MESSAGE

OF

M. B. McSWEENEY

GOVERNOR,

to the

General Assembly of South Carolina,

at the

Regular Session, beginning January 9, 1900.

COLUMBIA, S. C.
1900.
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THE BRYAN PRINTING CO., STATE PRINTERS.
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GOVERNOR'S MESSAGE.

Gentlemen of the General Assembly:

During the past year the heavy hand of affliction was laid upon the chief executive of the State, and the people were called to mourn the death of their Governor. After a long illness, Governor William H. Ellerbe died at his home in Marion County on June 2, 1899. Young in years, full of honors, and commanding the respect of his countrymen, he was gathered to his fathers. Holding the position of Lieutenant Governor, to which I had been elected, and obeying the Constitution, I took the oath of office as Governor on the 3d day of June, 1899, and immediately thereafter began the discharge of the duties pertaining thereto.

Since you last met there has been very marked material progress in the State in almost every branch of industry. The husbandman has garnered the products of his fields with the assurance of good returns for his labor. Manufacturing enterprises have gone forward with almost miraculous rapidity, and are furnishing lucrative employment for many of our people. There has been great activity in the building of railroads, the great developers of a country. Peace, happiness, and prosperity prevail in every portion of the State. Factional bitterness and strife are things of the past, and the people are united for the upbuilding, progress, and development of the entire State. Death has not thinned your ranks, and you come together to deliberate and make laws for the people under most auspicious circumstances. I trust that in all your deliberations you may be guided by a single purpose—the welfare and happiness of the people whom you have the honor to represent. However you may differ, as differ you will, your combined wisdom and high patriotism, I am sure, will result in the passage of such laws as will redound to the good of all the people. In the accomplishment of this purpose I stand ready and anxious to aid you and co-operate with you in so far as my power and ability may go.

EVIDENCES OF PROGRESS.

In cotton manufacturing, South Carolina leads all of the Southern States, and stands second only to Massachusetts in the number of
spindles and second to none in equipment. If the progress of the past year augurs anything for the future, we shall soon lead all others in this important industry, and instead of furnishing any of our staple crop for export to other places for manufacture, we will be large importers of cotton from other States to supply the local demand. During the past year eleven new mills have been organized and are in process of construction, representing a total capital of $3,275,000. Sixteen old mills have been enlarged, representing an increase of their capital stock of $2,429,000. This not only means a large addition to the wealth of the State and an increase of the taxable property, but it means wealth put into active service and employment for many of our people.

In railroad building, as I have already stated, there has been very decided activity. 237 miles have been completed and in actual process of construction. This represents an outlay of at least $25,000 a mile, or nearly $6,000,000, and when completed and returned for taxation even at a valuation of $10,000 a mile, will add $2,370,000 to the taxable property of the State.

In cotton seed oil mills, the lumber business, and other branches of industry, there has been very marked activity. For the exact figures in all of these new enterprises I beg to direct your attention to the full and exhaustive report of the Secretary of State. A study of these figures and a realization of the material progress upon which the State has entered, should be cause of sincere congratulation to every true Carolinian, and should move you as representatives of the people to do all that you can to foster and encourage this progress, and these institutions and industries, which mean so much for our State. I have thought proper thus briefly to direct your attention to these substantial evidences of progress and growth as an encouragement and an incentive to our people to the accomplishment of even greater things which lie easily within our grasp, if we will but put forth our hands and lay hold of the advantages and opportunities that thickly surround us on every side.

FINANCES.

I take pleasure, also, in congratulating you on the condition of the finances of the State. The State Treasurer has been able to meet all of the obligations of the State promptly, and also the interest on the public debt, without the necessity of having to borrow any money or overdraw his account, and still has a balance in the treasury. I give herewith a statement of the receipts and disbursements of the past year:
Cash Receipts for Year Ending December 31, 1899.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Balance, December 31, 1898</td>
<td>$460,677.06</td>
</tr>
<tr>
<td>Back Taxes</td>
<td>10,946.74</td>
</tr>
<tr>
<td>General Taxes, 1898</td>
<td>580,923.57</td>
</tr>
<tr>
<td>General Taxes, 1899</td>
<td>248,313.85</td>
</tr>
<tr>
<td>Railroad Assessments for Railroad Commission</td>
<td>7,067.99</td>
</tr>
<tr>
<td>Income Tax</td>
<td>5,189.88</td>
</tr>
<tr>
<td>Annual Insurance License Fees</td>
<td>12,625.00</td>
</tr>
<tr>
<td>Graduated Insurance License Fees</td>
<td>16,635.14</td>
</tr>
<tr>
<td>Fees, Office Secretary of State</td>
<td>6,312.88</td>
</tr>
<tr>
<td>State Penitentiary</td>
<td>12,612.41</td>
</tr>
<tr>
<td>Privilege Fertilizer Tax</td>
<td>62,126.88</td>
</tr>
<tr>
<td>Commissioners Sinking Fund</td>
<td>10,966.43</td>
</tr>
</tbody>
</table>

Sinking Fund, for reduction Brown 4\% per cents:
- Loans returned: $81,581.74
- Interest on loan and deposits: 11,745.66
- Phosphate royalty: 39,379.28
- Total: 136,606.66

Permanent State School Fund: 2,288.14
Special State School Fund (Dispensary): 75,000.00
Morrill Fund for United States Government: 25,600.00
Refunds: 864.43
Miscellaneous: 263.00

Dispensary, South Carolina, sales: 1,598,240.00

Total: $3,268,020.79

Cash Payments for Year Ending December 31, 1899.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$145,092.56</td>
</tr>
<tr>
<td>Legislative Expenses</td>
<td>45,380.94</td>
</tr>
<tr>
<td>Public Printing</td>
<td>41,093.79</td>
</tr>
<tr>
<td>Educational, Charitable and Penal Institutions,</td>
<td>227,793.01</td>
</tr>
<tr>
<td>Clemson College, Interest</td>
<td>9,556.56</td>
</tr>
<tr>
<td>Total: 366,102.50</td>
<td>68,458.86</td>
</tr>
<tr>
<td>Morrill Fund, Clemson College</td>
<td>12,520.00</td>
</tr>
<tr>
<td>Morrill Fund, Colored College</td>
<td>11,449.38</td>
</tr>
<tr>
<td>State Special School Fund (Dispensary)</td>
<td>23,949.38</td>
</tr>
<tr>
<td>State Permanent School Fund</td>
<td>134,319.49</td>
</tr>
<tr>
<td>Direct Tax Fund</td>
<td>3,315.00</td>
</tr>
<tr>
<td>Direct Tax Fund, Interest and Penalty</td>
<td>510.03</td>
</tr>
<tr>
<td>Direct Tax Proceeds, Act 1884</td>
<td>4,870.63</td>
</tr>
<tr>
<td>Commissioners Sinking Fund</td>
<td>2,159.66</td>
</tr>
<tr>
<td>Total: $40,177.04</td>
<td>84,311.00</td>
</tr>
<tr>
<td>Sinking Fund for Reduction Brown 4% per cents</td>
<td></td>
</tr>
<tr>
<td>Total: $84,311.00</td>
<td>84,311.00</td>
</tr>
<tr>
<td>Pensions</td>
<td>101,146.58</td>
</tr>
<tr>
<td>Total: $203,558.58</td>
<td>201,654.77</td>
</tr>
<tr>
<td>Note and Interest, Governor and State Treasurer</td>
<td>2,050.71</td>
</tr>
<tr>
<td>Redemptions Brown Consols</td>
<td>2,050.71</td>
</tr>
<tr>
<td>Interest on Bonds and Stock</td>
<td>270,101.71</td>
</tr>
<tr>
<td>Total: $277,258.59</td>
<td>277,258.59</td>
</tr>
<tr>
<td>Miscellaneous Accounts</td>
<td>65,829.17</td>
</tr>
<tr>
<td>Dispensary, South Carolina, Account Proper</td>
<td>1,429,066.70</td>
</tr>
<tr>
<td>Total: 1,429,066.70</td>
<td>1,429,066.70</td>
</tr>
<tr>
<td>Dispensary, South Carolina, Transfer to School Fund</td>
<td>75,000.00</td>
</tr>
<tr>
<td>Total: 804,066.70</td>
<td>804,066.70</td>
</tr>
<tr>
<td>Cash Balance, December 31, 1899</td>
<td>$3,268,020.79</td>
</tr>
</tbody>
</table>

