MILLINERY.

PRICES REDUCED of Ladies', Misses' and Children's BONNETS, HATS, CAPS, SUITS, UNDERWEAR, Fur Sets, Cloaks, Worsted Goods, Hair, Corsets, Zephyr Worsted and other articles too numerous to mention; also, Bazar Patterns. Ladies will please call and see for themselves at

Nov 26 MRS C. E. REED'S.

CIGARS! CIGARS! CIGARS!

THE friends, patrons and public at large are respectfully notified that in consequence of the large demand for my favorite brands of Cigars, I have been compelled to open another branch

In the Columbia Hotel Rotunda.

My Retail and Wholesale Departments are kept in full force, to meet the demand. All friends from the country are invited to inspect our Factory, at No. 103 Main street, three doors below the Wheeler House, sign of Indian Chief.

Nov 10 M. SULZBACHER.

GOVERNOR MOSES

In changing the Commissioners of Election, deserves the united thanks of every lover of peace. THE PROPRIETOR OF THE INDIAN QUEEN SEGAR STORE, in introducing the FIVE CENT MANILLA, deserves the commendation of every lover of the weed, as

ON THE

Day of election, the people flock to the polls, each to deposit their ballot for their favorite candidate, so do the many consumers flock to this popular resort to obtain this FAVORITE SEGAR. Let it be understood that we are not on the

WAR PATH

Against other dealers, we merely claim that the segar offered by others is far INFERIOR to that sold by the

INDIAN QUEEN CIGAR STORE,

Nov 1 105½ Assembly Street.

CAROLINA

Lumber Manufacturing Co.

JOHN C. MALLONEE, President.

THOS. BONNELL, Sec. and Treas.

WHOLESALE and retail dealers in all kinds of Southern and Northern LUMBER, FLOORING, CEILING and other kinds of WORKED LUMBER made a *specialty;* Shingles, Plastering Laths, Vegetable Boxes, &c., &c. Office and Works, Horlbeck's Wharf, near North-eastern Railroad, Charleston, S. C., and 95 West Gervais street, Columbia, S. C.

E. MORRIS,
Agent at Columbia, S. C.

N. B.—Special arrangements have been made with the railroads for delivering lumber Nov 19 1mo

New Books, at Bryan's Bookstore.

WORKING to Win, a story for girls, $1.75.

Mistress of the Manse, by Dr. Holland, author of Arthur Bonnycastle, $1 50.

A History of Germany, from the Earliest Times, by Charlton Lewis, $2 50.

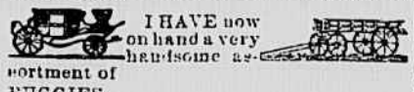
Manual of Mythology, Greek, Roman, Norse, Hindoo, Egyptian and Old German, by Murray, $2.25.

Prairie and Forest, the Game of North America, with adventures in their pursuit, by Gillmore, $1 50.

Health and Education, by Kingsley, $1.75.

Hogarth's complete works, in three volumes. The Wild North Land, by Major Butler, with plates, $2 50. History of Clubs and Club Life, London. Book of Wonderful Characters, with portraits. The Slang Dictionary, historical and anecdotal. Homes and Haunts of the British Poets, London, and other new books. Nov 1

CARRIAGES AND WAGONS.



I HAVE now on hand a very handsome assortment of

PUGGIES.
ROCKAWAYS.
BAROUCHES.
CARRIAGES.
HARNESS.
WHIPS,
&c., &c.,

of my own as well as of *Northern manufacture*, and of handsome style and finish.

ALSO,

A full stock of the *celebrated* MILLBURN WAGONS, which have given such universal satisfaction. My prices have been *greatly reduced*, and all vehicles sold *are warranted for twelve months*, and any defect in workmanship or material will be made good to the purchaser *on sending the vehicle to my Carriage Manufactory.*

Nov 10 JOHN AGNEW.

307 Main St., Next to Wheeler House.

ESTABLISHED IN 1845.

AND STILL IN THE FIELD.

WITH

A LARGE and well selected stock of first class FURNITURE, Parlor, Bedroom and Dining Room Sets, which will be sold as low as any house in the country for cash.

Nov 10 M. H. BERRY.

