looming to the Constant of the Market of the second of the Constant of the parents of arrangements of the parents for the parents for the parents for the parents for the parents of the p Thirds should be taken for any other The figuity violation of law," the "flagrant violation," the "monstrous perversion," the "monstrous perversion," the "derision " of the law, is stal Nothing can atone for such an ofth vain might the treasurer replace dollar by another of precisely the sand value Your learned committee would pelled to again state that the "funds had dot been kept separate and apart," and
"all see law for the direction and restraint Photo officers is a dead letter in South Car-

(18 would be an unpardonable waste of time an affront to the understanding of intelligent men, to proceed further to show that a w toth absurd and impossible. No such thing ever was or ever could have been in-Amide into separate, tangible parcels for one Tet nothing less than this would a light compliance with the law.

this driven to abandon the literal countries and we come next to counider the true reactions and the true reactions are the true reactions. oston of the law.

Taxover and I challenge the judgment of the lawyers of the State upon the question of the law is precisely the construction which I have placed upon it, namely, that the recol keeping separate and apart vathe fonds is shoply and only a matter of ac-

house, of book keeping.

Thouse will show at any time the exact money, of money, belonging to each fund of the least of the last never been an hour en any fund was not ready to honor a draft which might hawfully be drawn upon it. No

Wet seres satute gentlemen are found who Mr hadres to a report intended to bring come what was never contemplated by law, as as what was absurd and impossible!

it, let me ask, would content your comof this report I find these It is true the state tressurer testihat the interest account has been kept on his books; but he also testifies es have been kept in the thong with other funds in one account.

If to be inferred from this language that pumpittee regard as the gravamen of street, the fact that I have kept the lines themselves" in bank "along with the flinds."

"If the committee be so good and kind as

m me and the public in what way I am then the "fanish themselves" in any other than "along with other funds?" Do ley appear to compel a bank to adopt the country my impossible system which they would impose on me? Do they expect the in to keep separate parcels of money, and the train on account of interest, do they that the bank to go to one parcel of money and take the required amount, and when I not how else are the funds to be kept

trate and spart? The universal method of nation of the matter now under considstation. A deposts \$1,000 in a bank, and B to benk is bound to keep these funds streets and apart; how does it do so? By street way a thousand actual dollars in one pure for A and another thousand for B and C? the bank makes not separation of these makes scoop on its books. All its funds are permised by one pommon mass, and drafts are made additionally for any object upon the sommon funds. Precisely the same is true of the duties of the state treasurer. He enters proper credit to each fund on his books,

ener does or ever can take place.

Indeed the committee seem to have a glim-backer idea of this truth when they complain that I have kept the State funds " in bank in decount, not in separate accounts." We are conclude, therefore, that if I had kept the coolines at the bank, all would have well How is this? It would seem, all that it is only my failure to keep farm and indignation of the com-

would "separate accounts" have

ads themselves " any more separate

The committee would seem

it, as indeed any intelligent man
that the whole matter of this

funds is, as I have already

ter simply of accounts. There

tter simply of accounts. There are cannot be, any other separasantas of the sak in what respect I should hard a just compliance with the last separate accounts with the separate accounts with the separate accounts with the separate accounts with the separate accounts. requires "separate accounte"? law right, the duty in question on the state treasurer. If, then, hiels are open at all times to pubhave the separate accounts re what additional restraint upon ard to the State would be afforded accounts" at the banks? Could honor my check as state treasurer d overdrawn the fund on which I

Description of

11? If so, then it is the bank, and

my chicke as chacks of the state treasurer, and the noise duty of the bank is to may them dut of the Blate funds in its possession. But it seems to be imagined by the committee that because I have on occasions drawn money lying in the bank, so that the whole amount in bank was less at particular times than the amount to the credit of the interest fund on my books I have thus diverted the funds from their lawful purpose. The plain answer is, that there are no moneys existing in specie at any time which belong to the interest fund or to any other fund. These funds are simply credits on the books in my office. I drew no funds marked as laterest funds. I simply drew State funds. In so drawing, and under the circumstances set forth in my testimony, the State funds in bank were not equal to the credits on my books to the interest fund.

