

CORPORATIONS

THE CONVENTION DISCUSSES THE ARTICLE THEREON.

Several New and Important Provisions Carefully Reviewed—What Was Said and Done.

COLUMBIA, Nov. 11.—Special: When the Convention passed off from the subject of lynching and lynchings, it proceeded to the consideration of the article on corporations. Section 1 was adopted, as follows:

Section 1. The term corporation as used in this article includes all associations and joint stock companies having powers and privileges not possessed by individuals or partnerships and excludes municipal corporations.

Section 2. When section 2 was called up, Mr. Gage said that section 36 in the article on the legislative department covered the same matter much more fully and he moved to strike the section out.

Mr. Johnston said that this was the most important section in the whole article.

Considerable objection was made to the motion and it was withdrawn by Mr. Gage.

The section was then adopted as follows:

Section 2. No charter of incorporation shall be granted, changed or amended by special law except in the case of a charitable, penal or reformatory corporation as may be provided for in this Constitution; but the legislature shall provide by general laws for changing or amending existing charters and for the organization of all corporations hereafter to be created, and any such law so passed and hereafter created, shall be subject to future repeal or alteration.

Section 3. When section 3 was taken up, Mr. Haynsworth moved to strike out the words "and telephone." Telephone companies did not transmit messages.

Dr. Stokes moved to table the amendment, which the convention refused to do.

Mr. Haynsworth's amendment was then adopted by a vote of 52 to 37.

Mr. Stokes then amended it by placing after the word "companies" on the third line the words "and other transmitting companies."

Senator Tillman moved to amend by adding at the end of the section the words "and taxation." Senator Tillman said they were not now getting any taxes from the Pullman car companies, and he wanted to reach it. His amendment was then adopted.

The whole section was then adopted, reading as follows:

Section 3. All railroads and canals shall be public highways, and all railroad, express, sleeping car, canal and all telegraph companies and other transmitting companies are declared to be common carriers in their respective lines of business, and subject to liability as such. No such corporation shall be permitted to make any contract relieving it from its common law liability and taxation.

At the afternoon session section 4 was discussed at some length, but on motion of Dr. Stokes, was passed over till to-morrow.

Section 3 was then returned to, and Dr. Stokes offered the following substitute, to be printed in the journal:

Section 3. All railroads and roads, canals and other waterways used in whole or in part by corporation for the transportation of persons or freight for hire and public highways, all railroad express, sleeping car, canal and other corporations engaged in transportation for hire and all telegraph and other corporations engaged in the business of transmitting intelligence from their respective lines of business and are subject to liability and taxation as such. It shall be unlawful for any such corporation to make any contract relieving it of its common law liability.

Mr. Lee then sent up the following amendment thereto, which was also ordered to be printed in the journal: Add "or permitting the same."

The section was then passed over till today.

Section FIVE was amended on motion of Dr. Stokes, and passed in the following shape:

Section 5. No discrimination in charges or facilities for transportation shall be made by this State for the transmission of intelligence, or coming from or going to any other State, shall be made by any railroad or other transportation or transmission company between places or persons and no railroad or transportation company shall charge a higher rate per mile to any station, landing or port in this State than the transportation of any class of freight, than the said company or corporation charges on the same class of freight to any station or landing or port of this State. Persons and property transported over any railroad, or by any other transportation company or corporation, shall be delivered at any station, landing or port at charges not exceeding the charges for the transportation of persons and property of the same class, in the same direction, to any more distant station, landing or port. Excursion and commutation tickets may be issued at special rates.

Section SIX was then called up and Dr. Stokes offered this substitute:

Section 6. Any railroad or any other transportation corporation, and any telegraph or other transmitting corporation organized under the laws of this State shall have the right to connect its roads or lines at the State line with the roads or lines of any other State, and shall have the right to intersect with or cross any other railroad, street railway, transportation road or transmitting line, and shall each receive and transport the freight, passengers, cars (loaded or empty), and messages delivered to it by another without delay or discrimination.

The substitute was adopted.

Section SEVEN was then adopted as follows:

such corporation, shall consolidate the stock, property or franchises of such corporation with, or lease or purchase any other banking, telegraph, or other works or franchises of, or in any way connected with, any railroad or other transportation company and no telegraph or other transmitting company owning or having under its control a parallel or competing line; and the question whether railroads or other transportation companies or telegraph or other transmitting companies are parallel or competing lines shall, when the matter is brought before the complainant, be decided by a jury as in other civil cases.

Section 8 was called up, and Mr. J. L. Glenn offered to amend by inserting after the word "State" on line six, the words "unless the railroad so operated or leased is owned by a corporation chartered by the laws of the State."

