Assembly, as compared with the amount now paid under the system of per diem compen-

sation. It will also enable the General Assembly to provide an assessment for the amount required for the pay of its members, and will enable them to obtain their pay with certainty. I am satisfied that a moderate, yet adequate salary could be provided by law, and a great saving be thereby effected to the State Treasury.

You would thereby also greatly diminish the incidental expenses of the General Assembly, by destroying what might offer a great inducement to many members to prolong the sessions.

I cannot refrain from expressing the hope that the present session of the Legislature will be a short and economical one, as the financial condition of the State will not admit of any unnecessary expenditure of money. All the influence of the Executive of the State will be exerted in accomplishing this end, and he trusts that he will have the active sympathy and co-operation of each and every member of the Legislative Department.

The large amount of money paid to the attachees, such as clerks, messengers, porters, &c., is without a parallel in the history of legislative bodies. It was claimed at the time by the members that most of these were men who had been driven from their homes on account of their political opinions, and it became the duty of the General Assembly to provide means for their support. While this may be true, and that it may have devolved upon the State Government to provide some means for their protection and support, yet a very unusual and expensive mode of extending that support was adopted. It might have been but justice to have made a regular appropriation and levied it upon the Counties from which these men were driven; thus the victims of political prejudice would have been provided for and the actual perpetrators of these outrages made to feel that it was an expensive way of controlling political opinions.

THE CODIFYING COMMISSION.

The Commission to codify the laws has been in existence for nearly three years, and has cost the State about fifty thousand dollars, (\$50,000,) and its work is not yet completed.

It is the opinion of some of the best legal minds of the State that this work could have been done thoroughly at a cost of not more than five thousand dollars. I would, therefore, recommend that this standing reproach to the State Government, and unnecessary drain upon the Treasury, be removed without delay, by abolishing the Code Commission and employing a competent jurist to complete the codification of our laws.

THE OFFICE OF LAND COMMISSIONER.

I recommend that the office of Land Commissioner be abolished, and that the duties of the office be devolved upon the Secretary of State.

THE SCHOOL COMMISSIONERS.

The thirty-one School Commissioners, at their present salaries, which are exceedingly large for the amount of service that they render, cost the State thirty-one thousand five hundred dollars per annum. I, therefore, recommend a material reduction in the salaries of School Commissioners, so as to reduce the expenditures on this account to a sum not exceeding ten thousand dollars per annum.

GENERAL REDUCTION OF SALARIES.

There is great and instant need for the reduction of the salaries of State officers, and for a decided diminution of the clerical force employed in many offices of the Executive Department. In some cases the State is paying clerks to perform duties that should be, and can be, discharged by the officers themselves. In my opinion the salaries of all officers, except the Judges, should be reduced one-third.

ADJUTANT GENERAL'S OFFICE.

The office of Assistant Adjutant General should be abolished, and the Adjutant General should be required to perform the duties of his office.

STATE AND COUNTY AUDITORS.

The office of State Auditor should be abolished, and its duties performed by the Comptroller General.

The office of County Auditor can be dispensed with without injury to the public service, and the duties of that office devolved upon the County Treasurer, thus effecting a saving to the State of not less than fifty thousand (50,000) dollars per annum, and securing even increased efficiency in the collection of taxes.

TRIAL JUSTICES.

I invite your early attention to the recommendations of my last Message in regard to Trial Justices. The aggregate cost of this class of officers is very near one hundred and twenty thousand (120,000) dollars annually. The Trial Justices in the city of Charleston alone entail upon the County an expenditure of about thirty-five thousand (35,000) dollars a year. I would therefore urge, in addition to my former recommendations on this subject, that the office of Trial Justice be abolished in the City of Charleston, and that, in lieu thereof, three Police Judges be created for that city, who shall receive adequate salaries, and shall exercise the jurisdiction vested in Trial Justices. I would further recommend the appointment of one Police Judge in each of our principal towns, dispensing with Trial Justices therein, and vesting in such Judges

the judicial powers now exercised by the Mayors' Courts, as, under existing Acts, the Mayors and Intendants of our cities and towns may crowd our jails with prisoners sentenced for trifling offences, thus increasing the expenses of the several Counties.

RECORDER OF THE CITY OF CHARLESTON.

I recommend that the office of Recorder of the city of Charleston be abolished forthwith. This is a State office created by Act of the General Assembly many years ago, but it has for a long period fallen into utter disuse. Although the Recorder receives a salary of twenty-five hundred (2,500) dollars per annum, and has a clerk at six hundred (600) dollars per annum, payable by the city, I am credibly informed that he has not held more than two sessions of the City Court, for the trial of criminal and civil causes, during the past ten or twelve years. It is a mere exorcism on our judicial system, and the people of Charleston should no longer be taxed to sustain it.

CLERKS OF THE SENATE AND HOUSE.

I would especially direct your attention, in this connection, to the propriety of reducing the salaries of the Clerks of the Senate and House. Taking the number of days on which these officers are presumed to be employed, their compensation per diem, respectively, is more than five times greater than that received by a member of the body in which they are subordinates, while the annual salary of each equals the highest received by any officer in the State, except the Chief Justice. This is an anomaly without precedent in any other State, and unwarranted by the present condition of the State Treasury.

ADDITIONAL LEGISLATION REQUIRED TO REGULATE PUBLIC PRINTING.

I recommend that the present system for the public printing be changed without delay, and the great drain upon the Treasury, caused thereby, checked at once. The authority vested in the Clerks of the Senate and House, in regard to the printing, should be rescinded, and a proper safeguard, and a rigid system of accountability instituted, to insure the strictest economy in this very considerable branch of the public expenditures. It should not be left to the discretion of subordinate officers of the General Assembly, however honest and judicious they may be in the discharge of such a trust. The existing system has involved an expenditure for printing so great as to have proved a real calamity to the State. It has certainly eventuated in a contract for the public printing which is a flagrant fraud upon the Treasury, and should be instantly annulled.

I have ascertained that the company with which the printing contract has been made, to-wit: the Republican Printing Company, neither owns nor controls any journal or printing establishment, and is even without legal existence, but has the work executed in this city at the regular market rates, and thus derives an immense profit from the Treasury of the State, without any outlay on their part.

STATE REVENUES.