Thus it may happen a hundred times in the year, at particular moments, that there may se less funds in bank than the credit on my books call for, but the next hour or the next day the receipts of taxes may enable me to restore the equilibrium, and meet every lawful demand made ou any particular fund. Thus it was on the occasion referred to in my testimony. In a certain sense, I borrowed from the interest fund in anticipation of the coming in of other funds to replace the amount borrowed. In a stricter sense, I simply applied the State funds then in bank to the payment of the claims then made upon the treasury, and immediately thereafter I applied other funds to the credit due upon my books to the interest fund. At no moment have I been upat le in any sense to pay the last dollar due to any fund when called for.

It is perhaps possible to imagine such conjuncture of circumstances as would result in my failure to pay a particular claim on a particular fund when called for. If such a case should arise, I should be amenable to censure, and should be responsible upon my official bond, But until such an event shall occur, I submit, there can be no diversion of funds, nor any application of the interest fund, or any other fund, to any other use than that for which it was intended.

But the committee declare that if my construction of the law is correct, all restraints and directions are a dead letter (page 10).

Is this true? What was the object of enacting the specific levy system, or of enacting that the interest fund should be kept separate and apart? What was the evil to be remedied? It was to prevent the state treasurer from depriving one object of public expenditure of the funds raised for that purpose. The evil to be remedied was the practice of paying one appropriation in full to the exclusion of all other objects. The present law, under my construction and practice, has cut off this evil.

root and branch.

I defy the committee or general assombly to point to a single instance under my administration of this law in which any fund has failed to receive every dollar raised for it. or in which any fund has received one dollar more than was raised for it. No restraint has been removed, no safeguard has been broken down, no statute has been derided or made a dead letter by any act of mine.

To-day, and on all days, I can point with honest pride a pride of which no committee, however studiously and maliciously packed, can rob me-to a record of the administration of the State treasury for the past year, wherein no one public object has been deprived of one dollar due to it, nor received one dollar more than was due to it.

If such conduct is to " deride the law," or make a "dead letter of our statutes," then those terms will hereafter have a new signification.

I now submit the following corres EXECUTIVE DEPARTMENT, OFFICE OF STATE TREASURER. COLUMBIA, S. C., February 24, 1875.

C. D. Mellon, Esq.: DEAR SIR-I have the honor to make the

following inquiries of you, and to request an answer to them: 1. Do you recollect the interview we had some time last winter upon the proper con-

struction of the "specific tax levy act," in which I informed you of the two constructions placed upon the act-the literal, by which no money could be paid by me on any account unless that account had a credit balance; and the reasonable, which was that each class of objects for which the levy was made should receive the proportionate amount of the whole that it was entitled to when the final disbursements were made, and reported by me annually to the general assembly, and that in the meantime I could anticipate the receipts for any pressing demands that might be made at my own risk and responsibility?

2. Do you remember that I stated to you that I had adopted the reasonable construction, which I regarded in perfect harmony with the spirit and intent of the law, and that you approved of that course?

And, further, that you volunteered the folowing remark: That if the literal was pursued, the legislature would not pass any more specific tax levies, on account of the hardships it would produce upon themselves in preventing them from getting their own pay, and that it was very desirable to have that construction placed upon the law for the general good? Very respectfully, your obedient servant,

F. L. CARDOZO, State Treasurer S. C. OFFICE OF MESSES. MELTON & CLARK. ATTORNEYS AT LAW,

COLUMBIA, S. C., March 1, 1875. Hon. F. L. Cardozo, State Treasurer South Carolina: SIR-Your communication of the 27th

I very well remember the interview referred to, which occurred, according to my te treasurer, which is to carry out recollection, very soon after the final adjourn-· 公司(中) 10 用之中) 有4 (2017)

ultimo came to hand only this morning.

apon which the affairs of the treasury could be satisfactorily administered—an deplace in

which I very fully concurred:

It was, however, then suggested that in the practical operation of the achieme there would be encountered this embarrassment, that during the interval between the commencement of the fiscal year and the coming in of the taxes-an interval usually of three mouthsthere would be pressed upon the treasury public demands of an urgent character, for the payment of which there would be in the treasury no funds other than the unexpended balances, if any, of the previous fiscal year. Particularly was it foreseen that during this interval the general assembly would convene. and, in advance of the coming in of any of the taxes, would need to, have funds for the defraging of legislative expenses, which could not be furnished otherwise than by using, for the time, these undrawn balances standing to the credit of other appropriations.

In addition, to this, it was known that the entire levy for logislative expenses would need to be disbursed in the months of December, January and February, before any but a small part of the specific levy for that purpose would have come in from the county treasurers; that this exigency would be of so pressing a character as to require that all of the earlier receipts should be so applied to the extent of the levy; and that this necessity would practically hinder a strict conformity to that feature of the law which, if construed according to its letter, would require that as the revenues come in the amounts should be immediately apportioned and set spart to the several objects of the appropria-

In the considering of these practical difficulties, I recollect to have suggested to you that, whilst recognizing the value and importance of the law and your duty to adhere closely to its provisions, I was apprehensive that from a rigid adherence to its very letter there would result, during the interval referred to, so much of public inconvenience and clamor against the law as to render it odious, and perhaps prevent its re-enactment in the future. And I further suggested that it was well worthy of consideration whether the preservation of the scheme itself was not a matter of greater moment than the adher-ence to the very letter of the law in matters of detail where such adherence would result in public inconvenience.

In the making of the suggestions it was considered that the main purpose of the gen-eral scheme was the securing to each object of appropriation its proper share of the public revenues. This purpose the law aimed to effect by requiring, first, that to each object should be set apart its rateable share of the revenue; and, second, by requiring that the fund so set apart to one purpose should not be diverted to the payment of demands upon be diverted to the payment of definition upon another fund, thereby creating a deficiency in the appropriation thus diverted. The mis-chief, which, in my judgment, the law was designed to avoid, was the mischief of creating such deficiencies by the diversion of fund it seemed to me, could not result from a mero temporary diversion, which would be very soon restored from the incoming taxes; and although for a time there would be a technical departure from the letter of the law-a de-parture which should always be avoided because of its mischievous tendency-yet so long as the transactions of the treasur conform to the general purpose of the fiscal scheme, and the public in the meantime be protected against any mischief from such temporary diversion—so long, in other words, as by such diversion there was created no deficiency existing at the time any demand was presented for payment or at the end of the fiscal year, I considered that the spirit and purpose of the law would be fully subserved.

These views seem to coincide with those you yourself entertained, and presented a construction of the law which I regard as a reasonable one, while it gave to you a margin of discretion which, of course, at your own risk and responsibility, I thought you might assume to exercise, in order to avoid the public inconvenience which would inevitably result from an attempt to administer the law according to its very letter.

This statement of my recollection of the

general tenor and import of the interview sugeneral tenor and import of the interview su-persedes the necessity for a categorical reply to your several inquiries. I will only add that, in the light of subsequent facts, I see no reasons to modify the views. I then expressed. I have the honor to be, very truly yours, (Signed)

O. 1). Malton.

(Signed) C. 1). MELTON.
I desire to show here how the plan adopted by me, and approved of by Major C. D. Melton, my counselor since I entered the treasury, has practically operated during the last fiscal year, the first time it has been applied since 1868.