WM. GLAZE,

JEWELER,

Has on hand a large stock of

Gold and Silver Watches and Clocks,

DIAMOND RINGS AND PINS,

Fine Jewelry in Whole and Half Sets,

Silver and Plated Ware,

House-Furnishing Goods,

Fancy Goods in Variety,

Military Goods—Stock Complete.

N. B. I have on hand a large stock of ENGLISH GUNS, breech and muzzle loading, and will sell at reduced prices.

Wishing to reduce my whole stock, I will sell, until January next, all goods at reduced prices.

WATCHES AND JEWELRY repaired in the best manner and warranted.

Nov 8 2mo

Watches, Clocks, Jewelry,

SILVER AND PLATED WARE,

SPECTACLES, EYE-GLASSES, ETC.

I HAVE a large stock of the above on hand, and will sell them at the lowest cash prices. All goods warranted as represented.

☞ Watches, Clocks and Jewelry repaired and work warranted.

GEO. BRUNS,

Oct 27 Columbia Hotel Block.

Subscribe for the PHŒNIX.

THE DAILY PHŒNIX.

"Let our Just Censures Attend the True Event."

BY J. A. SELBY. COLUMBIA, S. C., WEDNESDAY MORNING, DECEMBER 2, 1874 VOL. X—NO. 216

A CARD.

The Laurel Street

GROCERY ESTABLISHMENT

IS now open to the public, offering the GREATEST INDUCEMENTS known to the trade. The proprietor is so confident of the superior merits of his goods that he asks no discrimination in his favor as compared with anything in this market; so that you can at once encourage Southern industry, and at the same time directly serve your interest, by purchasing from this reliable house. Offering every reasonable facility to customers, I beg an humble share of public patronage.

Dec 1 JOHN E. GYLES, Agent.

Governor Chamberlain's Inaugural.

FELLOW-CITIZENS OF THE SENATE AND HOUSE OF REPRESENTATIVES: I have appeared before you to-day, to assume the office of Governor, and to state my views of the action and policy on the part of our State Government which will best promote the public welfare. Our recent political canvass presents one or two aspects which are significant of the will of the people. The two parties which sought supremacy were equally emphatic in their demand for the correction of existing abuses in the administration of our government, and both presented to the public the same platform of principles and policy for the future conduct of public affairs. The remarkable spectacle was thus presented, among a people hitherto considered most widely divided in their political sympathies and aims, of an absolute identity of sentiment upon all the questions which were presented to the public by either party. It is true that a large minority of our citizens did not take part in either of the political conventions which presented the respective candidates for State officers, yet in the election wherein the total number of votes cast was more than 12,000 greater than in any previous election since 1868, only two parties appeared, both of which professed to seek similar ends by similar means. The result is that we who have been elected to office, are united in the general objects which we seek and the general methods by which those objects are to be reached. Without intending to over-state the extent to which our recent party combinations have bound us in respect to our future action, I congratulate all our people upon the substantial harmony of purpose which now prevails. I take strength and hope from that fact. If we are honest in our professions, I cannot find myself in antagonism to any member of the executive or legislative departments of our government, except upon matters of detail in our common pursuit of the same ends. I feel bound to say that, until experience shall correct me, I shall rely for support, in the course which I intend to pursue, upon those members of the General Assembly who were opposed to me in the recent political contest as confidently as upon those who who favored my election. The paramount duty before us may be stated to be the practice and enforcement of economy and honesty in the administration of the government. Fortunately our evils are chiefly evils of administration. Our State Constitution commands the undivided approval of our people. The body of our statute law is believed to be, in general, just and wise. The present demand is for a faithful application and enforcement of the existing Constitution and laws; in a word, good administration. Wise statesmanship aims at practical results, and concentrates its strength upon those measures which are of prime importance. I must be pardoned if I omit to catalogue all the matters of public interest to which consideration must be given by the General Assembly, and confine my attention to those topics which appear to be most pressing.