Under existing laws for the assessment and collection of taxes, real estate is made to bear an undue proportion of the burdeas of taxation. For the purpose, therefore, of raising a sufficient revenue to defray the current expenses of an economical administration of the State, and meet its obligations to its creditors, while at the same time lessening its tax on realty, I make the following recommendations. These recommendations, if judiciously carried out, will secure the payment of taxes on classes of property hitherto practically exempt from taxation, and tend to utilize all legitimate sources of State revenue. The bulk of the cotton and rice is shipped from the State or sent to market, in the interregnum between the annual assessment of taxes, and is thus practically exempted from taxation, contributing but a small share to the amount of revenue derived from the tax on personal property. A tax on these important and valuable products, such as they may reasonably bear without checking production, and, according to value, should be especially provided for, and the necessary measures enacted to insure its collection with certainty.

THE PHOSPHATE DEPOSITS.

This vast natural source of revenue has not yet been utilized, but a comparatively small revenue having thus far been derived from it by the State. I recommend that some proper officer be designated by law, whose duty it shall be, by actual inspection and measurement, to ascertain the number of tons of phosphate belonging to the State, that are excavated by the several chartered companies, and to certify and to collect the royalty due upon the same.

LICENSES.

I recommend that all persons engaged in the sale of liquors, and all merchants, factors, lawyers and physicians, be required to take out a State license.

INSURANCE COMPANIES.

A tax should be levied on all premiums received by insurance companies.

TAX ON RAILROAD TONNAGE.

All the most important railroad companies in this State pay no taxes upon their property. I earnestly recommend that a tax be levied on every railroad company in the State, for every passenger and every ton of freight transported.

DELINQUENT TAX SALES.

To enforce the more prompt payment of the taxes, and to check the growth of the present enormous arrear list, I recommend that the law be so amended that real and personal property, subject to taxation, shall be sold at public sale, by the County Treasurers, within thirty days after the same shall have become delinquent under the tax levy—the personal property to be first exhausted, if necessary, to satisfy the tax, before sale is made of the realty—and that bonds of the State be taken in payment at par for all real estate purchased at delinquent land sales. I further recommend that the several County Treasurers shall be authorized and required to give absolute titles to all real estate and personal property so sold, within sixty days after the date of such sale; that the State shall warrant and defend such titles, and they shall be held and taken by all Courts in the State as titles in fee simple; and that, in all legal proceedings, the said Courts shall be concluded by said titles as to all matters touching any irregularity that may have been had in connection with such sales, and which may be alleged against the validity of the said titles. This provision, as to time of sale and redemption, not to apply to the property of minors and persons who are *non compos mentis*, or confined in public prisons.

I would also urge that the provision of law requiring County Auditors to purchase lands for the State, at delinquent land sales, be repealed, and that all such lands, heretofore purchased by the State, be sold without delay, subject to the claims of those who may hold any of such lands under the State lease, as provided by law, should there be any such unexpired leases at the time of sale.

AMOUNT OF TAXES IN ARREAR.

As an evidence of the need of additional legislation to enable the State to realize the delinquent taxes, I mention the fact that the amounts due on the arrear lists, for the years 1868, 1869 and 1870, aggregate one million one hundred and thirty-seven thousand four hundred and thirty-three (1,137,433) dollars.

SALE OF STATE LANDS.

I further recommend that the lands purchased by the Land Commission, and all other lands owned by the State, be subdivided into suitable

areas, and sold at an early period, at a rate per acre to be fixed by law, according to classification, and that bonds of the State be taken in payment, at par, for all such lands.

The State lands are now estimated to be worth one million (1,000,000) dollars, at a minimum valuation.

THE KU KLUX.

The existing intervention of the military power of the United States, for the suppression of "domestic violence" in the State, demands that I should review the causes that have made that intervention necessary. I perform this duty with a deep sense of humiliation as an American citizen, and with profound regret as the Chief Magistrate of South Carolina. It had long been the boast of our political system, founded as it is upon the expressed will of the people, that the peaceful agencies of the law were alone sufficient for the protection of life and property. When, therefore, it becomes necessary for the civil authorities to invoke the aid of the military, for the protection of the citizen in the exercise of his vested rights, it is a declaration to the world that within the limits of the State crime triumphs over law. That such is the fact is justly due to no act of the present State Government. It has assailed no private right, and committed no public wrong, and always remembering that it was established to advance the interests of the whole people, it cannot, with justice, be charged with ever having wantonly injured a citizen either in his person or estate.

The members of the Constitutional Convention of 1868, with remarkable unanimity, excluded from the new Constitution every proscriptive feature, and, by its provisions, no citizen was disfranchised, and every class of persons and property was guaranteed the equal protection of the laws. The administration elected under that Constitution endeavored faithfully to reflect the generous spirit of its framers. Impelled by my own personal sentiments, no less than by what I deemed a wise public policy, I saw in the men who had rebelled against the National Government only the citizens of my country, who, if they had done much wrong, had also, as a consequence, endured much suffering, and I sought to win them back to a better feeling, that all classes of our citizens might dwell together as brethren, under the shelter of a common mansion, and that the united efforts of the whole might be directed to lifting the State up from the universal prostration caused by the wanton acts of a part.

Actuated by these motives, and as a testimony that the new administration was neither partisan nor vindictive, in my first Message to the General Assembly I used the following language on the subject of political disabilities:

"I would earnestly recommend that your honorably body will, at an early period, memorialize Congress to relieve every citizen of South Carolina from all political disabilities. I make this recommendation the more readily from the fact that there are believed to be none of that class in this State who have committed infamous offences against the laws of war."

"The statute of disfranchisement was doubtless wise and proper at the earlier stage of reconstruction, and justly marked the nation's abhorrence of those who, having been the trusted leaders of the people, had led them into rebellion against the benign government of their country. Yet the continuance of such disfranchisement would be an anomaly under our Republican system based upon the doctrine of universal suffrage. Let us hope that such an act of magnanimity will not be mistaken by the class disfranchised, while to deny it will tend to make them objects of sympathy, and will be, as it were, to keep a knife sticking in an open wound."

I would add, that I have neither abandoned the hope or the sentiment that impelled that recommendation, so far as the industrial class of the whites are concerned. Although they contributed largely to the wealth and strength of the State, yet, in former times, they were not permitted to take any part in the administration of its affairs. There is no natural antagonism between them and our present system of free government, which, in its paternal care for the welfare of its citizens, has, for the first time in the history of South Carolina, enacted a homestead law, which guards the threshold of the poor man's dwelling, so that remorseless creditors may not enter and sell the roof that shelters his wife and children, or seize the products of the few acres that supply his table with food. Whatever feeling of hostility any of these may entertain against the government of their country, is the result, in a great measure, of the willful misrepresentations of their former privileged rulers, to advance their own political ends.

The General Assembly promptly seconded this effort to restore universal good will among our people, by devising an equitable system of taxation, and by the enactment of laws for the development of all the industrial interests of the State.