The Treasurer of the State has called my attention to the fact that there are a number of old bonds which have hitherto been reported as fundable, but which under the Act of 1896 are now no longer so, and among them are the bonds claimed by the State Bank (Blue Ridge Railroad bonds of 1859) to the amount of $37,000. The Act of 1896 referred to prohibits the State Treasurer from funding or paying any bonds after the expiration of twenty years from the date of maturity. The bonds above mentioned matured on July 1st, 1879, and the twenty years limitation expired on July 1st, 1899.
These bonds, it may be recollected, have been the subject of several applications to the General Assembly for permission to fund them without the surrender of the bonds themselves. One hundred thousand dollars of these bonds were, it is alleged, plundered and taken from the Bank in February, 1865, by the Federal troops in their march through the State. They have from that time been constantly claimed by the Bank, the receiver of which obtained an injunction from the Courts as early as 1870, restraining the Treasurer of the State from paying principal or interest of any of them to any one but to the receiver, and under that injunction all of these bonds but the thirty-seven now remaining upon the Treasurer's books have from time to time been recovered by the receiver of the Bank, and by him funded. No one has during the thirty years since the injunction has been in force claimed the bonds in question, and the Courts of the State have declared that they are the property of the State Bank, and that the receiver of the Bank is the only person entitled to fund and collect them from the Treasurer of the State.

The State owes these bonds to some one, and the objection which the General Assembly has hitherto had to the funding of them has been, it is understood, the fear that some one might still produce and present them to the Treasurer, for funding under the funding Act of the State, and that the State might in this way pay them twice. This objection seems now removed, as no one but the receiver of the Bank has the right to ask to have them funded, all other persons being now barred by the Statutes from applying to the Treasurer for that purpose.

But however this may be, some action must now be taken in regard to them. They can no longer be carried on the books of the Treasurer as bonds fundable. It rests with the General Assembly to say what must be done in the matter.

A short time ago I received a communication from the Secretary of the Treasury at Washington, calling my attention to a claim of the United States Government against the State of South Carolina, and an Act of Congress passed March 3d, 1899, requiring him to institute such proceedings as he might deem proper to collect any bonds or stocks, principal and interest, which the General Government holds against this State, before any claims on the part of the State against the General Government should be paid. This communication was brought forth on account of the claims put in by this State for reimbursement of expenses incurred in organizing volunteer troops for service in the war with Spain. I submitted the letter to the State Treasurer and asked him for a statement. I submit herewith his
statement, and ask for this matter such consideration and action as in
your wisdom you may deem proper to take:

"In pursuance of this provision of law, the Secretary of the Treas-
ury of the United States has notified us that the General Govern-
ment holds certain State bonds to the amount of $125,000, principal,
and interest to maturity of $123,750, aggregating $248,750, and re-
quests payment of the same. These bonds bear interest at six per
cent, and were issued under Act of December 19, 1855, for construc-
tion of new State House, issued January 1st, 1856, redeemable Jan-
uary 1st, 1881. By reference to the records of State Treasurer’s
office, it is noted that there was some correspondence had between
this office and the Treasury Department at Washington, in Novem-
ber, 1881, and during the administration of Governor Johnson
Hagood, but without a settlement of the claim, so far as we know.

"Under the Acts of the General Assembly at that time of force,
these bonds, principal and interest unpaid to 1st of January, 1880,
were fundable in six per cent. consolidation bonds at fifty per cent. of
said amount. The consols being redeemable on 1st of July, 1893.
The Act of the Legislature of 22d of December, 1893, provides that
all bonds and stocks hitherto fundable in these consols upon their
surrender be exchanged for the new 20-40 years 4 1-2 per cent. bonds
and stocks authorized by Act of December, 1892, for the redemption
of Brown Consols. These coupon bonds now held by the United
States Government are fundable as above stated upon their surrender,
i. e., at fifty per cent. of principal and interest up to maturity. The
State, however, has Revolutionary War claims to the amount in
round numbers of $550,000. In the investigation of this claim
against the United States Government, the General Assembly, in
December, 1856, passed a resolution authorizing the appointment of
some suitable person to investigate and prosecute the State’s claims
as aforesaid, and under that authority Governor R. F. W. Allston ap-
pointed Hon. Jas. A. Black agent for that work. The said agent
incorporated the result of his labors in a report to the General As-
sembly, which was ordered to be filed with Comptroller General,
which cannot now be found among the records of his office. There
is a large mass of old papers now in one of the rooms of the State
House, among which this valuable report might be found, if the
means were in hand to employ an efficient and pains-taking person or
persons to examine this confused mass of papers. There are, in all
probability, other claims held by the State against the General Gov-
ernment, to say nothing of private claims of large amounts amounting
to millions of dollars."
This is a matter of very great importance to our State. At your last session you passed a Joint Resolution requesting and directing the Governor and State Treasurer to furnish all information available to our Senators and Representatives touching the claim of the State against the United States for money advanced during the War of 1812, and that our Representatives in Congress be requested to urge forward all legislation on the subject. You also rescinded all outstanding contracts, if any should exist, for the collection of this claim. It seems that the Black Report, made in 1858 and mentioned by the State Treasurer, embraces all the testimony and facts relative to the State's claim. In view of the importance of this report, I recommend that you provide for an examination of all the old records, and especially the old rubbish that is stored away in one of the unoccupied rooms of the State Capitol, to see if this report can be found. Its recovery may be the means of our getting a considerable sum of money from the United States Government, and it is important to put our Senators and Representatives in possession of all the facts that can be obtained. As I understand it, the claim of the United States Government for settlement of the $125,000 of South Carolina bonds belonging to the Indian Trust Fund, and the accumulated interest, is a just and honest claim which we ought to pay, and which we could pay with our claim against the United States Government, and have a balance to the credit of the State, if we can find the testimony to substantiate the claim of the State. The matter was in process of settlement when the Civil War broke out in 1860, and the State had joined with other States in protest against the unfair methods of the United States in adjusting the claims, and it was to sustain its contentions that Black was employed to work up the State's case. It may not be possible to obtain the full amount claimed by the State, but I am informed that there is absolute proof in official documents that the United States acknowledged that it owed the State of South Carolina in 1831 $78,000, and this with accumulated interest for fifty-nine years would amount to about $350,000. If this could be adjusted without going into the disputed claims, the State could pay the claim the United States Government holds against it and have about $100,000 left. Under the Consolidation Act of 1873, the State Treasurer can only refund old bonds at fifty cents on the dollar, but if a settlement as suggested could be made with the United States Government, you might pass an Act authorizing the State Treasurer to settle at 100 cents on the dollar, on condition that the United States Government pay the just claims of the
State of South Carolina, as acknowledged in the report of the Secretary of the Treasury in 1858.

For a statement of the bonded debt of the State your attention is directed to the annual report of the State Treasurer. Our bonds find a ready sale in the markets of the world at a premium, and the credit of the State is good.

TAXATION.

The Constitution says that "All taxes upon property, real and personal, shall be laid upon the actual value of the property taxed, as the same shall be ascertained by an assessment made for the purpose of laying such tax." It also says, the "General Assembly shall provide by law for a uniform and equal rate of assessment for taxation." It is a fact that very little if any property is assessed for taxation at its "actual value." For if it were, the taxable property of the State would be a great deal more than it is, and the rate of taxation could be considerably reduced. To the taxpayer, however, that is not a matter of very great concern, for a certain amount of money has to be raised to meet the expenses of government, and while, if the valuation were high the rate could be reduced, yet in the end it amounts to the same thing. The question that concerns the taxpayer is to have a uniform value of assessment, whether it be the actual value or one-half the actual value. The burden of taxation would then fall equally on all the taxpayers in proportion to the property they own, but if one man's property is assessed at its actual value and another man's at one-half its actual value, the one either contributes more than his share to the support of the government, or the other does not measure up to his duty in this matter. The main desideratum is to secure such a mode of assessment as will give a uniform valuation to all property subject to taxation. That such results are not obtained now, I am sure. Whether it is the fault of the law or its administration, I am not prepared to say. We have Township Boards of Assessors and County Boards of Equalization, but the manner in which they, as a rule, discharge their duties and the time they allot to the discharge of these duties does not secure a uniform valuation of property for the purposes of taxation. Nor, indeed, could they do it under the present plan if they gave more time. They may secure an approximate uniformity for valuation in each county, and, so far as county purposes are concerned, that might suffice, but the average in the counties varies and the burden of taxation does not fall equally on the several counties. I have no fully
matured plan to submit for your consideration as a remedy for this evil, but I am persuaded that if some plan could be devised by which the Constitution could be obeyed and all property assessed at its actual value, the burden would bear more easily and equitably upon all taxpayers. As the law now stands, the County Auditor is required to go into each township and take returns of property, and then the township boards meet and go over these returns and then they are gone over by the County Boards of Equalization. I submit for your consideration the advisability of requiring that the Constitution be carried out and all property assessed at its actual value, and that the County Auditor take returns only in the townships, and that the township boards be required to attend while these returns are being made, and if any question arises as to the valuation of the property, it could be settled by the Auditor, the Board of Assessors, and the owner of the property. These township boards should be men of ability and character, and should be in position to determine the actual value of the property. I believe that some such plan, if properly carried out, would materially increase the taxable property of the State and go far towards equalizing the burden of taxation. There is need for something to be done along this line.