Our earliest and most earnest attention should be directed to the subject of the collection, appropriation and disbursement of the public funds. These matters are fundamental. Our recent experience teaches us that a government cannot be strong in popular esteem which adopts unjust modes of taxation, imposes unnecessary taxes, expends the proceeds of taxation upon improper objects or in undue amounts, or permits loose and reckless methods in the disbursement of public funds. Our present tax system grows out of the provisions of the Constitution which are contained in Article I, Section 36, and Article IX, Section 1. The leading features of the system are an *ad valorem* valuation and a uniform and equal rate of assessment and taxation of all property, real, personal and possessory, with certain specified exceptions. Under existing laws the tax-payer is required to make a statement, under oath, annually, to the County Auditor, of all his property subject to taxation, and to value the same "at its true value in money," or "usual selling price." It is the duty of the County Auditor to state opposite each tax-payer's name, in the return made by him, any amount which he believes ought to be added to the valuation to be made by the tax-payer, and to give notice of such recommendations to the tax-payer. The returns are then submitted to a County Board of Equalization, composed of the County Auditor, County Treasurer and "three intelligent tax-paying citizens," to be appointed by the Circuit Judge. This board are required to equalize the valuation made by the tax-payer by raising the valuation of such property as, in their judgment, has been returned below its true value, and by reducing the valuation of such as, in their judgment, has been returned above its true value; but they are forbidden to reduce the aggregate value of the real and personal property of the County below the aggregate value as returned by the County Auditor. Under the construction placed upon the law by the present Comptroller-General, in which I concur, the aggregate valuation of personal property in any County is absolutely fixed by the tax-payers themselves. The County Board of Equalization merely equalize the valuations of any specific personal property as compared with the average valuation of other personal property of the County. A special Board of Equalization for the city of Charleston is provided for with similar powers and duties. The returns thus equalized stand, as to the valuation of personal property, as the basis for taxation; but the valuation of real property in the several Counties are submitted to a State Board of Equalization, composed of one member from each Congressional District of the State, the Governor, Secretary of State and Comptroller-General, whose duty it is to add to or deduct from the aggregate valuation of the real property of each County, or of each town, city or village in any County, such an amount as in their judgment will make the valuations represent the true value in money of the property. The returns thus equalized stand, as to valuations of real property, as the basis for taxation.

A special Board of Equalization is provided for, composed of the State Treasurer, Secretary of State, Comptroller-General and Attorney General, to equalize the value of the property of railroad companies, in a manner similar to that prescribed for the other Boards of Equalization. A right of appeal is also given from the County Board of Equalization to the Comptroller-General, who is authorized to make abatements in taxes in cases of erroneous or illegal assessments.

The leading purposes of a tax system, which rests upon an *ad valorem* basis, should be, in the language of our Constitution, to "secure a just valuation for taxation of all property," and to provide safe, convenient and inexpensive methods for the collection of taxes. The *ad valorem* system being fixed by the Constitution, our attention must be directed to the practical means of carrying out this system. Grave dissatisfaction with our tax laws has existed during the past six years. The most general and urgent complaint has been that the valuations placed upon the property of the State have been, to a large degree, capricious and excessive. It has also been believed that excessive valuations have been made in order to conceal the real extent of the burden of taxation. Without attempting to discuss the motives which prompted those who enforced the law, I express the opinion that the valuations made previous to the present year, have been, to a great extent, unjust and oppressive. Whatever the causes, the result has been that property has borne a valuation almost wholly arbitrary when different localities or separate pieces of similar property are compared, and excessive in amount, when tested by any reasonable standard of value.

I see no reason to regard this injustice as a legitimate result of our present tax system On the contrary, my most careful examination convinces me that the system will work out a just result if it can be placed in the hands of honest and competent officers. Undoubtedly, the machinery for making valuations is somewhat complicated, if not intricate; but the system will be seen, I think, upon a fair examination, to be adapted, in all its features, to guarding the rights of the tax-payer, in respect to assessments, whenever it is administered by those who regard the interests of the tax-payers. During the past year a new assessment of real property, the fourth since 1868, has been made. It is not yet possible for me to judge of its correctness, but I am assured by those who have been familiar with the work during its progress, that it approaches very nearly to the true value of the property. I am further informed that the aggregate valuation of all the property of the State under this assessment will fall from $30,000,000 to $40,000,000 below the aggregate of the previous assessment. I have confidence that much has been done in this assessment to relieve the injustice of former assessments, but I call your attention to the subject as one of fundamental importance to the whole people. The people demand, and they have a right to demand, that property shall be valued for taxation at its true money value, as nearly as the imperfection of the human judgment will permit. If the present assessment does not reach this standard, then it is our duty to adopt such measures as will remove the remaining defects. I shall co-operate with the General Assembly in any measures calculated to attain the end contemplated by our Constitution and laws—a just valuation for taxation of all property according to its true money value. In this connection I may remark, that so far as the working of our tax system depends upon faithful officers appointed by the Governor, I intend to see to it that no County shall have just cause of complaint. The appointment of County Auditors and County Treasurers now rests with the Governor, subject to the confirmation of the Senate. I commend to your careful consideration the question of making these officers elective by the people of the several Counties. There are some arguments which might be urged in favor of either mode of selection. The only test which should be applied in determining the question is, which mode will with most certainty secure good officers and a faithful enforcement of the laws?