As an evidence of the beneficent policy of the new State Government, I cite the facts that most of the Circuit Judges elected by the General Assembly were known not to be in political accord with the majority of its members, and none of them were political partisans. More than half of all the officers appointed by the Executive were of the opposition, and the old Magistrates, who had held their places for years, were generally re-appointed. That this liberal course on the part of the new Ad-

ministration was not due to a paucity of material in its own party, is shown by the fact that this policy was pursued even in Charleston, where there were numerous Republicans capable and willing to fill all the offices in that vicinity. All the old Magistrates in that city were re-appointed, and the best position in the County of Charleston, the County Treasurership, was bestowed by me upon a citizen known to be politically hostile to the State Administration.

I recur to these facts to show that the armed violence which has prevailed in the State, and has successfully bid defiance to the civil authorities, cannot find a vindication in the plea, which so justly commends itself to the American mind, that it was the result of a reaction against oppression—an appeal to force to remedy wrongs for which there was no other remedy.

Indeed; this system of organized murder began in 1865, immediately after the cessation of hostilities in the open field, inaugurating a condition of affairs that has continued with varying intensity up to the period of its recent culmination, and which differed in its destructiveness from actual war only in this, that *the killed and wounded were all on one side.*

In evidence of this, I refer to the well known fact, that my immediate predecessor, one of the most worthy and eminent citizens of the State, Governor James L. Orr, was both publicly and privately maligned for his efforts to suppress it and enforce the laws against the criminals. The class of men who assailed him for the faithful and fearless discharge of his duty are the same who openly defend the Ku Klux and secretly moved the springs that put and kept them in motion.

A better temper seemed to prevail among this class in the early part of 1868. This, however, was rapidly changed under the written teachings and public speeches of the opposition press and leaders. By the notorious Broadhead letter of General Frank P. Blair, and kindred utterances, announcing the speedy advent of a national administration that would "trample under foot" the whole system of reconstruction, the dormant disloyalty of the opposition leaders in this State was galvanized into action, as is a palsied limb of the human body by the thrill of the electric spark.

These leaders at once evinced a recalcitrant spirit. They assumed the air and speech of a defiant conqueror, and where they did not vindictively assail the principles of the National Government, of whose rare magnanimity they were living proofs, they would declare, as the farthest limit of their loyalty, that they "accept the situation;" an expression which has now become stereotyped, and which, on the lips of such men, conveys both a falsehood and an insult, in the sense in which they use it, as it implies a reserved right to refuse obedience to the

laws of their country, whose authority they ceased to assail only when they were deprived of the power to resist it.

They mistook the magnanimity of the Government for weakness, and presuming upon its forbearance, bore themselves as if they had been the victors in the late struggle. These old party leaders soon fanned into flames the expiring passions of their followers in the rebellion, doubtless fearing that the new political system might, if unchecked, induce the white masses to break the thralldom that had so long bound them under the ancient rulers of the State.

They denounced the State Government, elected by a majority of forty-three thousand of the voters of the people, as "a tyrannical usurpation," and "a negro oligarchy," designed to crush out white men; and they stigmatized its loyal supporters as "thieves and robbers," and passed a general sentence of outlawry upon every Republican, without regard to character. The seed thus scattered broadcast from the rostrum, the pulpit and the press, soon produced a terrible harvest. That Republicans were the victims of frequent murders, both open and secret, could not be accounted for on any known theory of mere coincidences. It soon became evident that there was "method" in this "madness," and that a large mass of the whites, obeying the "bloody instructions" of their political leaders, were engaged in a concerted effort to suppress Republicanism in the State, by murdering Republicans, white and colored, solely because of their political opinions. I endeavored to check this system of violence and terrorism by an energetic use of the State Constabulary, and other civil agencies at my disposal. In this I measurably succeeded for a time, although the alleged criminals were invariably bailed, or escaped punishment through jurors in accord with them in political sentiment.

Just previous to the general State election of October last, there was a comparative lull in these outrages. The opposition party, in that election, was again defeated by an immense majority. That defeat aroused the fiercest hate in the breasts of their leading men against every loyal man in the State, and, through their efforts, the most perfect cohesion was given to the disloyal elements in the upper Counties, where there was an approach to a numerical equality between the two parties.

In November following the election, a prominent citizen of the State, an active and recognized leader of the opposition party, used the following language, in an address delivered in this city to the Confederate Survivors' Association:

"Defeated on the battle-field, defrauded at the ballot-box, we have but one remedy! The dagger, that was made illustrious in the hands of Brutus, must, in the daylight and *in the dark*, cut its way to the hearts of the miscreants who now misrule our native State."

That this language was used on that occasion by the person referred to, I have the testimony of gentlemen of the highest respectability, who heard it. Scarcely less incendiary was the tone of the opposition newspapers throughout the State, as the following extracts from their editorials of that period clearly demonstrate, and fasten upon them much of the responsibility for the baleful consequences that ensued:

“Remember that we are the white people, and that they are the negro; that they have chosen their ground, and arrayed themselves against us with a determination and hate which are unmistakable, and that our policy is to let them alone and take care of ourselves. But we must have organization, not politically, be it remembered, and the views below are worth consideration. Let us have a thorough understanding and a union of the whole white people of the State, not forgetting, either, the worthy exceptions among the negroes who have identified themselves with us, or any others who may see fit to cast their lines in with us.”

[*Newberry Herald*, Nov. 3, 1870.

“The time for temporizing, argument and conciliation, is passed; we shall have no more of it. A straight and severe line must be drawn between the races. The colored people have chosen their ground with the advice of the ringleaders, and they must follow it out without aid or sympathy from their former white friends. The white people have the power and the brains and the determination to hold their own and protect themselves, and they will do so. The negroes have followed their devices one time too many, and now let them look to others for help, assistance and sympathy.”—*Darlington Democrat*, Nov. 3, 1870.

“We understand, therefore, and accept the solid black vote cast against the nominees of the Reform party as a declaration of war by the negro race against the white race, by ignorance against intelligence, by poverty against actual or potential wealth. This issue we have striven to avoid, but the negroes will have nothing else. They will not allow us to work with them; we must, if necessary, work against them. Conciliation, argument, persuasion—all have been worse than useless. The white people stand alone. And they must organize themselves and arm themselves, not as ‘a white man’s party,’ but because the past and present prove that decency, purity and political freedom, as well as the preservation of society, are identical with the interests of the white people of the State.”—*Charleston Daily News*, Nov. 7, 1870.

I shall not multiply these evidences from the opposition press, but cannot refrain from uttering a reflection that their candid admissions forcibly suggest.