There is also some complaint of the irregularity in which some County Treasurers remit taxes collected by them to the State Treasurer. The law fixes the times at which they shall remit, but many of them do not observe it. I think it would be advisable to place them on salary, the same as County Auditors, and require monthly statements from them, and withhold their salary until the statements were received. And also require them to submit with their monthly statement, a statement from the bank of deposit, showing the amount of money to their credit as Treasurers. And some penalty should be provided for the failure to turn over funds and make reports as required by law, and power given the Governor to suspend or remove such as persistently refuse or neglect to obey the law.

This subject of taxation is one that more directly concerns the people than any other with which you will have to deal, and it deserves your most earnest consideration, and in whatever you do, you should endeavor to make the burden bear equally upon all the property of the State.

By comparison of the figures in the Comptroller General’s report, you will see that the taxable property for the fiscal year commencing January 1, 1899, is $3,185,183 more than for the preceding fiscal year:
Total taxable property for the fiscal year commencing January 1st, 1899 .......... $176,422,288
Total taxable property for the fiscal year commencing January 1st, 1898 .......... 173,237,105
Increase ........................................ $3,185,183

Sinking Fund.

I beg to direct your attention to the report of the Commissioners of the Sinking Fund, from which it appears that the Cumulative Phosphate Sinking Fund now amounts to $347,731.38. This shows an increase of these assets of $51,123.94 since the report of last year. Of this amount, $11,746.66 is derived from interest, and $39,379.28 is derived from phosphate royalty during the year. The assets of this fund consist of the following:

State stock ................................. $35,728 56
Bank loan secured by State bonds ......... 20,000 00
Loans to counties ......................... 113,084 33
Interest bearing deposits in banks .......... 178,918 49
Total ........................................ $347,731 38

The assets of the Ordinary Sinking Fund amount to $43,330.64, of which $30,200.00 is loaned to counties, and $13,130.64 deposited in banks. This shows a decrease of this fund of $2,143.42 since the last report. This is covered by the purchase of escheated lands, which have since been sold at a profit, but the terms of sale have not yet been fully complied with by the purchaser. The report gives full details of the work of the Commissioners for the year, and I invite your careful attention to it and the recommendations contained therein.

Pensions.

A generation has passed since the "War Between the States." The Southern soldiers who fought for a cause they believed to be right laid their all upon the altar of their country. Greater sacrifice and self-denial were never more cheerfully made in any cause or in any country than in this struggle by the Southern soldiers. They displayed a fortitude and a heroism that will furnish themes for the poet and the historian for all time to come. They lost in battle because of overwhelming numbers and resources on the other side, and without
repining laid down their arms and returned to their homes and began with a spirit of cheerfulness rarely seen to rebuild their lost fortunes. Many of them have passed to the other shore and now rest under the shade of the trees, and every year the ranks grow less. It is our sacred duty to honor their memory and defend their good name. Not only so, it is our duty to take care of and provide for those who are in need of our help. This we can do without the slightest semblance of disloyalty to the Union. There is no longer any antagonism between the sections. The Southern soldier will defend the Union as cheerfully now as any citizen. This was demonstrated in the war with Spain, where those who had opposed each other in battle fought shoulder to shoulder for the flag.

What we are able to give is but a pittance, but it helps, and we should give it cheerfully. Last year you appropriated for pensions to Confederate soldiers and widows of soldiers the sum of $100,000. I recommend a like appropriation this year. It is important that this appropriation should be expended and distributed wisely and in such a manner as to meet the intention of the appropriation. The selection of good, competent, and conscientious township and county boards, men who know the conditions and are acquainted with the needs of the applicants, is of very great importance. It is difficult to get men to work without pay, and while in this case it seems that good men might be found who would be willing to serve without compensation, I suggest that you consider the wisdom and advisability of allowing the members of the county and township boards one dollar per day for not exceeding two days for this service.

As you will see from the report of the Comptroller General, there were on the pension roll the past year 7,158 pensioners. Of this number 2,910 are widows of soldiers. The total amount disbursed in pensions was $98,675.80. The widows were paid $38,412 and the soldiers $60,363.80.

**Direct Tax.**

Under the provisions of the Act of Congress, August 5, 1861, a direct tax was imposed upon the citizens of the United States, and a part of it was apportioned to and assessed upon the State of South Carolina. Direct Tax Commissioners were appointed to demonstrate this law, but at that time no part of the State of South Carolina was under Federal control. In November, 1861, the whole of the parish of St. Helena, and all of that portion of St. Luke's which was composed of islands, fell into the hands of Federal forces, and
the Direct Tax Commissioners established themselves at that point, and under the administration of the law all of the property belonging to the citizens of those two parishes was sold and bought by the United States, and resold under the provisions of that Act, and of other Acts amendatory thereto, and these citizens were entirely divested of their properties. Later, upon the termination of the war, a portion of the direct tax assessed to the State of South Carolina was collected in Charleston and in some other lower counties of the State. The proceeds arising from the sale of the lands in Beaufort went into the Treasury of the United States under the different laws relating thereto, and have been disposed of by the United States Government in accordance with those laws.

A number of school farms, consisting each of 160 acres, carved out of the plantations entirely in St. Helena Parish, were reserved from the early sales, and leased by the Government, and rents collected and separately kept, and at the close of the war the Government found itself in possession of these school farms, of a number of houses and lots in the town of Beaufort, and a number of lots in what was then known as Port Royal City, a mythical city sought to be laid out and established by the Direct Tax Commissioners, and which though thoroughly laid out and projected, failed to become a city, and is now part of three plantations in St. Helena Parish.

By special enactment (Act Congress July 16, 1866,) it was directed that these school farms, houses and lots in Beaufort, and lots in the city of Port Royal, on St. Helena Island, should be sold and the proceeds invested in bonds of the United States, and the interest used, under direction of the Secretary of the Treasury, in the support of schools, without distinction of color or race, on the islands in the parishes of St. Helena and St. Luke's; and by subsequent Act of Congress, approved March 3, 1873, it was directed that in addition to these funds the rents derived from the lots of school farm lands should be likewise invested in such bonds of the United States, and all of these bonds retained by the Secretary of the Treasury as a fund for the use and support of free public schools in the parishes of St. Helena and St. Luke's, South Carolina, in equal parts, the interest of which should be annually expended to increase the efficiency of any free public schools established and sustained in said parishes by authority of said State, if such school shall exist, otherwise at the discretion of the Commissioners herein named, and a special Board of three Commissioners, directed to be appointed by the Secretary of the Treasury, removable at his pleasure, each to receive a salary of $100 per year for his services in administering this fund. The Act
concludes with the following statement: "This Act shall be subject to amendment or repeal at the pleasure of Congress."

From the proceeds of sales directed by these Acts of property formerly belonging to citizens of Beaufort County there was realized a sum of money in the neighborhood of $53,000, which money, in obedience to these Acts, has been invested in bonds of the United States, and these bonds are now in the Treasury of the United States, and the interest, though a mere pittance, after the payment of the salary of three Commissioners, is added to the school fund for Beaufort County, and continues to be so applied to this day.