My examination of the Act of the General Assembly of March 17, 1874, commonly called the "Taxation and Assessment Act," leads me to recommend that a full revision of that Act be made by some appropriate means by the General Assembly at this session, in conjunction with the Comptroller-General, in order to remove inconsistencies and supply defects now apparent in the law I further recommend that the work of equalizing railroad property be given to the State Board of Equalization, provided for by section 64 of the "Taxation and Assessment Act." I see no reason for placing this power in the hands of a board composed wholly of State officers as at present; on the contrary, I see many reasons for giving to the property of our railroad companies all the protection afforded to other property. Having secured a just valuation for taxation of the property of the State, our next duty will be to determine the rate per cent of taxation necessary to support the government. Upon this point the inflexible rule should be applied of limiting the amount of taxes to the actual requirements of good government. It should especially be remembered that the people of this State are not now able to contribute one dollar of taxes beyond what the most rigid economy will warrant. Probably there will be very little dispute upon this general proposition. The work and difficulty will consist in applying it. I deem it my duty, therefore, to proceed to point out the specific measures which will, in my judgment, tend to bring us nearer to a correct rule of public expenditure. The General Assembly at the last regular session of 1873-74 adopted the plan of making a specific levy of taxes for each object of public expenditure. I most earnestly urge that this plan be observed in the future. Its advantages are manifest and obvious. If the legislative branch is to have control of the public funds, no measure is so important to that end as the making of specific levies.

Assuming that the plan of specific levies will be continued, I proceed to indicate certain radical changes in the expenditure of public funds, which are demanded by a due regard for honesty and economy. Under this head I do not hesitate to characterize the whole system of contingent funds which has recently sprung up, as wrong in principle and mischievous and demoralizing in effect. During the past six years there has been appropriated and paid for contingent funds the astounding sum of $376,832.74. I venture the opinion that the State would have received equal benefit from one-fifth of that sum, if expended with economy upon proper objects. In practice, a contingent fund is a sum of money which a public officer is allowed to draw and expend without the usual accountability. Some governments deem it necessary to entrust certain officers with a fund commonly called the "secret service" fund, which may be expended for objects which might be defeated by publicity. I confess I am wholly unable to imagine any such objects in South Carolina. I think the people of this State should be able to trace every dollar of the public funds to the precise object on which it is expended. This cannot be done under our present system of contingent funds. I recommend, therefore, that the practice of appropriating contingent funds to be drawn and expended by different officers of the State without the usual accountability for such expenditures, be wholly discontinued. I recommend, in place of that system, that distinct appropriations be made for all public objects which can be anticipated or enumerated, and then, that a small sum, not to exceed ten or twelve thousand dollars, if so much be necessary, be appropriated for contingent expenses, to be paid in specified amounts to the several officers who may require it, upon the warrant of the Comptroller-General, drawn upon vouchers to be filed with the Comptroller General by the officers obtaining the warrant. The records of the expenditure of this fund will thus be placed with the Comptroller-General, where they will remain accessible to the people, and liable at any time to examination and publication. The reduction of public expenses by this system will not be inconsiderable, while the gain to official morality by the removal of opportunity for questionable uses of public funds will be great.