	RECEIPTS.	EXPENDITURES.	BALANCE.
tingent, &c. (1\pmills)	\$ 168,931 12	168,931 12 \$ 168,864 48	\$ 66 64
TOTO WITH TAMENTAMENT TROUBLESTING	168 931- 12	168 901 82	29 30
6 miller	020,000 000		20 00
(2 mills)	270,289 82	270,220	69 03
xpenses (14 mills)	202,717 36	40	35 54
ng (1 mill)	135,144 91	135,006 37	138 54
3+ mills)	439,221 03	439,102	118 07
Carolina Bank and Trust Company			
	101,358 66	101,335 83	22 83
olidation Bonds and Stocks, (1 mill)	135,144 91	29,663 04	105,481 87
	\$ 1,621,738 93	\$ 1,621,738 93 \$ 1,515,776 61 \$	105,962 32

on of the general assembly in March 1871. To fully appreciate the very great difficulty To make the very great difficulty of the interest of preventing a real diversion of the interest fund, or any one of these special ax levies, it must be remembered that the endount realised from the various review left should be as the garden of the transport of the resonant appropriately sade that the endount realised resonant to the transport of the end of interest.

I here present a statement of the deficieneles, which will show the amounts appropriated in excess of the amount realized from the particular levy:

Free schools.... egislative expenses.... 87.318 00 Company..... 23,664

During the last fiscal year nearly every man who had a claim upon an account in which there was a deficiency tried to persuade me to pay him out of the balance on hand to the credit of interest, and I declined a hundred times to thus divert the interest fund.

Tremember well that several members of this very same committee were very much incensed at my refusal to do so. But now they blame me because I borrowed \$50,000 this fiscal year out of that balance of interest fund while it was not wanted, to pay legislative expenses and the interest on the consolidation bonds due January 1, 1875, which sums were repaid by the receipts on account of both of these objects in less than thirty days after.

Is it not natural that I should feel that the committee have condemned me from personal metives?

And now I am compelled by the circumstances surrounding me to disclose the secret history of my action in reducing the balance of State funds in the bank to a lower point than I would have done otherwise, which is the occasion of the committee's unmeasured censure. I deeply regret the necessity of this, and would have preferred to extend to Mr. Solomon and his bank the mercy of my silence.

When I took charge of my office in December, 1872, in conjunction with the governor, Hon. F. J. Moses, jr., and the comptrollergeneral, Hon. S. L. Hoge, we, as a board, designated the Central National Bank, of this city, as a depository for the State funds, and continued the South Carolina Bank and Trust Company as a depository, which it had been for several years previous. In November, 1873, I was summoned by Gov. Moses to his office to meet himself and the comptroller-general. When assembled I was informed by him that they had determined to make the South Carolina Bank and Trust Company the sole and exclusive depository for the State funds. I earnestly protested against such action, but it was useless, and I was over-ruled, and was compelled to deposit the funds in a bank in the management of which I had not the fullest confidence.

When Mr. Chamberlain was inaugurated governor, we immediately conferred on this important subject, and decided it was highly imprudent to place the entire moneys of the State, amounting at times to \$1,000,000 of cash on hand, in the South Carolina Bank and Trust Company, or, more properly speaking, with Mr. Solomon himself, its president, who owns nearly all the stock of the bank, and is solely and exclusively responsible for its management.

I then stated to the governor that might possibly meet with some difficulty; that Mr. Solomon might possibly attempt to retain the State funds to reimburse himself for the State claims he owned, and for the payment of which there was no provision made by law.

I reminded the governor of the circum stances under which he had attempted once before to do this, by dishonoring my official check, because I refused to pay an illegal claim Solomon attempted to justify his own illegal action by alleging that I was violating the law, and, therefore, arrogating to himself the restraining power of a judge. I am also aware that he did this under the advice and instruction of the comptroller-general.

With a vivid recollection of this extraordinary and illegal conduct of Mr. Solomon, I expected a repetition of it when it should be determined to increase the number of depositories. I, therefore, decided to run my balance down in bank as low as was consistent with safety and my power under the law, keeping a due regard to the demands that might be made upon the treasury in the meantime.

There were other and much more serious reasons, however, why I did not deem it prudent to make Mr. Solomon's bank the sole depository of State funds.

The stock of this bank is almost entirely owned by Mr. Solomon himself, and managed exclusively by him. I had no knowledge of the real condition of this bank, and did not know what might happen to the funds of the State in case of Mr. Solomon's death or any disastrous results to his investments, and it was intimated to him that he should make known the condition of his bank. He then furnished the governor with a list of his assets and liabilities. As soon as I scanned the list, and made an estimate of the market value of his assets and compared them with his habilities, I was surprised.