An Act of Congress, approved March 2, 1891, was passed to refund the money collected by the United States under Direct Tax Acts, and a provision was made in the 4th section of that Act to make some partial compensation to the citizens of Beaufort for the loss of their lands and the actual direct tax, with the penalty and interest, has been refunded to the citizens of this State, and the citizens of Beaufort have received from the Secretary of the Treasury the gratuity which was given to them on account of their land, but this fund, the immediate proceeds of lands of former citizens of Beaufort County, still remains in the Treasury of the United States undisposed of, and is still withheld from them, though the Supreme Court of the United States (McKee vs. U. S., 164 U. S. Reports, 291.) has declared that "a perusal of the entire Act (March 2, 1891.) shows that its purpose was to pay back to the States, and to individual citizens of the States, the amounts of money received from them in the course of the execution of the Direct Tax Acts of 1861, and Acts amendatory thereto." This fund could not be paid back for lack of legislation, inasmuch as the effect of the Act of March 15, 1873, has been to confer it into bonds, and impound it in the Treasury, "subject to the pleasure of Congress."

It seems to be somewhat of an anomaly that the Government of the United States should feel itself interested in the free schools of two of the parishes of this State, and should go to the extent of withholding and using money which morally belongs to the citizens of Beaufort County, to obtain the funds wherewith to do it; and it has also seemed to me that it was the peculiar province of the State of South Carolina, under its Constitution, to provide for all of its free schools, and this it has done without making any exception in respect to the schools in these two former parishes; and the conduct of the Government of the United States in this regard would seem to be somewhat of an invasion of the constitutional rights of the State, as
Page 16 Missing
me, says: "The time has come in the history of the institution when it will be necessary to limit the number of pupils admitted or to arrange for the accommodation of a greater number." At the meeting of the Board, the following action was taken: "On motion of Mr. D. E. Converse, the Superintendent was instructed to ask the Legislature in next annual report for an appropriation of $20,000 for the erection and equipment of a school building. Also to renew request for appropriation of $10,000 for building for department of colored pupils." The following appropriations are deemed necessary for the proper maintenance and equipment of the institution for the ensuing fiscal year:

For support ................................................................. $20,000
For general repairs ....................................................... 500
For school building ....................................................... 20,000
For building for colored pupils ........................................ 10,000

Superintendent Walker and his efficient corps of instructors are performing a labor of love, and doing an excellent work at this institution. The care and education of these unfortunate children of the State should enlist your sympathy and command your thoughtful consideration.

Penitentiary.

At your last session, a resolution was adopted ordering an investigation into the affairs of the State Penitentiary. That investigation was had and a report of the committee was submitted to me, as directed by the resolution. I have submitted in a separate message the action taken by me on this report, and beg to direct your attention to it, and also to the report of the special committee. That committee performed the duties laid upon it efficiently and well, as you will see from an examination of their work.

The present Superintendent of the Penitentiary, Capt. D. J. Griffith, took charge on the 15th of March. An examination of his report will show that the affairs of the Penitentiary have been managed in a very satisfactory manner, and the finances of the institution are in a very healthy condition. He found it necessary to do much repairing on the buildings at the institution and on the farm, and there was much more work that is necessary to be done. When he took charge there was turned over to him by his predecessor $114.35 in

\[ \text{p}_{2} \] 

and he found it necessary to commence buying provisions to support the inmates at once, and from March 15th to the harvesting
of the new corn crop, he was compelled to buy 3,388 bushels of corn and meal. It does not appear to me to be good business judgment, with the farms that are worked by the State, to be forced to buy so large a quantity of corn and meal, when they could and ought to be made on the farms. I am glad to be able to state that the Superintendent thinks his supply of corn made during the past year will be sufficient to supply the institution during this year until the new crop comes in. There was also a large crop of oats made, something over 4,000 bushels having been sold. The Superintendent says: "The year, agriculturally, has been satisfactory, considering the late start and other disadvantages under which the work was done." The cotton crop will amount to nearly 600 bales.

There has been no serious sickness amongst the prisoners except a few cases of meningitis, from which there were several deaths. The Superintendent informs me that there are several prisoners who are suffering from consumption, and close confinement only aggravates the disease. I have thought it would be wise and humane to secure a report from the physician of such cases and have them turned out or placed in a separate building, remote from other convicts, for their punishment was not intended to be a slow death. There have been only fifteen escapes under the present management, and twelve of these were from stockades of private parties who have convicts leased. I understand that the Board of Directors have been making contracts for the lease of convicts when there was not a sufficient number to fill existing contracts. I do not consider this good business judgment. Neither do I think it wise to make contracts for a long term of years, for conditions might arise which would not leave a sufficient number to work the State's property. I ask a careful consideration of these contracts. These suggestions are made only in the interest of the efficient management of the institution, and not with a view of criticism. There has been a slight total increase of convicts during the past year, as the following statement will show:
Convict Statement.

Prisoners in confinement December 31, 1898 784
From Courts since that date 272
Recaptured 17

Discharged 199
Pardoned 16
Escaped 15
Accidentally killed 1
Died 41

Total 1,073

Tn prison December 31, 1899 801

A summary of expenditures and receipts during the past year shows a net cash balance on hand of $9,886.67:

Balance cash on hand December 31, 1898 $4,804.44
Total receipts for the year 63,518.23

Total expenditures for the year 58,436.00
Cash balance December 31, 1899 $9,886.67

In addition to the above receipts, the following amounts were collected, and belong properly to the earnings of 1899:

January 3, collected from contractors $431.60
Collected from J. M. Graham, hosiery mill, October 1899, hire 2,182.29

$2,613.89

In this statement the provisions and supplies made on the farms, to be used in the maintenance of the institution, are not included. This, it appears to me, is a good showing, and demonstrates good business management. It seems to me it would be wise for the Superintendent to keep on hand a sufficient amount of this money to meet current expenses and to pay the cash for what he is compelled to buy, for by so doing he can run the institution much more economically, and thus in the end be able to save money for the State. I commend to your careful consideration the report of the Superintendent and Board of Directors.
Along with the material progress that has come to our State, there has been a lively interest in the education of our youth. Not only has this been manifest in our higher institutions of learning, but the country schools and the primary schools throughout the State have been greatly improved. In almost every incorporated town and in many of the country districts the three-mill constitutional tax has been supplemented and the schools are kept open for the full school year. The teachers are educated Christian men and women, who have gone out from our colleges and training schools fully equipped for their work. In a government like ours the education of our youth is of paramount importance. Any legislation that will foster and encourage our common schools should receive your hearty approval and endorsement, for you may foster and build colleges as you please, the fact remains that a vast majority of our children can never avail themselves of a collegiate training. If the means are available, it is within the range of possibility for all of them to obtain a common school education and thus be equipped for the proper discharge of the duties of citizenship. Intelligent citizens make intelligent voters. Educated mothers rear intelligent citizens. When you put money in education you invest capital that will give you ever increasing return and can neither be lost nor squandered. To secure efficiency in our common schools three things are of paramount importance: First, you must have the means with which to operate them. Second, you must have educated and consecrated teachers. Third, you want intelligent and efficient County Superintendents of Education.

Unfortunately, with the money which the State is able to expend for common school education, the average length of the terms of the public schools where the public school tax is not supplemented, is only from three to four months. It is impossible to secure that efficiency and thoroughness which we should have unless the schools could run longer. The teachers, as a rule, are efficient and competent, and their pay is far too small for the work they render. I fear that the parents too often feel when they have paid their tax that they have shifted the responsibility for the education of their children from their shoulders to the State. If the parents could be made to realize the importance of this matter and their responsibility and duty to their children, it would be an easy matter to supplement the public school fund and have good common schools in every country community. Since the State has undertaken this matter, the pity is that
she is not able to do it more thoroughly and completely. For with this divided responsibility, the children in many cases are the sufferers. The greatest blessing that could come to this State would be a first class common school open for the full school year in every country community within her borders. The State Superintendent of Education will submit to you his annual report, in which he will make many suggestions and recommendations, and from which you can gather the true condition of the common schools of the State, and to that report I beg to direct your attention.

Higher Institutions.

Whatever may have been the difference of opinion as to the wisdom of establishing State Colleges, the policy of the State in this matter has been fixed, and these institutions are here and are all doing a good work for the State, and if judged by the enrolment of students, there is a demand for them. To pull them down or to give them niggardly assistance would be a backward step which I feel that no true son of South Carolina would be willing to take. It is no longer a question whether or not the State should engage in higher education. That has been settled. To make war on these State institutions is to retard the progress and development of the State. There has been a general awakening in the subject of education in South Carolina, and not only has the enrolment in the State Colleges been good, but the denominational colleges have been more prosperous in recent years than ever before in their history. There should be no conflict between the denominational college and the State college. They are both doing a good work. No true friend of any State college will wage warfare on any denominational college, and there is no sound reason for any denominational college to feel unkindly towards the State colleges. The denominational colleges have done and are doing a good work in this State, and should receive our hearty commendation.