Another subject demanding our most prompt and energetic action is the reduction of the expenses of the General Assembly. I cannot believe that any difference of opinion will exist upon this subject. The public within and without the State have united in pronouncing the expenditures heretofore made for legislative expenses an intolerable abuse. Since 1868 six regular and two special sessions of the General Assembly have been held. The total cost of these sessions has been $2,147,430 97. The average cost of each regular session has been $320,405 16. The lowest cost of any regular session was that of the regular session of 1868-69, amounting to $164 605 70; and the highest cost was that of the regular session of 1871-72, amounting to about $617 231.10. Besides these amounts now specified, there are outstanding of bills payable issued on account of legislative expenses during the same period, $192,275 15. These figures render comment superfluous. The problem is to reduce these expenses to an economical limit. The first and most obvious measure of reform is the shortening of the length of the sessions. I find the average length of the regular sessions since 1868 has been 105 days. It is clear that no public requirements will warrant sessions of such length in the future. I am aware that this may be regarded as a matter so peculiarly within the discretion of the General Assembly as to make any recommendations of mine impertinent. But my convictions of public duty upon this point are too clear to allow me for any cause to withhold the free expression of my views. I cannot see at present any reason of a public nature which can require a session of more than thirty days. If the General Assembly could set the example of a return to the former rule in this State of a final adjournment before the Christmas holidays, I am confident that they would receive the heartiest approval of all our people. I know of no services which could be rendered by remaining in session a longer period, which would be held as valuable by our constituents as the example of a return to rigid economy in this respect.

One cause of long sessions, which I feel bound to specify, has been the passage of an inordinate number of special Acts of incorporation. Whoever will examine the Acts of the General Assembly during the last six years, will be convinced of the waste of time arising from this cause. The remedy is obvious. Let a general incorporation Act be passed, or let the present Acts be duly revised and perfected, and then let all ordinary applications for corporate powers be made under the provisions of such Acts. The second measure of retrenchment in legislative expenses which I urge, is a reduction of the number of subordinate officers and attachees of the General Assembly. Upon this point I am happy to speak in commendation of an Act passed by the last General Assembly. By that Act the total number of subordinate officers and attachees in both branches of the General Assembly is limited to fifty-seven. I trust your attention will be given to this subject, and that it, upon examination, the number therein provided for is found to be the lowest number consistent with the proper transaction of business, the law will remain undisturbed. The third and most important means of reducing legislative expenses will be found in cutting off the gross abuses which have heretofore existed under the name of contingent or incidental legislative expenses. I am unable to obtain a statement of the precise amount expended during the last six years under this head I find, however, that the average expenditure at each regular session since 1868, for attachees and contingent or incidental expenses, has been about $258-424 65 Of this amount I estimate that not less than $190,000 have been expended for contingent legislative expenses at each regular session. If these figures do not tell their own lesson, then argument would be idle Let it be borne in mind, also, that the amounts now stated represent only the actual payments made. There remains still a vast amount of unpaid claims in the form of legislative pay certificates, estimated at not less than $500,000 In seeking a remedy for these startling grievances, I am convinced that nothing is so essential as the establishment of a proper system of accountability in the payment of legislative expenses. Our present system is wholly anomalous, so far as I can learn from examining the systems prevailing in other States, and is wholly at variance with the general theory of our own State in the payment of other public expenses.

The Comptroller-General is the proper auditing officer of the State. His office is intended to be the permanent depository of the written evidences of the expenditure of public funds. The separation of the duty of auditing from that of paying demands against the State is essential. The requirement of proper evidences of the character and validity of every demand made against the State and the preservation of those evidences for public inspection, is also essential. In order to meet these requirements, I recommend that all payments to be made on account of legislative expenses be made by the State Treasurer, upon warrants drawn by the Comptroller-General, for which the vouchers shall be filed with the Comptroller-General.

In the payment of members, subordinate officers, attachees, &c., the only vouchers requisite would be a duly certified list of all persons who held these positions The Comptroller-General having satisfied himself of the correctness of the lists furnished by the officers of the General Assembly and the authority of law for their payment, would then draw his warrants upon the Treasurer for the proper sums of money In the payment of contingent expenses each branch of the General Assembly would, by committee or otherwise, make such audit as might be deemed necessary of such accounts and order their payment The vouchers thus accepted by the General Assembly would be sent to the office of the Comptroller-General, and there remain forever exposed to the scrutiny of the public, and payment would be made by the treasurer only on the warrant of the Comptroller-General.