The two parties in the State during the campaign to which these extracts relate, ran their respective candidates upon platforms that were almost identical in terms, and were alleged by the opposition to be identical in principle. The fact, therefore, that those who claim to possess all the intelligence, and who do possess much of the potential wealth of the State, were so utterly defeated, cannot be referred to mere party differences. Nor can it be explained by charging such defeat to those who are offensively termed “carpet baggers” and “scallawags,” for the number of whites who are active Republicans in this State may almost be counted on the fingers of a man’s hands. The cause lies deeper than this. It is doubtless due to the “negro’s” just perception of character, either intuitive or derived from long experience and close observation, which enables him to look beneath the mere planks of a platform, and discriminate between those who are loyal and those who are disloyal to the government of his country. Hence, he would unquestionably vote as he does, even though every white man in the Republican party in this State should go over to the opposition. He doubtless also perceives that these men bear the same relation to the National Democratic party, of which they claim to be members, that the mere guerrilla or bush-whacker, plundering and murdering on the outskirts of a great army, does to the regular soldier in its ranks.

These appeals were quickly responded to. In many Counties of the up-country bands of armed horsemen, thoroughly masked, rode at midnight to the houses of peaceable Republicans and shot them down in cold blood. Colored men, Republicans, charged with offences, and imprisoned on probable cause, were taken from the jail and inhumanly butchered, to evade the effect of a writ of *habeas corpus* which had been issued in their behalf. Hundreds of Republicans, white as well as colored, law-abiding citizens, were tied to trees and whipped, and their bodies lacerated with cowhides. On the day succeeding the last general election, (October 20, 1870,) an attack was made by these men on a member of the State Constabulary, at Laurens Court House, while the Court was in session, which attack was the signal, evidently, for the execution of a preconcerted plan to murder Republicans; for the instant it was made a large number of the citizens of the town, all of them of the opposition, formed line of battle and began firing, killing several Republicans upon the spot, without provocation, and hunting down those that fled, and placing them in position, and then deliberately shooting them to death. They then went to the post office and demanded the ballot-boxes from the Post Master, in whose custody they supposed them to be deposited—the Republican ticket, as they correctly thought, having been elected. In this affair, thirteen (13) Republicans were killed and many wounded. Not a man of the opposition was injured. In this and

other Counties many were compelled to abandon their families and growing crops, and fly for their lives, and others were required and forced to make a public recantation of their Republican principles from the steps of the County Court Houses, and in open daylight. In obedience to the mandates of these masked murderers many of the local officials resigned, although they were chargeable with no malfeasance in office. In proof that these deeds of violence sprang from no local grievance, but were a part of a general political plan, I refer to the fact that they were committed in several Counties—Union, Spartanburg, York, Chester, Chesterfield, Laurens, Fairfield and Newberry—where all the judicial and other appointees of the administration were of the opposition.

In view of this condition of affairs, the State capital was thronged by refugee Republicans, and in the months of January and February last I was earnestly urged by many loyal men, including numerous members of the General Assembly, to call out the militia and declare martial law over those Counties where these acts of lawless violence were being perpetrated. This I refused to do, for reasons which I then thought, and still think, were judicious and proper. I had at my disposal but a comparatively small militia force, composed nearly altogether of colored men, as this class alone, with but few exceptions, had offered themselves for enrollment and organization, and they alone could be relied on as loyal citizens. As an evidence of this fact, I would state that a captain of a militia company, composed of white men, in this city, having applied to me for ammunition, I asked him if he would obey my orders as Commander-in-Chief, in the event of an armed collision arising from an attempt to enforce the laws, to which he frankly replied: "In case of difficulty, I will go with my race." He was told that it was not a question of race, but a question of enforcement of the laws against those who proposed to set them at defiance. The militia were, for the most part, undisciplined and unskilled in the use of arms, for they were reared under a system of law which even forbade their having a fire-arm in their possession. I was convinced that if put into the field they would have been instantly confronted and attacked by a large body of veteran soldiery, well organized, and equipped with the most improved arms, and forming a part of a vast organization extending through adjacent States, with which they had easy lines of communication. In such a conflict it was evident that the militia would have been beaten—either driven back or slaughtered. In that event, I feared a general retaliation, which would have speedily made the entire State the theatre of an internecine war.

But, supposing the militia successful in such a conflict, the opposition papers and the Associated Press agents in this State would have proclaimed to the country that the State administration had, for a political purpose, in-

augurated a "war of races," and even loyal men of both parties in the North, who have no sympathy with the perpetrators of these unnatural crimes, would have been led to believe that the contest here was one between the "negro and the white man," instead of being, as it is, an issue between the loyal friends of the Government and its disloyal enemies.

Such an impression in the country would have had a peculiarly disastrous effect upon the future of the colored population throughout the entire South.

In addition to these considerations, I thought, and still think, that it was the paramount duty of the Government of the United States to protect its loyal citizens in the enjoyment of "life, liberty and the pursuit of happiness."

The negro was a slave by virtue of the Constitution of the United States. By the Government of the United States he was emancipated and made a free, American citizen. The Government of the United States is, therefore, morally bound to protect him in the full exercise of his vested rights, and, if need be, to educate him to exercise those rights understandingly, for he was kept in ignorance pursuant to its laws. If the Government of the United States fails, when necessary, to discharge this duty, then emancipation was a political crime, and the negro is left to become the obedient tool or wretched victim of the disloyal enemies of the Government, and to suffer outrage because he is its friend. Moreover, I viewed the use of the military for the execution of the laws with extreme repugnance, and required that the civil authorities should first exhaust their powers through the *posse comitatus*. In the following letter, addressed to the Sheriff of Fairfield County, and published for the information and guidance of peace officers in other Counties, I enjoined upon the local Magistrates and peace officers of that County to act with vigor, and, at all hazards, to bring these criminals to justice, at least such of them as were known, and where there was proper evidence on which a warrant could issue:

"STATE OF SOUTH CAROLINA,
"EXECUTIVE DEPARTMENT,
"COLUMBIA, May 2d, 1871.

"To the Sheriff of Fairfield County:

"SIR—I have been credibly informed by a number of citizens of Fairfield County, as well as by your own official communication, that on the night of the 29th ultimo, a body of armed men, in disguise, rode into the town of Winnsboro, and left at the houses of several County officers a written paper, in which they were commanded to resign, and threatened with violence if they failed to obey. As you are the chief executive officer of the County, it is your duty to take measures to ascertain and

bring to justice these masked violators of the public peace, and, for this purpose, you should promptly invoke all the resources which the law places at your disposal. In the last resort, should the ordinary service of process prove inadequate to make the necessary arrests, by reason of any armed combination, you will call out the *posse comitatus*, which call, I have no doubt, will be responded to by all good citizens. In all cases of this character, where citizens are put in terror by armed bands of lawless men, it is expected that the local authorities should exhaust all legal resources to give adequate protection to life and property, before the State Executive can properly intervene by extraordinary exhibitions of force, hitherto unknown to the administration of the laws in civilized communities. The failure of the proper County officers to exert their utmost vigilance to detect, and their most vigorous efforts to bring to punishment, all disturbers of the peace, will be deemed evidence of their flagrant neglect of duty or gross inefficiency. It is a grave reproach to the people of Winnsboro, that a band of fifty disguised horsemen should have been permitted to enter their town, and occupy it for several hours, with the declared purpose of putting in terror, or inflicting violence upon, the sworn public officers of the County.