Mr. W. B. Wilson then moved to table amendment, after stating his reasons therefor.

Mr. Glenn—My position is not as he would have you believe. If a corporation owning or leasing a railroad under the decisions of our courts that corporation can be sued and held responsible.

Mr. Henderson—Suppose the corporation in this State is insolvent and you wish to reach the outside company?

Mr. Glenn—All judgments come before bonds and mortgages, and I have no idea of what you are throwing those cases in the United States courts.

Mr. Johnston—I would not for a moment seek to throttle the railroads of this State, but I am opposed to their becoming the masters of our people, and I agree with the gentleman from York that we should force them to take out charters in this State so that they will be subject to our laws.

Mr. Princes said he could see no reason for this measure.

Mr. Johnston then spoke again and said that there were really only two constitutional principles involved in the whole article. One was the section embodying the statute of 1841. He wanted to know why they wanted to take the cases to the United States courts.

Mr. Princes answered that it was to let railroad get justice in a country where the jury was not influenced by the local plaintiff.

Mr. Johnston said that the other day Mr. Paine was an earnest supporter of local self government.

Mr. Princes—in criminal matters, which are very different indeed.

Mr. Johnston was heard with the gentleman from York. They should not think that he was a vulgarian opponent to either corporations or capital. There was quite a tilt between Messrs. Johnston and Princes about the United States courts.

Mr. W. B. Wilson once more spoke very earnestly on the same line. If they passed this matter they would prevent any such corporations from coming in in the future. It will restore old charters and get them into line again—make them domestic corporations.

Mr. B. R. Tillman—Suppose you do not, what is your remedy. It seems to me that if you get these roads back into line by this scheme, that is the very backbone of the State.

Mr. J. L. Glenn said what he wanted to do was to keep any road system from coming in in the future.

Mr. Haynsworth made a few remarks and then Mr. Princes's motion to table the section was voted down.

Mr. Glenn's amendment was then tabled.

Senator Tillman offered to amend by inserting after the word "operated" on line three the words "or is now being operated in the State" which was agreed to.

The section was then adopted as follows:

Section 8. The general assembly shall not grant to any foreign corporation or association a license to build, operate or lease any railroad in this State; but in all cases where a railroad is to be built or operated in this State, it shall be partly in this State and partly in another State, or in other States, the owners or projectors thereof shall first be incorporated under the laws of this State; nor shall any foreign corporation or association lease or operate any railroad in this State unless it is owned by a corporation chartered by the laws of this State, or purchase the stock, or any interest therein. Consolidation of any railroad lines and corporations in this State with others shall be allowed only where the consolidated company shall become a domestic corporation of this State. No general or special law shall ever be passed for the benefit of any foreign corporation operating a railroad under an existing license of this State or under any existing law; and no grant of any right or privilege, and no exemption from any burden, shall be made to any such foreign corporation except upon the condition that the owners or stockholders thereof shall first organize a corporation in this State, and shall thereafter operate and manage the same and the business thereof under said domestic charter.

Section NINE. Nothing prohibited by this State shall be permitted to be done by any corporation or company or person or persons, either by its or their own holding or controlling in its or their own name or otherwise or on the name of any other person or persons or other corporation or company whomsoever, a majority of the capital stock or of bonds having voting power of any railroad or transportation company or corporation created by or existing under the laws of this State, or doing business within this State.

Mr. Oliver related the dangers of banking schemes being operated without such a provision. He made his first speech in the convention and made a most favorable impression.

Dr. Smith of Barwell thought the idea was a good one. His little town had lost \$11,000 in a wildcat scheme about which it could get no information.

Mr. George Johnston suggested that the State "bank examiner" employed by the State should be authorized to examine the books of any corporation.

Mr. R. D. Lee wanted some further restrictions thrown around the office. The amendment was agreed to and the whole section was then adopted in the following shape:

Section 9. The general assembly shall have no power to grant any special charter for banking purposes, but corporations or associations may be formed for such purposes under the general laws, with such privileges, powers and limitations not inconsistent with this Constitution as it may deem proper. The general assembly shall provide for the election of a State bank examiner, and define the duties and powers of such office. Such examiner shall receive such compensation as may be fixed by law.

Section TEN. Was slightly amended, and was passed in the following shape:

Section 10. Stock or bonds shall not be issued by any corporation save for labor done or money or property actually received or subscribed, and all fictitious increase of stock or indebtedness shall be void.