Let no one imagine that I feel any distrust of this General Assembly or of its presiding officers, but I know that nothing is so vital in such matters as a correct system. Wise laws are expressions of correct rules of civil conduct. The best guaranty against individual dishonesty in financial transactions, is a system which has no open doors to deception or fraud Rigid accountability and constant exposure to publicity, I venture to pronounce the foremost requisites of a good system for the disbursement of public funds. I respectfully and most earnestly urge immediate attention to this subject. Nothing can exceed it in importance. Consideration for the public good demands such action as will finally close the doors to a recurrence of the reckless expenditures which have attended our recent legislative sessions.

I recommend that your earliest attention be directed to the matter of the public printing. The system which has prevailed for the past three years is utterly incapable of defence or excuse. The looseness of the system in theory is only equalled by its extravagance in practice. Under this system the Clerk of the Senate and the Clerk of the House of Representatives were empowered to contract for the public printing and the drafts or orders for the payment of printing expenses were made payable upon the certificates of those officers alone, "out of any moneys in the treasury not otherwise appropriated" No limit was fixed to the amount for which the contracts should be made. Under the system of making a general levy of taxes, no specific funds in the treasury at any specified time were considered as specifically appropriated. The result was that under this system it was in the power of the clerks of the two houses to draw on account of public printing to an unlimited extent upon the public funds, without reference to the sufficiency of those funds to meet the demands of other appropriations. More recently, however, the General Assembly has made definite appropriations for payment of printing accounts.

A few statistics will show how such a system has resulted in practice. The cost of the permanent and current printing from 1868 to the present time was $[illegible]. The cost of advertising the statutes, that is, of printing them in the newspapers for the same period, was $261 196 32; making a total cost of $1,101 569 91. During the past three years the cost to the State of permanent and current printing was $[illegible]. And the cost of printing the laws in newspapers for the same period was $174,606 66, making a total cost to the State of $[illegible]. Deducting from this last amount such items of printing as may be called extraordinary, including the re-publication of certain volumes of the Statutes at Large, the printing of the Ku Klux trials, immigration reports, tax duplicates and Supreme Court decisions, amounting to $375 060, there remains as the cost of printing for three years the sum of $51 629 96, or an average annual cost of $[illegible]. I offer no comment on these statistics. The only appropriate inquiry is, how shall such results be prevented hereafter? I answer, by executing the present system, root and branch, and substituting a safe and economical system. Such a system can easily be pointed out. Let advertisement be made by order of the General Assembly for proposals for doing the necessary public printing of all kinds for the State for a fixed period specifying the various kinds and amounts of printing required, with the option of ordering more work of any specified kind at fixed rates and requiring a suitable bond to accompany each proposal, for the faithful execution of the work according to the proposals. Let these proposals be presented to the General Assembly, and the most advantageous one be accepted. In this way the State may remove the present abuses and secure an honest and economical result. In this connection, I call your attention to an Act passed by the last General Assembly, entitled "An Act to regulate the public printing," to be found at page 707 of the Acts of 1873-74. This Act, doubtless, would have accomplished a good result but for the insertion of the last four lines of the first section. It is evident that no proposal can ever be made under this Act since the amount of work required to be done can never be estimated. If the lines referred to were expunged from this Act, it would serve as an illustration of the system which I have recommended.

I consider the cost of advertising or reprinting the Acts of the General Assembly in the newspapers of the State a wholly unnecessary expense, and I recommend the total discontinuance of the practice. If any laws are enacted which it is important should be published at once for the information of the people, it will be the interest of the newspapers to publish them as a matter of public information. If this is not done, a number of extra copies can be ordered by the General Assembly from the public printer at a trifling cost and be sent to the Clerks of Courts or other officers for distribution.

Another reform which I urge upon the General Assembly, is the keeping of the expenditures of the State within its receipts Very little regard seems to have been hitherto paid to this obvious requirement of good administration. The existing deficiencies, running back to 1858, are simply enormous. The deficiencies for the fiscal year ending October 31, 1874, were $472 619 54. The deficiencies for the fiscal year ending October 31, 1873, were $540 328 [illegible] of which about $440 000 have been paid during the last fiscal year, leaving about $100,000 still unpaid. The levy of taxes made the present year for payment of deficiencies for the last fiscal year, will not be sufficient to pay more than one-half the amount of such deficiencies. The evils of such a practice are serious. The amount of money needed should first be ascertained, and then a levy should be made adequate to raise that amount. During the past year a class of State obligations called "certificates of indebtedness" were issued, to the amount of $291,996, and the State Treasurer was directed to make other issues of the same obligations to the amount of about $340,000.