"In this connection, it is proper that I should call your attention to the recent Act of Congress, which makes all citizens who are privy to any acts of organized violence, and fail to give any information in their possession that may lead to the arrest of the perpetrators, *particeps criminis* in their guilt.

"Very respectfully,

(Signed)

"ROBERT K. SCOTT, Governor."

The officers did not act, being either paralyzed by fear or in sympathy with the criminals. In common with many others, the loyal men among them seemed to regard this as a purely personal government, and to expect that the Executive should discharge the duties of all the Departments of the State.

At this juncture I determined to make a final effort to restore public order without military force, and I therefore invited prominent citizens of the disaffected section to a conference with me at the capital. They were all recognized leaders of the opposition, and of acknowledged influence in their respective Counties. I had hoped much from their co-operation in the interest of law and order which they professed to advocate, knowing, as I did, that the masses of the whites in this State would, from the mere force of former discipline, heed their admonitions. The conference was held. All of these gentlemen deprecated acts of violence, but denied the existence of the Ku Klux organization in South Carolina, while some of them indirectly sought to extenuate acts of violence that they could not well deny, by

referring them to what they were falsely pleased to term "negro rule."

They alleged numerous acts of incendiarism by negroes, which allegations, derived from the opposition press, and often repeated; have been proved base fabrications, in the main, designed to offset or palliate the burning of school houses erected for the instruction of colored children.

These gentlemen, however, promised me their co-operation to the end in view, and I believed them. I am not advised that any effort was made to fulfill those promises. Certainly they effected nothing. Having exhausted all the civil power under my control to suppress this insurrection against the constituted authorities, I made application, in accordance with the Constitution of the United States, to the National Government to protect the State "against domestic violence."

The magnitude of this organized system of crime was made apparent to Congress, the evidence in the possession of the Government showing that the Ku Klux bands, in South Carolina, were "but parts of a stupendous whole," having a broader scope than the redress of a mere local grievance. Congress, "by appropriate legislation," having granted the necessary powers, His Excellency the President of the United States, on the 17th day of October, 1871, suspended the writ of *habeas corpus* in the Counties of Spartanburg, York, Marion, Chester, Laurens, Newberry, Fairfield, Lancaster and Chesterfield.

The County of Marion was subsequently excepted from this list, and the County of Union very properly substituted therefor—Marion having been originally embraced, instead of Union, in the first proclamation of the President, through a clerical error.

An adequate force of United States troops is now in the State, and, under the direction of an energetic and discreet commanding officer, they are actively engaged in arresting the Ku Klux criminals wherever legal testimony of guilt is furnished.

Many persons of the suspected class have fled from the upper Counties, while at the same time protesting their innocence of crime. Flight from arrest by officers of the law is not generally regarded as furnishing a very strong legal presumption of innocence. It would be far better, however, for the State, that all of this class should abandon it forever, than that even one industrious laborer should be murdered or driven away from the pursuits of useful industry. The former are usually drones in the human hive, while upon the products of the toiling mass repose the whole wealth and prosperity of the State.

I am officially informed that thus far about six hundred arrests have been made in this State, under the Act of Congress. The persons arrested, and now, for the most part, held for trial, represent almost every class in society; from the humble laborer and small farmer, to the wealthy planter, practicing physician, lawyer, and minister of the Gospel.

I have endeavored to be historically exact in recording what must pass into history as a reproach to American civilization, and is now known of all men as the shame of the State. It presents the most extraordinary spectacle of a complete relapse from civilization into barbarism known in the annals of mankind; surpassing, in its atrocity, the "Thugism" of India, for the Thug spares woman and the aged, but the Ku Klux exempts none from his vengeance, in his effort to strangle Republicanism. If any impartial man, jealous of the honor of his kind, hesitates to believe such things possible in a civilized community, let him visit the jail in this city. He will there find scores of the veritable actors in these deeds of blood, many of whom have voluntarily confessed their crimes as Ku Klux, these last being poor, deluded men, to whom I trust the utmost clemency of the national Executive will be extended, for they are but the blinded victims of their cultivated leaders.

Some of them but recently showed, or offered to show, their scarred backs to a distinguished United States Senator from Rhode Island, (Mr. Sprague,) they having been lashed by order of officers of their own Klan, because, when ordered to shoot men marked for murder, they had, out of natural pity, "*only whipped*" the intended victims.

Those who, with an air of indignation, and with a well-affected concern for constitutional liberty and "State sovereignty," demand who has caused the military intervention of the United States in the affairs of the State, may be justly referred to the Ku Klux and their organizers and aiders and abettors, for their answer.

In the foregoing remarks, I have reluctantly used political designations, contrary to what I deem a proper custom in a Message of the Chief Magistrate of the State, who, in his official capacity, should know no party. But I found this unavoidable, in treating of these great crimes, that sprang solely from political causes; nor can I regard men loyal to the Government who set its laws at defiance, and use every means in their power to destroy its very existence.

THE TAX PAYERS' CONVENTION.

In the month of May last a highly respectable body of citizens, styling themselves "The Tax Payers' Convention," assembled at the State Capital, for the ostensible purpose of making inquisition into the financial administration of the State. They were furnished every facility to prosecute their proposed investigation, and the books, records and papers of the several bureaus in the Executive Department were unreservedly laid open to their inspection. The result of this investigation, prosecuted with great diligence, was, that they gave a reluctant confirmation, in the main, to the official debt statement, which they had primarily assembled to discredit.

Having been requested by the Convention, through its Committee, to extend the time for the payment of taxes, in the cases of those to whom it was not expedient to pay, or who could not make payment within the prescribed period, I informed them that the tax books would be opened in November for the receipt of taxes, but, in cases where parties are unable to pay, or could not pay without a sacrifice, I would extend the time to March the first, without the delinquent penalty attaching. Pursuant to my promise, I have directed the proper officers to grant an extension in every such case, that may be certified to them by the person asking it.

MINORITY REPRESENTATION.