I would like to take up each college separately and call to your attention the work done and the needs of these institutions, but I can do no more than to refer you to their reports and recommendations and commend them to your favorable consideration. The South Carolina College, Clemson Agricultural and Mechanical College, the South Carolina Military Academy, Winthrop Normal and Industrial College, and the Colored College at Orangeburg will all submit to you through the heads of these institutions detailed statements of their condition and needs, and these deserve your careful
attention. You should be as economical in the expenditure of money as is consistent with the efficient conduct of these institutions, but to withhold more than is necessary for their proper maintenance would not be wise economy. I feel sure they will not ask for extravagant or unnecessary appropriations, and I, therefore, confidently commend to you a careful study of their needs and demands as set forth in the reports that will be submitted to you.

**Phosphate Industry.**

By reference to the report of the Phosphate Inspector, you will see an itemized statement of the work accomplished during the last fiscal year. The royalty paid the State for rock mined in 1898 amounted to $23,522.64. During the fiscal year just closed, it amounted to $39,379.28, being an increase of $15,856.64 over the preceding year. This indicates that the companies doing business in our phosphate beds are recovering from the disastrous effects of the great storms of the past few years. The care and development of the phosphate industry of the State is of vital importance, and demands our careful consideration. At your last session no provision was made to defray the expenses of the Commissioner and the Board. This expense has been met by the Attorney General, under resolution of the Board, out of funds collected by him, and in his hands. I suggest the advisability of providing a sufficient amount to cover this expense in your appropriation bill. For an itemized statement of the work done by the Inspector, I direct your attention to his report.

**Legal Department.**

As will be seen by reference to the report of the Attorney General, that office has accomplished a large amount of work, and it is gratifying to note the success and satisfaction that have attended the efforts of that officer. The publication of some of the opinions of the Attorney General of a general and public nature is a commendable innovation. The reports of the Circuit Solicitors contained in that report are worthy of your attention. They show that the efforts of these officers to punish and prevent crime have not been unavailing.

**Railroads.**

The twenty-first annual report of the State Railroad Commission will be laid before you. It is gratifying to note that the general con-
dition of the railroad business of the State is prosperous. Railroads properly conducted are public benefactors. They are in one sense citizens and large taxpayers to the State. It should be gratifying to every citizen of the State to know that the business of the railroads the past year has been good, for it indicates that there has been activity in every line of industry.

During the year, the Commission, in revising the freight tariffs, has made various changes, which have reduced rates to the benefit of shippers without any diminution in the gross revenue of the roads, which has been maintained by the increase of the tonnage.

One of the most important changes in the railroad situation during the year has been the leasing of the South Carolina and Georgia Railroad by the Southern Railway System. The result of this transaction has been to give the city of Charleston a continuous mileage tariff to all sections of the State reached by these lines. The same is done by the Atlantic Coast Line System. This operation of a straight mileage system by the Atlantic Coast Line Railroad and the Southern Railway was brought about in a large measure by the persistent efforts and rules of the Commission, who realized the importance of general benefit to be derived from a closer commercial relation between the seaports of the State and the country north and west of Columbia. This results in placing our principal seaport city on a reasonable rate basis with the entire State, which, together with just interstate rates on the part of these roads, will enable Charleston, with proper efforts on the part of her merchants, to take her position as the leading port on the South Atlantic coast.

As I have already stated, there has been great activity in railroad building during the past year, and I am pleased to give in this connection the exact figures which have been furnished me by the Railroad Commission. It will not only afford our people thorough freight and passenger accommodations, but it adds materially to the wealth and the taxable property of the State, and will give employment to many people.

The Atlantic Coast Line has constructed from Denmark to Robbins, a distance of 34 miles.

The Southern Railway has constructed an extension from Cayce's to Perry, a distance of 31.2 miles.

The Seaboard Air Line has under construction, and will have completed in a few weeks, a line from Cheraw to the Junction of the F. C. & P. R. R., a distance of 91 miles.

The Sumter and Wateree Railroad constructed a line from Sumter Junction to the city of Sumter, a distance of 15.8 miles.
The Northwestern Railroad Company have under construction an extension from Sumter to Camden, a distance of 30 miles, ten miles of which is in operation, and the other mileage is under rapid construction.

There is under construction a line from a point of the Asheville and Spartanburg Railroad to Lockhart Mills, a distance of 15 miles.

A line from Conway to the Seashore is under construction, a distance of 10 miles. This will make a total new mileage of 237 miles in the State.

Your attention is directed to the report of the Commission, in which you will find much valuable and encouraging information.

I submit herewith a synopsis of the year's business.

Railroad Earnings.

Earnings of the railroads of the State from all sources for the year ending June 30, 1899 ........ $8,916,383 04

Total Expenses.

Maintenance of way and structures, equipment, conducting transportation, general expenses .......... $5,831,246 37
Taxes ............................................ 383,716 37
Income ........................................ 2,791,430 44
Increase in gross earnings over 1898 of $827,053 00
Gross earnings per mile ......................... 3,377 43
Operating expenses per mile .................... 2,357 98
Net income per mile, 1899 ..................... 1,023 36
Net income per mile, 1898 ..................... 807 57
Increase per mile ................................ 215 77

The Dispensary.

There is no question that will engage your attention at this session that will demand more careful thought and in which there is more interest manifested than that of the control of liquor. You will no doubt have several propositions presented to you by different members of your body for your consideration. It is important that you should take hold of the question in a positive and direct manner and meet the issue squarely. Under the Constitution of the State there are only three modes allowed for dealing with this question. "The General Assembly may license persons or corporations to manufac-
ture and sell and retail alcoholic liquors or beverages within the State;" "or the General Assembly may prohibit the manufacture and sale and retail of alcoholic liquors and beverages within the State;" or it "may authorize and empower State, county and municipal officers, all or either, under the authority and in the name of the State, to buy in any market and retail within the State liquors and beverages in such packages and quantities, under such rules and regulations as it deems expedient." And in no case shall it be sold in less quantities than one-half pint or between sun-down and sun-rise, and it shall not be drunk on the premises. Neither can the General Assembly "delegate to any municipal corporation the power to issue licenses to sell the same." Under the last alternative the Dispensary Law is in force. At the present time and in view of the era of material progress and development upon which the State has entered I do not believe it would be wise or good business judgment to refer this question to a popular election. Not that there is any uneasiness or unwillingness to trust the people, but it would have a tendency to renew strifes and bitterness and engender bad feeling and I believe would retard the progress of the State in its material development. Much of the prejudice that has heretofore existed against the Dispensary Law has been broken down and many of its most bitter opponents have come to realize its good features and are ready and willing and anxious to see it improved and enforced. With certain amendments which seem necessary, and which will commend themselves to your good judgment, and which should be made at the present session, and with the proper enforcement of the law, it is the best solution of the liquor question yet devised. Even those who oppose the Dispensary Law admit that it has good features. Whiskey has been put under the ban and whether you prohibit it, license it, or take entire charge of it, the principle is the same. It seems to me that it would be good judgment to take hold of the present law and amend and improve it. Prohibition is very nice in theory, but in existing circumstances and conditions I do not believe it would be practicable. Extraordinary machinery would be necessary to enforce it, and there would be no means with which to employ the machinery except by additional taxation, and even then whiskey would be freely sold and bar-rooms under the guise of drug stores would spring up and flourish in every town and hamlet in South Carolina. Such has been the experience wherever prohibition has been tried: Local option would be even worse than prohibition. To have prohibition in one county, a license system in an adjoining county, and the dispensary in an-
other, would create no end of confusion and trouble throughout the State.

No law has been enacted in this State in recent years that has been as bitterly opposed and as strongly supported as the Dispensary Law. And yet, with the exception of a few localities, it has been as well enforced as could be expected, being revolutionary as it was. No law can be thoroughly enforced that has not behind it and to support it a healthy public sentiment in its favor. Now that public sentiment is growing in its favor, it seems to me that it would be unwise and bad judgment to repeal the Dispensary Law and to make trial of some other system of controlling the liquor business.

That there has been bad management in some departments, is not an argument against the system. That there should have been disagreement and contention amongst those in control, is unfortunate.