Fortunately the right of the general assembly to authorize such issues has been contested in one supreme court, and thence carried, by writ of error, to the supreme court of the United States where the cases are now pending. Without discussing the constitutional question involved, I feel called upon to express the hope that the general assembly will not, under any circumstances, resort again to such an expedient. At a time when the national government is embarrassed with the great problem of restoring the national currency to a sound basis, let not this State further complicate the evils of an inconvertible paper medium by the introduction of another paper medium, which will necessarily circulate as money at rates greatly below its par value, but which has none of the qualities which belong to money, in its proper sense. To say that the people have gladly accepted the certificates of indebtedness does not prove that it is either honorable or honest in the State to issue them.

Another wide departure from correct administration has obtained for several years past—the issuing of orders, certificates and warrants for the payment of money from the State treasury when no funds are on hand for their payment. I am not prepared to say that this practice can be immediately forbidden by law without too serious embarrassments to public interests, but I recommend the matter to the attention of the general assembly. The evils of such a practice are great. It has already been forbidden in the administration of county affairs and an effort should be made to return to a correct practice in this respect. The effect of such a practice upon the credit of the State is not essentially different from the case of an individual who should issue checks upon a bank when the bank held no funds applicable to their payment.

An opinion prevails widely with the public that the number of public officers and the amount of salaries now allowed by law are greatly in excess of the public requirements. I am not now prepared to express an opinion upon a subject which requires so much care and investigation in order to reach a correct result. If any reductions of expenses can be made by abolishing offices or reducing salaries, I shall give my most hearty support to any plan which will accomplish that end, and I recommend that immediate attention be directed to the matter. In this connection I call attention to the necessity of requiring county treasurers, and perhaps county auditors, to give bond directly to the county. At present the bonds of these officers run to the State alone. It is questioned by some whether a suit can be maintained by the county upon such a bond; but however that may be, in case of default where the bond is adequate to cover the whole loss, there is at present no law for determining in what way the unsecured remainder of loss shall be apportioned between county and State. It is plain that the county should be amply protected by adequate bonds for the custody and disbursement of county funds.

No subject will deserve graver attention or wiser action than the public debt of the State. At the last session of the general assembly an act was passed entitled "An act to reduce the volume of the public debt, and to provide for the payment of the same." By that act the state treasurer was authorized to issue in exchange for certain specified bonds and stocks of the State then outstanding, together with the coupons and interest orders which should become due on or before the 1st of January, 1874, new bonds or stocks equal in amount to fifty per centum of the face value of the bonds and stocks and coupons or interest orders presented for exchange. The bonds and stocks and coupons and interest orders thus specified as exchangeable amounted to $11,460,033 91. The remainder of the apparent funded debt of the State, consisting of what are known as "conversion bonds," and amounting to $5,965,000, was declared to have been "put on the market without any authority of law," and to be "absolutely null and void." The new bonds and stocks authorized by this act were required to "bear upon their face the declaration that the payment of the interest and the redemption of the principle is secured by the levy of an annual tax of two mills on the dollar upon the entire taxable property of the State, which declaration shall be considered a contract entered into between the State and every holder of said bonds and stocks." It was further provided that these new bonds and stocks should bear six per cent. interest, payable semi-annually at the State treasury and in New York, the first coupon to fall due July 1, 1874, and all coupons or interest orders upon said bonds or stocks were made receivable in payment of all taxes due the State during the year in which they mature, except for tax levied for the public schools."