Section ELEVEN. Section 11 was then called up. Dr. Stokes explaining the meaning of the section, which he said was to allow minority representation in voting. This had been found in a good many constitutions. The section was adopted in the following shape:

Section 11. The general assembly shall provide by law for the election of directors, trustees or managers of all corporations by the cumulative plan; that is to say, so that each stockholder shall be allowed to cast, in person or by proxy, as many votes as the number of shares he owns multiplied by the number of directors, trustees or managers to be elected, the same to be cast for any one candidate or to be distributed among two or more candidates.

Section TWELVE. Section 12. Corporations shall not engage in any business except that specifically authorized by their charter or necessarily incident thereto.

Section THIRTEEN. Was adopted as reported by the committee as follows:

Section 13. The general assembly shall enact laws to prevent all trusts, combinations, contracts and agreements inimical to the public welfare and to prevent abuses, unjust discrimination and extortion in all charges of transporting and transmitting companies, and shall pass laws for the supervision and regulation of such companies, by commission or otherwise, and shall provide for the punishment of any person who shall violate any such laws.

Section FOURTEEN. Mr. Breazole moved to strike out section 14. Low years 54, nays 55.

Dr. Stokes offered some slight amendments, which being adopted the section passed in the following shape:

Section 14. A commission is hereby established, to be known as the railroad commission, which shall be composed of not less than three members, whose powers over all transporting and transmitting corporations and duties, manner of election and term of office shall be regulated by law. Provided that the members thereof shall be elected at the expiration of the terms of the present railroad commission, who are to be continued in office for the terms for which they were elected, and until otherwise provided by law, the said commissioners shall have the same powers and jurisdiction, perform the same duties and receive the same compensation as are now conferred, prescribed and allotted by law to the existing railroad commission.

Pending the consideration of section 15, the convention, on motion of Mr. Hamel, adjourned.

COLUMBIA, NOV. 12.—Special: The Convention got promptly to work this morning—resuming the consideration of the article on corporations.

The pending question was the motion of Mr. Fitch of Johnston to strike out section 15, which read as follows:

Section 15. Every employee of any corporation doing business in this State shall have the rights and remedies for injury suffered by him from the act or omission of such corporation or its employees as are allowed by law to other persons not employees.

When death ensues from any injury to an employee, the legal or personal representative of such employee shall have the same rights and remedies as are allowed by law to such representatives of other persons. Any contract or agreement, expressed or implied, made by any employee to waive the benefit of this section shall be null and void.

A SUBSTITUTE. At the very outset Mr. W. B. Wilson offered the following substitute for section 15:

Section 15. Any employee of any railroad corporation shall have the same rights and remedies from any injury suffered by him from the acts or omissions of said corporation, or its employees, as are allowed by law to other persons not employees, when the injury results from the negligence of a superior agent, an officer or of a person having the right to control or direct the services of a party injured, and also when the injury results from the negligence of a fellow servant engaged in another department of labor from that of the party injured, or of a fellow servant on another train of cars, or one engaged about a different piece of work. Knowledge by such employee injured of the defect or unsafe character or condition of any machinery, ways or appliances shall be no defense to an action for injury caused thereby, except as to conductors or persons in charge of dangerous or unsafe cars or engines, voluntarily or otherwise, when death ensues from any injury to employees, the legal or personal representative of the person injured shall have the same rights and remedies as are allowed by law to such representatives of other persons, by contract or agreement, expressed or implied, made by any employee to waive the benefit of this section shall be null and void and this section shall not be construed to deprive any employee of a corporation of his legal or personal representative of any right he now has by the law of the land.

The general assembly may extend the remedies herein provided for to any other classes of employees.

SOME DEBATE. Mr. Ragsdale said they could not amend matters by adopting provisions manifestly unjust. He was opposed to both the original and the substitute.

At present corporations were liable for the same damages as individuals. The whole thing was wrong in principle and should come out. There should be no discrimination between corporations. Look at the matter aside from corporations, and you will not hold a corporation liable for damages to a co-servant. All that could be reasonably expected was already provided for in a better way than the law now is.

Mr. McCaslan wanted the employees of a road protected in some way. Take the case of a rear-end collision when the rear train follows; orders: there was every reason why the conductor, engineer and firemen should be protected and be allowed to recover.

Mr. Henderson stated that in such cases the injured persons had a common law right and the flagman stood in the shoes of the railroad. The railroad conferred certain duties it had to discharge upon its flagman and that made the corporation responsible.

Mr. STANFORD WILSON. Mr. Stanfard Wilson thought that Mr. McCaslan was correct.

MR. PRINCE. Mr. Prince said that the trouble was that it only applied to one class of corporations—railroads.

DR. STOKES. Dr. Stokes thought the substitute covered this and all other objections, in his opinion.

The substitute was then put before the house by the president.