I would recommend for your consideration the abolition of the State and County Boards of Control and that the duties of these officers be devolved upon other officials. You should elect a State Commissioner of high character and good business judgment, and give him sufficient compensation to command the services of such a man. He should be given more authority and discretion, and required to give a good and sufficient bond and be subject to removal by the Governor. As the present law stands, he has very little discretionary power in the management of the business, and is not much more than a clerk to carry out the rules and regulations of the Board of Control. As an advisory board to the State Commissioner I would suggest the Comptroller General, the State Treasurer and the State Superintendent of Education, with such powers and duties as in your wisdom you may think proper to confer upon them. I do not deem it wise to put the Governor or the Attorney General on this advisory board. You might add to this Board the Chairman of the Finance Committee of the Senate and the Chairman of the Ways and Means Committee of the House. It would not be necessary for this board to meet more than four times a year, and at each meeting competitive sealed bids could be submitted and these bids opened in the presence of the Commissioner and such purchases made as would be needed to supply the demand. The State Treasurer is the custodian of the funds, the Comptroller General distributes the school part of the fund arising from the dispensary, and the State Superintendent of Education is the head of the educational department, which is the beneficiary of the fund. These officers are elected by the people, and have to give account to them for the manner in which they discharge their duties, and are always men of ability and character.
In place of the County Boards I would suggest that the County Supervisor, the County Auditor, and the Mayor of the county seat town, if a dispensary be located there, if not the Mayor or Intendant of some town in the county in which there is a dispensary, constitute the County Board, and that they serve without extra compensation. They, too, are elected by the people, and would have to give account of their stewardship to the people. I would also suggest that the county dispensers be elected by the people as other county officers are elected and for a term of two years.

These changes are suggested not only because in my judgment they would improve the administration of the law, but on the ground of economy. I regret that I have not the figures for the last fiscal year. They could not be obtained on account of the assembling of the Legislature coming so near to the close of the fiscal year. The figures, however, will not be materially different from those for the fiscal year 1898, so far as the County Boards are concerned, but the cost of the State Board will undoubtedly be very much increased. In this year the total cost of the County Boards was $9,724.20. For the same year the cost of the State Board of Control was $4,300.01, which makes a total of $14,144.21 as the cost of the State and County Boards of Control, and which by their abolition would be turned into the profits of the dispensary.

I would also suggest that the law be so amended as to bring violations within the jurisdiction of the Magistrates, so that all cases might be promptly and summarily adjudicated. Much of the expense of the constabulary arises from having to attend Circuit Courts as witnesses and prosecutors against blind tigers.

Soon after I came into office I reduced the constabulary force nearly one-half, and endeavored as far as I knew and could secure information to select men of character and discretion to perform the duties of State constables. As public sentiment grows in favor of the law and Magistrates and their constables and other officers realize that it is as much their duty to enforce this as any other law, I am satisfied that the force can be still further reduced and finally entirely abolished.

During the past year I issued a circular letter to all the Magistrates and Sheriffs of the State and the Mayors and Intendants of the incorporated cities and towns, calling their attention to the fact that the Dispensary Law was as much a law of the State as any other law and also directing their attention to their duty to enforce it just as they would the statute against larceny or any other crime, and asking their aid and co-operation in the wise and humane execution of all
laws. The responses were numerous and unanimous in expressions of hearty co-operation. Some of them were frank enough to say that they had been and were opposed to the Dispensary Law but manly enough to acknowledge it as a law of the State and to pledge their support and co-operation in its proper enforcement. I am satisfied that this circular has resulted in good, and that in many of the cities and towns the local authorities are doing what they can to apprehend violators and that there are fewer violations of the Dispensary Law than of many other laws now on the statute books.

Mr. W. W. Harris, who is clerk and is in charge of this department under my direction, in his report to me says: "There is less complaint of the illicit traffic in liquor coming to this office from throughout the State than ever before during the five years I have been connected with this department, and it is very evident that there is less violation of the Dispensary Law over the entire State, with the possible exception of the city of Charleston and two or three of the counties in the northwest portion of the State, and it is probable that even in those sections there has been improvement." I submit hereewith a table showing the comparative cost and the work done by the reduced number of constables for the last six months of 1899 and the corresponding six months of 1898. It will be seen that so far as the work done the number of seizures is about the same, while there has been a saving for the six months of 1899 over the same six months of 1898 of $8,238.90 in this one item.

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<td>Cost of</td>
<td>Number of</td>
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<tr>
<td>Month</td>
<td>Constabulary</td>
<td>Seizures</td>
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<td>July</td>
<td>$8,590.25</td>
<td>97</td>
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<tr>
<td>August</td>
<td>8,720.27</td>
<td>82</td>
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<tr>
<td>September</td>
<td>8,820.96</td>
<td>109</td>
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<tr>
<td>October</td>
<td>4,140.69</td>
<td>313</td>
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<tr>
<td>November</td>
<td>8,844.75</td>
<td>167</td>
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<tr>
<td>December</td>
<td>4,784.94</td>
<td>341</td>
</tr>
<tr>
<td>Total</td>
<td>29,872.77</td>
<td>882</td>
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These figures include the cost of buggy hire, railroad fare for the constables, and the salary of the clerk to the Governor.

I am glad to be able to state that during my term of office with but one exception there has been no conflict between the constables and citizens, and in this exception one constable was killed and another
wounded and one citizen was killed. This unfortunate trouble cannot any more be charged to the Dispensary Law than could a similar difficulty in the enforcement of any other law be argued against it.

The annual report of the State Board of Control for the fiscal year ending December 31, 1899, will be submitted for your information as soon as it can be made up. As already stated, the fiscal year ending so near the assembling of the Legislature, it was impossible to obtain information showing the business and condition in time for my message. I am informed, however, that the profits will be much larger than in any previous year since the enactment of the Dispensary Law. This does not necessarily mean that the consumption of whiskey has increased, but rather it argues that less whiskey has been shipped in the State for personal use and the blind tigers have decreased and much of the prejudice against the Dispensary Law no longer exists.

I have received from the Comptroller General the following statement of receipts and disbursements on account of the special State Dispensary School Fund for 1898-99:

Received from State Dispensary, 1898-99.................. $130,000 00
Disbursed to the several counties under
Act 1898...........................................$67,204 35
Disbursed deficiency several counties under Act 1899............. 19,338 02
Disbursed surplus several counties under Act 1899............ 43,457 63 130,000 00

I am sure that you will be guided by a wise discretion and exercise good business judgment in dealing with this subject, and I trust that whatever action you may take will redound to the good of the State.

CONFEDERATE RECORDS.

The last General Assembly made no provision for the continuance of the office of State Historian and the completion of the work which that officer had in hand. Col. John P. Thomas, who had been appointed to take up the work laid down by Judge J. B. Kershaw and Gen. H. L. Farley, and in view of much unfinished business connected therewith, deemed it his duty to keep his office open and to prosecute his labors on his own responsibility, and as a contribution to the Confederate history of the State.

The result of his year's work appears in the elaborate report submitted to me and by me transmitted to the General Assembly.
It will be seen that the account given of the raising of troops in South Carolina for State and Confederate service, 1861-1865, which Col. Thomas presents as the joint work of Mr. W. J. Rivers and himself, is a valuable contribution to the history of the part taken by the State in the War Between the States and that taken by the troops furnished by the State to the Southern Confederacy. This paper throws a flood of light upon the rolls and lays the foundation of the sketch designed to accompany the publication thereof, when this publication shall be ordered by the General Assembly.

Col. Thomas further reports, as the result of his services for the past year, the collection of much additional historic data bearing upon the services of the Confederate soldiery from South Carolina in the War for Southern independence.

The rolls having been practically completed, Col. Thomas recommends their publication, properly edited and accompanied by such a sketch as that outlined in the one submitted, supplemented by a concise statement of the part taken by each of the organizations from South Carolina which participated in our heroic struggle.

The cost of this publication would be very small compared with its historic value. It is important that we should preserve this history and that it should be put in permanent shape while some of those are still living who helped to make it and are more competent to record it accurately than any of their descendants will be. I submit for your consideration the wisdom of continuing the office of State Historian and of making provision for the publication of this history. Estimates have been received from a reputable publisher which indicate that it will not take a very great outlay to have this history published. It is probable that a sufficient number of copies could be sold to private individuals to reimburse the State for the outlay. Before taking definite action you might appoint a Committee from both houses to look into this matter and report at the present session. Col. Thomas will gladly furnish the Committee with such information as he may have.

Col. Thomas has submitted to me his resignation as State Historian, to which he was appointed in October, 1897, by Governor Ellerbe. He has given efficient and faithful service during his term of office and has labored hard to gather and put in shape the part that South Carolina took in that great struggle. He should be compensated for his services during the past year and I commend it to your favorable consideration.
Chickamauga Battle-field.