As if to confirm me in the wisdom of the policy decided upon, a significant circumstance occurred just about this time, which deeply mortified and humiliated both the governor and myself. We had made arrangement about the 1st of December with Mr. Solomon for the payment of the January, 1875, interest on the consolidation bonds at the National Park Bank, in New York. He assured us it would be properly attended to, and then failed to pay the entire amount agreed upon, although there were ample funds in his bank for that purpose. The question may be asked here, why, then, did you agree to make Mr. Solomon's bank a depository of State funds under such circumstances? The answer to that is that Mr. Solomon made an arrangement with county treasurers to forward their moneys to him by express, at his expense, almost daily, and when the periods frived for the county treasurers to remit the finida to me it was done by checks upon Mr. Solomon's bank.

tween Mr. Solomon and the county treasurers was to entirely disarrange my plans of regu-lating the amount of money in his bank.

urers, and they told Mr. Solomon, who came to me and charged me with a desire to injure his bank.

And now mark the consequences my action in behalf of the interest of the State. Mr. Solomon goes to the general assembly and has had put through a bill to make his and another bank the sole and exclusive depositories of State funds. That bill now awaits the action of him whom a wise Providence has placed over the destinies of South Carolina at this critical period.

the hands of Mr. Solomon, I acted solely with a view to the proper protection of the State against loss and disaster, which I had reason to believe was impending. If the general assembly think I had no reason thus to fear, lot them call for the list of assets which were furnished by Mr. Solomon, and on which the board acted in reaching the conclusion that the funds of the State were not safely kept.

with the sole object of saving the State from loss by reducing the balance on hand in Mr. Solomon's bank to such an amount that if his threats were carried out, to hold all the funds in his bank as an offset sgainst his State claims, the loss to the State would be as small as I could possibly make it.

As I have before shown, I had a right to do this under any proper construction of the law; and, if I had no strict legal right to do it, I acted for a purpose which, to say the least, should not subject me to censure; but I hambly submit, to the verdict of a faithful and vigilant care for the State's interest.

several charges made against me by the committee. I have placed my defense on the broad and clear ground that I have violated no law, have failed in no duty, have omitted no precaution, but have stood, as I was bound to stand, as the guardian of the interests of the State at all times.

In submitting this reply, I say distinctly that I ask no favor nor immunity from the full responsibility for my acts. This investigation and its results have given me no pain save in the evidence it has afforded me of the haste with which those who have personal objects to attain will pervert their public functions and powers to the attempt to strike down a public officer who stands in their

Called, as I was, to the administration of the treasury at a period when our State credit was utterly lost, our treasury empty, and every public interest and institution on the verge of collapse, with duties more arduous and responsible than were ever before placed upon any treasurer of the State, I have the happiness to know that my bitterest personal enemics cannot point to one error in my accounts, to the loss of one dollar out of the many millions entrusted to my care, or to the diversion of one dollar from the object to which the law had devoted it.

It would not have been strange if I had suffered both from my own occasional inadvertence in the midst of my duties, so vast and complicated, or if I had been made the victim of some of those to whom I might have entrusted the performance of duties connected with my office. I congratulate myself not ouly that my own care and rectitude have saved me from errors of my own, but in no instance has the confidence reposed by me in any of my assistants been abused.

fearlessly and faithfully. The obstacles which have hitherto surrounded me are now greatly diminished by the presence of one as governor whose sole aim is to redeem our State government from its past discredit, and to restore good will to all our people.

occasions and under all circumstances, a cordial and unfaltering co-laborer with the governor, and I have the consolation of knowing to-day-a consolation of infinitely more value to me than the plaudits of the self-seeking politicians of the hour-that I have earned his confidence and esteem in the discharge of all my duties, both as an officer and as one who loves the State and seeks in all up its prosperity, and advance the honor and credit which are now daily re-

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The effect of this pernicious agreement be

I remodstrated with several county treas-

In reducing the amount of State funds in

I acted on evidence throughout, and I acted

I have now examined and answered the

My single aim has been to do my duty

In that work I profess myself to be, on all turning to bless all our people.