The faith, credit and funds of the State were solemnly pledged for "the punctual payment of the interest and final redemption of the principal of said bonds and stock, and for providing a sinking fund for that purpose." Provision was also made for a fund to be kept separate and apart from all other funds, and to be applied, first, to the annually accruing interest upon the new bonds and stocks issued, to the extinguishment of the principal of the public debt, by the annual purchase of bonds and stocks at the lowest market price. The act further contained provisions for the public registry of all the new bonds and stocks, and provided heavy penalties for any dereliction of duty on the part of any officer in the execution of the law. The leading features of this scheme are the reduction of that part of the public debt which was considered valid to one-half its par value, and the rejection of that part of the public debt which was considered invalid. The act was passed after long deliberation, and was at the time of its passage, and has since been, the object of public attention and discussion throughout the State. In the recent political canvass of this State both parties especially pledged themselves to maintain this settlement of the public debt." So far as I have learned the sentiment of the people of the State, they are wholly united in support of the measure. It must, therefore, be regarded, so far as legislative and popular influence and action can go, as a final settlement.

The ground upon which this measure rests is the reduction of the volume of the debt to the inability of the State to pay the debt in full. As to the part of the debt which is wholly rejected, it is held that it was issued without authority of law, and hence that it is not a legal obligation of the State. During the months since the act was passed [illegible] the State of bonds over $2,000,000 of the old bonds and stocks have been exchanged. When the entire outstanding valid debt shall have been exchanged, the principal of our public debt will amount to $5,519,[illegible]. The interest on the same will be [illegible] per cent. The tax annually levied upon the property of the State for interest on this debt will at all times be [illegible] less than one and one-half per cent. [illegible] on and after July 1, 1874, whereas the act authorizes [illegible] to be collected.

Article 8 of the State constitution, ratified January 24, 1872, forbids any increase of the public debt of the State by the loan of the credit of the State by guaranty, endorsement or otherwise, until the question of such increase shall have been submitted to the qualified voters of the State at a general State election, and unless two thirds of the voters voting on this question shall be in favor of such increase. It is believed that this provision will be an effectual guard against any further increase of the public debt.

The supreme court of the State has decided that this provision, such as is contained in the present act, [illegible] the levy of an annual tax, is a contract between the State and its creditor, and is capable of enforcement by process of law directed against the proper officers of the State; and, furthermore, that such a provision operates of itself not only as a levy of the tax, but as an appropriation of the proceeds of the levy to the purposes designated in the act. Under this decision the provision for an annual tax remains a permanent levy and appropriation, and no further legislation is necessary, from year to year, to accomplish the purposes of the act in this respect.

These provisions of law, together with the provision which makes all coupons of interest orders upon the new bonds receivable for taxes during the year in which they mature, give to the new bonds all the legal safeguards which it is possible to place around them.

I cannot believe that any party, not even any majority, will hereafter dare to interpose an objection to the prompt discharge of these new obligations of the State. Confidence in these matters is a plant of slow growth. Once trampled on and crushed, it revives with exceeding slowness, and flourishes only under long and tender care. If the experience of any State should have impressed this lesson, surely it is the experience of South Carolina. It now becomes our paramount duty to labor to restore our ruined State credit by the only means apparently left us—a prompt, unhesitating and conscientious discharge of every obligation incurred under the law which authorizes the consolidation of the public debt. In this way we may hope, little by little, to win back some part of that public credit, the loss of which is among the saddest calamities which has befallen our State.

I consider it my duty to call attention to the relations of the State to the bills of the Bank of the State. By the charter of the bank these bills were made receivable for taxes and other dues to the State. The insolvency of the bank has rendered the liability of the State the chief element of value in these bills. The State, by her proper officers, having refused to receive the bills in payment of taxes, proceedings were had in our courts to compel the reception of the bills issued prior to December 20, 1860, which were terminated in 1868 by funding such bills in bonds of the State. There then remained outstanding the bills issued by the bank after December 20, 1860. The State refusing to receive these bills, legal proceedings were again begun and continued in the courts of the State, and finally in the supreme court of the United States. In these cases it was decided in October, 1873, that the bills in question were valid obligations which the State was bound to receive for taxes under the contract embraced in the charter of the bank. Owing to the embarrassed condition of the State at the time when these decisions were finally rendered, the State has continued to refuse all bills not specifically involved in the suits referred to. A large number of tax-payers have, however, tendered the bills in payment of taxes, and upon the refusal of the tax officers to receive them, have again resorted to the courts for the enforcement of their claims. A large number of suits are now pending. The collection of taxes in other funds from those who have tendered these bills has been enjoined both by the State courts and the