The General Government has purchased the Chickamauga battle-field and converted it into a national park. It is kept in excellent condition and stands as a permanent tribute to the magnificent valor of the American soldier. It is the only battle-field so consecrated. The General Government has asked the various States having troops engaged in that battle to mark the positions of their troops by the erection of suitable monuments. Many of the States have so honored their sons and $471,500 have already been expended for this purpose by sixteen States. Georgia leads the Southern States with an expenditure of $25,000. The General Assembly of South Carolina in 1893 sent a commission to locate the position of her troops, and in 1894 appointed a commission to select suitable monuments. In view of the prominent part South Carolina took in this war and in this battle it seems but fit and proper that she should join with her sister States in this tribute to the memory of her heroic dead and provide the necessary means to complete the work already commenced. The South Carolina Division U. C. V. will present a memorial to you asking an appropriation for this purpose of $10,000. I commend it to your favorable consideration.

State Board of Health.

The annual report of the State Board of Health will be submitted to you. It is important that you should give careful attention to this report and the suggestions and recommendations contained in it. You will also find a full exhibit of expenditures of the Board. The fund appropriated at the last session was exhausted before the close of the year largely on account of the existence of smallpox in various sections of the State and in the efforts of the Board to combat the disease. Other infectious and contagious diseases have prevailed to a more or less extent in some parts of the State but have been of a very mild character. Only smallpox has assumed anything like an epidemic form and the mortality has been very light. It has appeared in twenty-three counties during the year and is still prevalent in some sections. It is important that stringent measures should be adopted in order to stamp it out before it assumes a more virulent type. The Secretary of the State Board, Dr. James Evans, in his report to me says: "It was impossible for the State Board of Health to prevent the rapid spread of the disease to those widely separated sections of the State for several reasons, the chief of which was the
inadequate funds at the disposal of the Board; not being clothed with sufficient power to enforce their authority in isolating, guarding and preventing intercourse with the sick; in enforcing the great safeguard against the spread of the contagion, compulsory vaccination, and the great necessity of extending the health organization to the township, which would secure prompt notification of the presence of any contagious or infectious disease to the health authorities, who could thus take prompt action in stamping out any disease before it could possibly infect other persons and become epidemic." This matter deserves your careful attention. To extend the organization from the State Board to the County Board and from the County Board to the Township Board would put in operation machinery that should be able to control and stamp out any contagious or infectious disease before it could have opportunity to spread and could guard with a jealous eye the health of the State. You have now on your calendar a bill providing for township boards of health.

On account of the prevalence of smallpox recently I made arrangements to borrow $3,000 to be put at the disposal of the State Board of Health in order to stamp out and control the smallpox epidemic. Up to this time that fund has not been drawn upon, but I have no doubt the State Board has incurred some obligations which will have to be met in handling the disease. The health of the people of the State is a very important matter and should be carefully guarded by the enactment of wise sanitary measures. In the report of the State Board you will find several important suggestions and recommendations which should receive your careful consideration.

MEDICAL COLLEGE.

The Medical College of the State of South Carolina located at Charleston is not a State institution, but through the kindness of its faculty has for several years been furnishing free tuition to seven deserving young men, one from each Congressional District in the State. These young men have been named by the Governor. I thought proper to call this matter to your official attention and to commend this institution for the good work it has been doing for the State.

OYSTER BEdS.

In our coast counties the oyster business could be made an important industry if proper and wise legislation were enacted to protect the oyster beds. I am informed that tons of oysters are shipped from
Beaufort County every week during the winter to canning factories in other States, for which the State receives practically no revenue, and these beds are almost inexhaustible. And what is true of Beaufort is true of Georgetown and of our other coast counties. It is a much more important matter than some of our people who are not familiar with it imagine. If properly protected, canneries could be built and profitably operated where the beds are, and remunerative employment given our own people. If they were not and the oysters were exported, the State should receive some revenue from them and not voluntarily contribute to enrich other States from property which is ours. I ask for this matter your careful consideration and such legislation as in your wisdom you may conclude proper for the protection of the State. At the session of 1897, some legislation was had along this line, but it needs to be amended and perfected and made more effective.

CLAIMS FOR CAPTURED AND ABANDONED PROPERTY.

It has been brought to my notice that there remains in the Treasury of the United States the sum of $10,512,007.96, balance remaining from the sale of captured and abandoned property of citizens of the Southern States, under the Acts of Congress approved March 12, 1863, and July 2, 1864, this being chiefly cotton seized in and around Beaufort during the occupancy of the parishes of St. Helena and St. Luke's while the war was in progress, and elsewhere throughout the Southern States in such parts of the territory as were under Federal control during the war, and after the war by special agents of the Treasury appointed for that purpose. This fund has been the subject of considerable contention. Claimants have endeavored to establish their right to it, but owing to the difficulty of bringing suit against the United States, a sovereign, and the peculiar provision of the law under which it was taken requiring iron-clad oaths and proof of loyalty, individual suits could be brought only in a very few instances. Meanwhile the fund has laid in the Treasury, and individual efforts have continued to be made by persons deeming themselves interested therein, before Congress, to secure the privilege of bringing suit in the Court of Claims. During the years that have passed, the subject has been considered frequently by the Supreme Court of the United States, and it has been determined by that tribunal in a direct decision (Klein vs. U. S., 13 W. A. L. L., 138, 11,) that it was not the intention of Congress by the enactment of those statutes, that the title to property seized under them should be divested from the loyal
owner; (2) that the proceeds of the property should go into the Treasury without change of ownership; (3) that the same intention prevailed in regard to property of owners, who though hostile at the time the property was taken, might subsequently become loyal; (4) that the Government constituted itself trustee for those who by that Act were declared entitled to the proceeds of captured and abandoned property.

In the 55th Congress a general bill was introduced opening the door of the Court of Claims to suits by all of these claimants, and favorable reports from the Committees on Claims of both Houses were submitted, recommending the passage of the bill (Senate Bill 5020, 55th Congress, 3d Session, Report Senate Committee on Claims, No. 1634), and these public documents carried on their face the evident justice of such legislation. The bill failed to pass only for the reason, as I am informed, that it failed to receive attention in the mass of business before Congress, and so this measure, so beneficial to a large number of our citizens, the proceeds of whose property is in that fund, failed at that Congress. With a view of aiding the passage of the bill when reintroduced, as it has been or will be, I have seen proper to address a request to every member of our Congressional delegation, requesting them to give diligent attention to this important measure, and I have also addressed communications to the Governors of the several Southern States, whose citizens are in common interested in the fund, and requested them to take similar action, and replies have been received from several of the Governors, showing that they have acted upon this suggestion, and the Legislature of Georgia has passed a resolution requesting its Congressional delegation actively to co-operate, and it is hoped that at the present Congress by united effort, this legislation, long delayed, will be enacted. It is difficult to see why in this era of good feeling, when all the acerbities of the war have gone to their merited oblivion, that the Congress of the United States should withhold from its citizens the simple right to proceed before its own Courts, and demonstrate their interests in the fund, for which the highest Court has admitted that they occupy a fiduciary position.

In this connection it is proper to state that much of the evidence upon which these claims exist is rapidly passing away, and some means should be afforded to our citizens to perpetuate this testimony as far as possible, and to enable them to do so a commissioner should be appointed with power to administer oaths, who should take depositions of witnesses who are cognizant of facts relative to these claims, put them in permanent shape, and register them in a suitable manner,
so that this testimony, now so valuable, may be available whenever the Congress of the United States shall see proper to permit these matters to be litigated. Such a commissioner should be appointed without expense to the State, but his compensation should be entirely a matter of agreement between him and the parties who may desire to avail themselves of his services in the perpetuation of the evidence relating to their several claims, and a sum of money, not exceeding $100, might wisely be appropriated to defray the expense of printing needed blanks and purchasing suitable books of record.

ROADS.