The subject of minority representation engaged the earnest attention of the "Tax Payers' Convention," and they presented many cogent reasons for its immediate adoption into the elective system of this State. In accordance with my promise to them, I present this important matter for your gravest consideration.

I recognize the *principle* of minority representation as both wise and just. It secures to the several party divisions in the State a direct and proportional representation in its administration. It thus institutes a check and balance against that injudicious or oppressive exercise of power that is too apt to ensue where its undivided possession is held by a large party majority. The advantages of the system have been recently exemplified in practice at elections in England and in the States of Pennsylvania and Illinois. In those States, however, citizens divide into parties upon questions merely affecting the State or national policies, and they seek only by legitimate means to elevate to power the exponents of their views. There no man's party affiliation furnishes any just presumption against his loyalty to his country, and no citizen who is loyal is, for that cause, subjected to the hazards of murder, exile and the lash, or the certainty of public and social proscription.

Here, on the contrary, the minority are organized upon a basis which practically calls in question the very principles, and the fundamental law upon which the State and National Governments repose.

The end sought by the proposed system could long since have been practically accomplished, but for the bitter spirit of intolerance engendered and fostered by party leaders of the opposition among their followers.

I have been at all times ready, as is well known, to co-operate with all moderate men, without regard to party affiliations, in securing the election to public office of those only who were worthy and well qualified. My own course in this regard has not only been illustrated by the Executive appointments, but by the personal aid that I have invariably extended to elevate to public position those native whites who, although

classed, at the time, with the opposition, were gentlemen of character and intelligence, and fair and temperate in their political views. In proof of this I instance, with great gratification, Chief Justice Moses, and Circuit Judges Ex-Governor J. L. Orr, Green, Melton, Graham and Farmer [the last an *ad interim* Executive appointment] to whose elevation to the bench I gave my cordial support. These gentlemen were all trusted and honored under the ancient *regime*, and will compare favorably, in point of personal character and capacity, with any citizen of the State.

I submit, however, for your deliberate consideration, whether the men who are now demanding the establishment by law of the system of minority representation, are entitled to this act of magnanimity at your hands. It is for you to determine whether the line of policy pursued by them since the adjournment of the Tax Payers' Convention, tends to commend the speedy adoption by you of an elective system, which must largely increase the number of those in the General Assembly who are hostile to our system of free government.

FREE COMMON SCHOOLS.

The State Superintendent of Education states that he had hoped to be able to submit, in a full and complete form, his third annual report, but found several of the annual reports of the County School Commissioners so inexcusably defective, that he was compelled to return them for correction, and, on this account, the completion of his report has been unavoidably delayed.

The following general statements are presented:

The scholastic population of the State, as shown by the census of 1869, is as follows:

White males.....	40,956
Colored males.....	58,776
Total males.....	99,732
White females.....	41,240
Colored females.....	56,207
Total females.....	97,447
Total white.....	82,196
Total colored.....	114,983
Total scholastic population, 1869.....	197,179

The returns of this year will show a scholastic population amounting, in the aggregate, to more than 200,000.

The whole number of pupils attending the Free Common Schools of the State, for the scholastic year 1871, is about 67,098.

The whole number of Free Common Schools in the State is 1,639.

The whole number of School Districts in the State is 462.

The Free Common Schools throughout the State are kept open about six months in the year.

The whole number of teachers employed in the public schools is as follows:

Males.....	1,150
Females.....	705
Total.....	1,855

The average salary paid to teachers is \$35 per month.

The following is an exhibit of the school funds of the State for the fiscal year ending October 31, 1871:

Regular legislative appropriation.....	\$150,000
Amount of poll tax collected, estimated at.....	50,000
Deficiency appropriation.....	40,000
Total.....	\$240,000

A majority of the School Districts in the State have voted a school tax, but the Superintendent has no means of ascertaining the aggregate amount.

There is evidently a lack of interest in the cause of Free Common School Education, and it is hoped that some practical and simple plan for raising a school revenue, by means of local taxation will be speedily devised, and that the people interested in the general results of education, will, through their personal influence, aid in extending means. A reasonable degree of progress, taking into due consideration the adversities and difficulties encountered, has been achieved in the educational work during the scholastic year. The school attendance for the year 1871 more than doubles that of 1870. The "School Law," though not faultless, will not fail to produce very favorable results if it be properly enforced, and the Superintendent testifies that the people are gradually acquiring an interest in the cause of public schools.

It will be noticed that \$35 per month has been paid to teachers, male and female, throughout the State. I am surprised at the high average of compensation paid for this service, as it is well known that the qualifications of a large portion of these teachers would not enable them to earn over one-third of the pay now received in any other vocation they might adopt. It is the duty of the General Assembly to interpose in the expenditure of the appropriation for this purpose, and while advancing the means of education, limit the amount paid teachers to such a compensation as their services would legitimately command. In the higher

grades of schools in our towns and cities the teachers who can fill the situations are entitled to compensation in proportion to their qualifications; but in the country schools it is a well known fact that the teachers generally employed can do but little more than impart the rudiments of a common school education, and yet they receive the pay of first class teachers; this extravagance in disbursing the appropriations for schools is one of the principal causes that embarrasses the Superintendent of Education.

In no portion of the United States are school teachers regarded as a beneficiaries of the State, but they adopt the vocation as a means of gaining a livelihood, and in country places the cost of living is a mere trifle, and the compensation is proportionably reduced. The same rule should be adopted here that prevails in other sections of the country, and School Commissioners should give this their attention, for, to my personal knowledge, very large and extravagant claims for the services of teachers have been favorably acted upon by the Legislature, whereas the parties making the claims could not have earned twenty-five per cent. of the compensation demanded, thus robbing the children who needed the benefit of the appropriation for educational purposes. I trust this matter will engage your earnest attention, as it must be patent to every member of the Legislature that the foregoing is no exaggerated statement of the waste of public school funds.

I would further recommend that you memorialize Congress, through our Representatives, on the adoption of a National system of Education, and more especially on the subject of contributing means towards the education of that class of children of the Southern States who have been hitherto totally deprived of the means of education, in pursuance of the Constitution and laws of the State and nation. At the close of the recent rebellion, those held in slavery were turned loose upon the world with neither education, or even houses to shelter them, but were left to the mercy of those who had but recently held them in bondage. It could scarcely be expected that assistance would voluntarily be rendered them by those who felt that a great wrong had been inflicted on themselves by the loss of this class of legal property. They have, therefore, before them years of struggling and hardship, before they can, unaided, succeed in educating their children, and prepare them for the duties of citizenship. A national system of education, supported by the General Government, would secure equal advantages to all classes of children.

THE LUNATIC ASYLUM.