F. L. CARDOZO, State Treasurer.

STATIONS.	Mail.	Expans.
Leave Richmond Leave Burkeville Leave Danville Leave Greensboro Leave Air Line Jun'. Arrive at Charlotta.	1.48 p. m. 4.58 p. m. 9.59 p. m. 1.16 a.m. 8.56 a.m. 6.89 a.m. 6.80 a.m.	8.88 A. M. 6.98 A. M. 1.08 P. M. 4.00 P. M. 6.88 P. M. 9.90 P. M.
GOING BA	87.4 4 MG	GOING WES
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The Great North		amela Gashau

Boute. QUICK TIME AND SURE CONNECTIONS.

SLEEPING CARS ON ALL NIGHT TRAINS.

	ON AND AFTER MARCH 197H, TRAINS on this rente will leave terminal points as
	Expanse Ho. 1. Expanse Ho. 2. Leave Columbia11.40 A. M. 545 P. M.
	Leave Wilmington, 10.40 p. m. 11.04 p. m. Leave Wilmington, 10.40 p. m. 6.85 4 m.
5.7	Leave Richmond 1930 p. g. 7.00 p. m
•	Leave Philadelphia, 4.30 a. H. 9.85 a. H.
0	Arrive at New York 6.00 a. m. Parties leaving Columbia by this route negure as all night's rest by taking the 6.00 p. m. trein, elsep-
0	ing our attached.  Ask of takets and sheek your Begings via W rollington.
6	Heath weekers Marth Copelline Revilland.

SALEM BRANCH.

DAT PASSENCES TRAIR.
Leave Columbia at.
Arrive at Charleston at.
Loave Charleston at.
Arrive at Columbia at. NIGHT EXPRESS.

Bailronds.

CHANGE OF SCHEDULE, TO GO

CHANGE OF SCHEDULE.

Camden Train will connect at Kingville with up Passenger Trains for Cotumbia, on Mondays, Wednesdays and Fridays, and will connect at Kingville with down Passenger Trains from Columbia, on Tuesdays, Thursdays and Saurdays.

8. R. PICKENS, General Ticket Agent.

8. S. SOLOMONA, Seperintendent.

201

CHANGE OF SCHEDULE

Cheraw and Darlington Reffrond.

PRESIDENT'S OFFICE, SOCIETY E.ILE, S. C. November 25, 1874

ON and after Thursday next, 96th issuant, the pas-daily, Sundays excepted:

GOING DOWN.

Leave Cherny. Leave Cheraw
Leave Cash'a,
Leave Bodety Hill
Leave Dove's
Leave Darlington
Leave Palmetto
Arrive at Florence
Leave Florence

Leave Dove's
Leave Boolety Hill
Leave Cach's 

CHANGE OF SCHEDULE. Wilmington, Columbia and Augusta Bailrone

THE POLLOWING PASSENGER SCHEDULE

om Columbia, is an

oints North.

Train No. 4. from Columbia, is Fast Express, asking through connections, all rail, Borth and South and Water Line connections of Fortuneth. naking through connections all mil Horth and and Water Line connections etc Fortzmouth. Train No. 1, from Wilmington, connects at Florence with N. E. R. for Charleston, the Florence with N. E. R. for Charleston,

ght. Through tickets sold, and baggage checked to all

incipal points. Pullman Palace Sleepers on all night trains. General Passenger and Ticket Ages
JAMES ANDERSON Pledmont Air Line Enliway.

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CONDENSED THE TABLE IN SPECT ON AND APPRIL GOING MORTH

STATIONS. Leave Charlotta.... Leave Air Line June. Leave Salisbury.... Leave Banville... Leave Danville... Arrive at Richmond. 7.00 P. M. 7.15 P. M