There is no subject of greater importance and that will affect more people than that of good roads. No subject will come before you to which you could give careful consideration with more profit. The tendency has been for the country population to move to the cities and towns in order to secure the advantages of church and school. If this continues, the country districts will become depopulated and the population will be congested in the cities and towns. The condition of the public roads in certain seasons of the year makes it almost necessary that the country people should be denied school, church, and social privileges. Unless something is done to arrest this flow of population to the cities and towns, the conditions of the country districts will become alarming and it is already receiving the attention of the thoughtful. The country is the preserver of true manhood and the foster father of manly independence. Nothing will conduce more to its development and desirability as a place of residence than the building of good roads. The saving of time, the saving in the wear and tear of stock and vehicles, and the addition to the loads that could be hauled with more ease, would compensate for much outlay in road improvement, not to speak of the convenience and comfort to the people who travel on the roads in marketing their products and attending church and school. Our conditions are such that it would scarcely be wise to levy an additional tax for this purpose. But by wise and proper use of the means at our disposal much more might be accomplished than is now done. In many of the counties much of the work on public roads is but a shiftless pretence. Under our system of county chain gangs, if the force were kept at work on permanent improvements and the building of permanent roads instead of cleaning out ditches and throwing a little dirt in the middle, which has to be done over after each rain, much more might be accomplished. Some of the counties have realized the importance of this
permanent work and as a result good and permanent roads are being built. I submit for your consideration the importance of requiring all county chain gangs to be kept on permanent work and not be permitted to fritter away their time on work that will have to be done over two or three times a year.

I am glad to report to you that the authorities of Clemson College have realized the fact that road improvement is one of the greatest economical problems of the day and that they are devoting money and time to the study of the problem for the benefit of the farmers of the State. Experiments are being made under the direction of an expert, who will also give the college classes a series of lectures on road making. Experiments have also been made at Clemson on the use of broad tires and the results have been published in bulletin form. If in your wisdom you can devise some plan by which you can give to the people of this State better roads, you will confer a lasting blessing upon them.

War Claims.

During the raising of troops by the State in 1898 for the war with Spain considerable indebtedness was incurred, which has not yet been entirely adjusted. Claims have been put in against the General Government for these several amounts, but many of them still remain unpaid. I will submit to you a special message covering, as far as I am able, a full statement of this matter, and I desire now simply to direct your attention to this special message. Those citizens who furnished supplies on the order of the Governor of the State should have their money and should not be required to wait any longer for payment. They sold their goods to the State and look to the State for payment and not to the General Government. You should make some provision for the prompt and satisfactory adjustment of these claims remaining unpaid. This would not interfere with or retard the collection of these claims from the General Government, and private parties would not be subjected to the inconvenience of being kept out of money justly due them and which they expected to receive in cash.

State Militia.

It is gratifying to note that marked improvement has been made in the status of the State militia under the present administration of the Adjutant General's department. The number of companies in actual
service has been considerably reduced but there has been an increase in efficiency. You are aware that for several years past the support of this department by the State has been very meagre, and really insufficient to meet the demands required in maintaining a creditable and an efficient militia organization.

Grave social and political conditions, liable at any moment to threaten the peace and welfare of the State, would seem to indicate the necessity of preparation at all times. I would, therefore, recommend that you be as liberal the current year in the support of this important branch of the State service as the finances of the State founded on wise economy will allow.

A full and exhaustive report of all matter relating to this department has been prepared by the Adjutant General for your consideration. I commend it to your careful attention.

**TAX ON STATE BANKS.**

The repeal of the ten per cent. tax on State Banks will go far toward solving the money question. This is a matter entirely within the province of the National Congress at Washington, but a resolution from the several State Legislatures requesting Congress to repeal this tax would have its influence. Such a resolution from you would give encouragement to our Senators and Representatives in Congress who are making a fight for the repeal of this tax and would be evidence that they had behind them the support and endorsement of the people whom they represent.

**BANK AND INSURANCE EXAMINER.**

In 1896 an Act was passed creating the office of Bank Examiner. But the Board appointed by that Act did not elect the Examiner, as I am informed for the reason that no appropriation was provided for the expenses of the office, and the law is, therefore, a dead letter.

There are now more than one hundred insurance companies doing business in this State. Life insurance as well as fire insurance has taken deep root with our people and nearly every man has those who are dependent upon him provided against his death with an insurance policy upon his life. It is of very great importance to a great many of our people that the companies that solicit business in this State should be substantial and reliable companies, so that the insured may feel secure that when he pays the premium on his policy, when death comes those for whose benefit he has paid it may get the insur-
ance. And so with State Banks. A great deal of the business of the country is done through banks and many of our people have their savings in these institutions. They invite the trust and confidence of the people and should be under the supervision of the State. I submit for your serious consideration the wisdom of providing a State Examiner for State Banks and bankers and the insurance companies doing business in this State. All reputable companies and banks should be glad to have such examinations made for their own protection as well as the protection of their customers. The salary and expenses of this office could be provided for by the institutions named in proportion to the business they do, as is done in the case of the Railroad Commissioners.

Trusts.

While we felicitate ourselves on the number of corporations that have been chartered within the State during the past year and should do nothing to hinder their success, it should not be forgotten that they are creatures of the State. Obtaining their existence from the State, you have the right to regulate their operations and the operations of those doing business in this State though receiving their corporate existence from other States. The tendency of these corporations is towards centralization and combination. This tendency leads ultimately to oppression and an effort to drive the weaker institutions out of competition, and unless guarded by wise legislation will eventually take away from the individual his dearest rights. While, on the other hand, if wisely conducted and properly guarded, they will do much to develop and bring into life the natural resources of the State. It is a subject that should command your most earnest and thoughtful attention. I thought proper simply to call it to your attention, so that while you legislated to foster and encourage corporate enterprises you might also guard and protect the rights and privileges of the individual citizen.

Biennial Sessions.

The advisability of biennial sessions of the Legislature has been frequently called to the attention of the General Assembly by my predecessors. That we have too much legislation, we all admit. Fewer changes in our laws as a rule would be better. There would not be that uncertainty in regard to many laws, that now exists. Many States have adopted biennial sessions of their Legislatures. The State Constitution provides for annual sessions of the Legislature
and the Declaration of Rights declares, "The General Assembly ought frequently to assemble for the redress of grievances and for making new laws, as the common good may require." I submit the matter to you for your careful consideration, inasmuch as there has been some discussion of this subject and some demand in certain sections for biennial sessions. As you will see, in order to change, would require an amendment to our Constitution.

**Local Legislation.**

Much time at each session of the Legislature is consumed with the passage of laws that have only a local application. The attention of the Legislature has been called to the expense and evils of such legislation at different times by my predecessors, and yet every session of the Legislature finds itself confronted with a batch of local and special legislation. The Constitution prohibits the passage of local or special laws concerning certain subjects and demands the enactment of general laws to cover the same. You should avoid as far as possible the passage of local and special legislation, for it not only involves expense, but it creates confusion in understanding and knowing just what the law is. Where general laws have not been provided in accordance with the requirements of the Constitution, they should receive your attention and then the introduction of local and special legislation should not be permitted.

**Payment of Taxes.**

In view of the demand from certain sections that the time for payment of taxes be extended, after consultation with the Comptroller General, by virtue of authority given us by law, we extended the time for the payment of taxes without penalty to the first of February, 1900.

**Good Order.**

There has been no mob violence during the past year and general good order has prevailed throughout the State. The county of Darlington is to be congratulated on giving a legal trial and execution for a crime that usually results in summary justice. This spirit is to be encouraged and commended, and will result in greater respect for the proper and legal channels of administering the laws.

Liberty is too often construed as license and we need to instil into our people a regard and respect for constituted authority, and that
the best and most highly prized liberty is that which is surrounded by restraint. One of the greatest evils of the day and of modern times is the tendency to disregard and disrespect constituted authority and to rebel at the restraint that is necessary to put upon personal freedom in order to secure and enjoy the best and the purest and the sweetest liberty.

CONCLUSION.

I have thus endeavored to obey the mandate of the Constitution laid upon the Governor to "give to the General Assembly information of the condition of the State, and recommend for its consideration such measures as he shall deem necessary or expedient." I have not presumed to lecture you on economy, for I feel sure that you realize as fully as I do the needs of our people, and will be as economical in the expenditure of public money as is consistent with efficient service. The burdens of taxation always fall heavily, but where there is a wise and necessary expenditure of the public fund for the general good, no reasonable taxpayer will complain. You should deal with the affairs of State in a businesslike manner and as a prudent business man would manage his private affairs. If you find that in any department the expenditures can be cut down without hurt to efficient service, it is your duty to cut them down. Useless and extravagant appropriations should under no circumstances even be considered. Prudent and careful economy should guide you in all matters touching the State's finances.

I invoke upon all your deliberations the guidance of an all-wise and overruling Providence, and trust that whatever you do may be done with an eye single to the good of all the people of the State.

M. B. McSweeney,
Governor.