The report of the Board of Regents of the Lunatic Asylum, including the Annual Report of the Superintendent and Physician, communi-

cates much valuable and interesting information in relation to this important institution. And the valuable suggestions of the Superintendent are earnestly recommended to the attention of the Legislature. The Regents speak of the Superintendent (Dr. Ensor) as having, during the past year, effected many long needed reforms in the affairs of the Asylum, and, by his intelligent and untiring exertions, made very decided improvements in its various departments, and thus contributed largely to the comfort of his unfortunate charge.

The various statistical tables referring to the operations and condition of the Asylum are full and satisfactory. The number of patients admitted during the year was 125, of which 71 were males and 54 females. The number of patients in the Asylum, October 31, 1871, was 370: whites, 295; colored, 75; 185 males, and 187 females; of whom 30 were discharged cured, 10 improved, 3 unimproved, and 32 died. The supposed causes of insanity of the patients admitted during the year was: Hereditary, 12; Epilepsy, 10; Consumption, 5; Intemperance, 5; Domestic Trouble, 5; Child-birth, 5; Congenital, 6; Masturbation, 4; Typhoid Fever, 3; Meningitis, 2; Eating Opium, 2; Injuries to Head, 2; Uterine Diseases, 2; Softening of the Brain, 2; Hepatic Derangement, 2; Heart Disease, 2; and there were one each of Syphilis, Influence of Puberty, Exposure in the Army, Malarious Poisoning, Cancer, Pregnancy, Suspension of Menses, Bad Health, Unknown. The form of insanity in patients admitted during the year was: Acute Mania, 16; Chronic Mania, 11; Puerperal Mania, 5; Dementia, 20; Imbecility, 11; Epilepsy, 11; Melancholia, 14; Idiocy, 7; Delusional Insanity, 20; Monomania, 2; Hysterical Mania, 3; Dypomania, 1.

A larger number of patients have been admitted than in any previous year, and the whole number under treatment during the year was greater than ever before.

The receipts of the Asylum have been, from patients,	\$ 9,824 78
From the State Treasurer.....	34,000 00
	<hr/>
	\$43,824 78
	<hr/>

Indebtedness of the Institution, on account of this	
year's transactions.....	\$21,271 48
	<hr/>

With this brief resume I must refer you to the reports of the Board of Regents and Superintendent for a more detailed statement of the affairs of the Asylum. Some important suggestions have been made, which space does not permit me to notice at length. I must say, however, in providing the necessary appropriations to extend the usefulness of this humane Institution, as recommended by its officers, I feel it my duty to

caution you against making more liberal appropriations than the income of the State at present justifies.

THE SOUTH CAROLINA PENITENTIARY.

The Board of Directors of the South Carolina Penitentiary furnishes the annual report of the Superintendent of the institution, with its accompanying exhibits, showing fully and satisfactorily its practical workings. I regret that the late hour at which it was furnished precludes a more exhaustive analysis of its contents, which throw much light on the workings of this institution, so important not only to the material interests of the State, but to the moral and industrial interests of its inmates. I can do but little more than refer you to this report, and call your attention to its recommendations.

The expenditures of the Penitentiary for the year ending October 15, 1870, for all purposes, amounted to \$104,134.02, and the value of work done and manufactured articles produced, to \$98,626.02, which leaves \$5,558 as the actual cost to the State of its Penitentiary, an exhibit which reflects much credit upon the Superintendent and Board of Directors for the efficient management of the institution, as well as to their subordinates, for the skill and zeal with which they have directed their labors.

On the 15th day of October, 1870, the Penitentiary contained.....	317 inmates.
Received under sentence since.....	231
Recaptured.....	9
	—
Total during the year.....	557
From which were discharged by expiration of sentence.....	69
Pardoned.....	153
Died.....	13
Escaped.....	13—248
	—
Number now in confinement.....	309

Whereof 301 are males and 8 females. Two of the latter have each a child, one of which was born a short time after the mother's arrival. The evils adverted to in the Superintendent's last report, of imprisoning women in a penal institution unprovided with facilities and conveniences necessary for an absolute separation of the sexes, are still unabated, and it is earnestly hoped that they may be provided for in some appropriate asylum.

The estimates accompanying the Superintendent's report, which he claims will admit of no abatement, for salaries, materials, clothing, &c., aggregates in the neighborhood of \$130,000. In addition to which there is an actual deficiency of \$17,457, the items and the necessity for the expenditure of which are explained. The erection of permanent workshops is of imperative necessity for the welfare and true prosperity of the institution. The time is rapidly approaching when the unskilled labor now utilized must be dispensed with, and the force now so employed will have to be otherwise occupied, by gradually instructing them in the mechanic arts appropriate to an institution of this kind; and, if provision is not made in time for teaching the inmates these industries, much loss will be incurred by the State, and disease and demoralization result to the convicts.

It will be seen from the above table that one hundred and fifty-three (153) convicts have been pardoned during the past year. Of these eighty-five were pardoned on the recommendations of presiding Judges and the petitions of numerous good citizens of the Counties in which they were convicted, and sixty-eight, when within a few days of the expiration of their sentences, for good conduct.

Very harsh criticism has been indulged regarding an alleged excessive use of the pardoning power. This criticism is unwarranted, and leaves out of view the causes that have invited and justified the exercise of Executive clemency. In many cases unimpeachable testimony, now of record in the Executive Department, has clearly shown that their conviction was contrary to the evidence and due to political prejudice; and, in others, that the witnesses were in conspiracy to effect the conviction of the accused; while a still larger number were convicted of such minor offences as did not appear to me to warrant their imprisonment in the Penitentiary for any great length of time. As an instance of the last named class, I cite the case of a convict who was sentenced to a term of eighteen (18) months' imprisonment in the Penitentiary for stealing a few years of corn, amounting to less than a peck, from the feed box of his employer's horses. The current statement, that pardons have been granted by me in a spirit of partisanship, discriminating in favor of colored convicts, is not true. I have granted as many pardons to white as I have to colored convicts, in proportion to their respective numbers. During the past year I have granted but two pardons to homicides, and both of these convicts were *white men*, one from Camden and the other from Charleston, and, in both cases, the victims of the homicides were colored.

The whole number of pardons granted by me does not exceed the number granted by my predecessors, for the same period, when compared with the number of convictions. Moreover, under previous administra-

tions, the penalties for petty offences were not as severe as they are now, there being then no penitentiary system of imprisonment at hard labor.

QUARANTINE.

The report of Dr. Robert Leiby, Health Officer for the port of Charleston, refers officially to the "presence of yellow fever in the city during the past season. He claims that the rigid and successful execution of the Quarantine Act of 1868 in the harbor of Charleston, and on the seacoast line of South Carolina, has prevented the introduction of yellow fever into the cities and towns of this State by importation; and, while Charleston has severely suffered from epidemic yellow fever, and a type of the same fever, to a limited extent, appeared in Beaufort, there is no evidence whatever to induce the belief that the disease was introduced by importation, but that it was dependent entirely upon local causes. The disease has been very fatal on unacclimated persons, especially the German population. The colored population has suffered more than in any other epidemic form of fever that has appeared in Charleston for thirty years. If this form of fever has been imported, it certainly was not by vessels or across the bar of Charleston."

Among the Quarantine Acts requiring legislative amendment, Dr. Leiby forcibly recommends the exclusion of dead bodies of persons brought from Northern cities for interment, between the 1st day of May and 31st day of October. The same restrictions that are placed upon vessels should apply to express and railroad companies. Dr. Leiby's recommendation on subjects connected with his department are entitled to much weight, and I respectfully submit them to your consideration.

Legislative provision is recommended for quarantine protection for the rivers emptying into St. Helena Sound, and also for a protection from the infection of small-pox, now extensively prevailing in the port of Philadelphia. An appropriation is asked for the keeper's salary and the repairs of the Lazaretto.

LIBRARY AND CAPITOL BUILDING.

I call your attention to the recommendations of the State Librarian, who has charge of the capitol and grounds, many of which are important, such as the required repairs to the roof of the capitol, and fencing of the grounds. I must say, however, in all matters that relate to appropriations that are of no immediate necessity, the expenditure of public money should be avoided.

FERTILIZERS.

The report of the Inspector of Guanos and Fertilizers shows a largely increased production of phosphatic manures, and largely expanded fa-

cilities for collecting them. The total production of the phosphatic beds of South Carolina, for the year, both land and river, has been forty-five thousand tons, and during the same period fifteen thousand tons of commercial fertilizers have been manufactured in Charleston. The demand for phosphatic rock has increased in foreign markets, but at home, in consequence of the diminished domestic consumption, has, at best, remained stationary. The Inspector states that the advance towards a higher standard in quality still continues, and his Laboratory has been equipped with a complete outfit of apparatus, chemicals and specimens, drawn from the best European and American sources, and sufficient for investigation in all departments of analytical chemistry.

STATE ORPHAN ASYLUM.

The late hour at which the report of the Board of Trustees of the State Orphan Asylum, at Charleston, was received, renders it impossible for me to do more than call the attention of the General Assembly to its recommendations and suggestions. This institution is deserving of the fostering care of the State, as it shelters and provides for large number of orphans, who would otherwise be left on the cold charities of the world, to become victims of vice and immorality.

THE BLUE RIDGE RAILROAD.

This road, in which both the State and the City of Charleston has had so large an interest in stock, has been the subject of anxiety on the part of both the Legislature and the people. The depreciation in the State finances has rendered the bonds endorsed by the State almost valueless, so far as the State guarantee was concerned. After consulting many prominent business men, who favored the plan, I recommended to the Sinking Fund Commission the propriety of disposing of the State stock to a private corporation, which project was carried into effect on the 22d day of July last, the new company agreeing to pay all floating debts of the road, together with one dollar per share to the State for the stock, and fifty thousand dollars to the State on the completion of the road, the whole to be completed within five years. It is a well established fact that public enterprises can be managed more economically by a private corporation than by a commonwealth, as, in the latter case, such enterprises are at all times subject to the baleful influence of politics. I believe this company will complete the road in accordance with their agreement.

ELECTION LAW.

I must urge on the General Assembly the necessity of making some changes in the Election Law, in order to close the door against the

charge of offering opportunity for the practice of fraud, in giving so long a period between receiving the ballots and the time for counting them. The ballot-box should be carefully guarded in every respect, as in its purity rests the foundation of Republican institutions and the liberties of the people.

CENTENNIAL CELEBRATION OF THE INDEPENDENCE OF THE UNITED STATES.

I respectfully submit for appropriate action the following document, from the Governor of Pennsylvania, in referene to the commemoration, at Philadelphia, in the year 1876, of the Centennial Anniversary of the Independence of the United States:

EXECUTIVE CHAMBER,

HARRISBURG, PENNSYLVANIA, March 29th, 1871.

To His Excellency ROBERT K. SCOTT,

Governor of South Carolina:

DEAR SIR—Permit me to invite your attention to the following Joint Resolution of the General Assembly of Pennsylvania, approved March 8, 1871, to wit:

“That the Governor, and three persons appointed by him, Wm. A. Wallace and James H. Webb, Speakers of the Senate and House, with three members of each branch of the Legislature, to be appointed by the Speakers of the Senate and House respectively, shall be a committee of the State of Pennsylvania, to co-operate with committees from other States and local committees upon the subject of the Centennial Celebration, at Philadelphia, in the year one thousand eight hundred and seventy-six, said committee to stand until that time, and to report at each intervening Legislature, and make such suggestions and recommendations, from time to time, to the Legislature, as they may think proper and expedient in reference to said Centennial Celebration.”

One of the most prominent objects of this resolution is to perfect the necessary preliminary organization at the earliest practicable date, and to gather all necessary information and material to facilitate the operations of the United States Board of Commissioners, to be appointed by the President of the United States, upon the recommendation of the Governors of the different States and Territories, in accordance with an Act of Congress “to provide for celebrating the one hundredth Anniversary of American Independence, by holding an International exhibition of arts, manufactures and products of the soil and mines, in the city of Philadelphia, and State of Pennsylvania, in the year eighteen hundred and seventy-six.

It is desired and intended that this Centennial Celebration shall be the grandest affair that has ever taken place, and it is highly important that every possible means shall be employed for the attainment of that object. I therefore most respectfully request and recommend that you direct the attention of your Legislature to the importance of appointing a special committee, at its earliest convenience, to co-operate with the Committee of Pennsylvania, in conformity with the provisions of the Joint Resolution of the General Assembly of this Commonwealth.

Very respectfully,

(Signed)

JNO. W. GEARY.

I also invite your attention to the Act of Congress, (Statutes at Large, Vol. 16, page 470,) on the above subject. South Carolina being one of the original States, it is my opinion that she should be represented by a Special Committee.

CONCLUSION.

In conclusion, gentlemen of the General Assembly, I desire to express my earnest hope that in all your deliberations you will remember that the only path of safety is the path of duty.

I trust and believe that you will so legislate in the interest of the whole people of the State as to prove to the country at large that Republicanism and good government in South Carolina are not, as is falsely alleged, inconsistent with each other.

ROBERT K. SCOTT,
Governor.