There was further debate on both sides.

Mr. Henderson submitted that if an engineer was obeying the orders of a conductor, the conductor stood in the attitude of the corporation and was responsible.

Mr. Wilson said it only makes the railroad liable when an employee could not protect himself from the acts of a superior.

Mr. J. L. Glenn said this substitute was in line with amendments was the same thing as the present law. This was simple pure legislation. It was regulating the relation between employer and employee. If not amended, the matter would be unwise—it would be class legislation.

Dr. Stokes wanted to know if the corporations didn't get special privileges.

Mr. Glenn said they got none so far as an employee was concerned. The roads had no authority over their employees different from an individual.

Mr. Wilson's plan went further in class legislation than all other schemes he had heard of; it wanted to discriminate between the corporations.

Mr. Glenn then cited cases, assisted by Mr. D. S. Henderson, going to show that even a section master occupied the position of the company in regard to his little crew.

Mr. Howell then took the floor, agreeing with Mr. Glenn, and said it was class legislation of a bad kind. There were farmers who had corporations of their own.

Dr. Stokes—if you are satisfied with the law as it stands, why do you object to the amendment?

Mr. Howell said that he objected because he wanted no legislation placed in the Constitution. He would say against the section and the substitute also.

Mr. Bates asked him if section 10 was strictly legislative also.

Mr. Henderson asked Mr. Bates, as a member of the committee, why he had presented a report that he admitted to be purely legislative in nearly all particulars.

Mr. Stanfard Wilson then argued that it was simply to put the employees on the same plane as passengers.

Mr. D. S. Henderson moved to indefinitely postpone the whole. Lost—nays 53, yeas 58.

Mr. Henderson moved to strike out the last sentence of the substitute reading "The general assembly may extend the remedies herein provided for to any other class of employees."

Mr. Otts moved to table this amendment, which was done.

Mr. Ragsdale said the substitute was less objectionable than the original and should pass for that reason.

Mr. George Johnston said he could give them the history of this act known as the "5 per cent. act." They had adopted this act because the radical rag required it. The gentleman from Spartanburg speaks of creditors. The creditors inquire into the credit of the person to whom they are extending it. Can't the individual inquire into the condition of the corporation? Certainly they can. Yesterday we incorporated a provision for a public examiner to inquire into the condition of the corporations. That is the very best method to control the corporation. Others should be considered. Look at the orphans and widows and women of your land; almost invariably their sons' earnings are invested in these corporations because they cannot do any other thing in business. And here it is sought by the gentleman from Spartanburg to have the investors responsible, almost entirely responsible, for the dishonesty of the corporations. The creditor takes everything. What more does he want? I am with the gentleman from York and again move to lay it on the table.

MR. GAGE. The Constitution of '68 leaves the matter with the legislature. If our Constitution provides that the stockholder shall not be responsible above the value of his stock, the world knows it and it will be no injustice. As to the other consideration, if a man puts \$100 into the corporation, he looks after to save the \$100, to save the 10 per cent. not any more than the clause submitted should be adopted.

MR. HAYNSWORTH. There is another reason why this should be defeated. I don't think the liability is proper without incorporating with it these provisions that protect the innocent creditor.

MR. STANFORD WILSON. Mr. Stanfard Wilson moved to strike out section 15, but the convention would not do it.

MR. BYRAN. Mr. Byran moved to add the following to the end of the section:

Provided, that the stockholders of every corporation or joint stock association for banking purposes shall also be individually responsible to the amount of their respective share of shares of stock in any such corporation or association for all its debts and liabilities of every kind.

There was a running debate on this motion between Messrs. Johnston, Bogan, Henderson and Sheppard. Mr. Sheppard moved to table, but withdrew the motion.

MR. GAGE. Gage thought the matter should be investigated fully. No one would say that stockholders were liable for 10 per cent. The difference between banks and other corporations is this: You start a factory with a capital of \$100,000 and the plant is liable, but a bank has a capital of \$25,000 and has deposits of \$75,000. I think those deposits should be secured. In order to make it secure, that people should go there and deposit this money.

MR. STANFORD WILSON. Mr. Stanfard Wilson moved to strike out section 15, but the convention would not do it.

MR. PATTERSON. Mr. Patterson moved to strike out section 15, but the convention would not do it.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

MR. PATTERSON'S PLAN. Mr. Patterson announced that he would offer the following sections as a substitute for Mr. Kennedy's substitute.

PUBLIC EDUCATION.

THE CONVENTION TAKES UP THAT IMPORTANT MATTER.

A Lengthy and Interesting Discussion of the Article as Submitted by the Committee.

COLUMBIA, Nov. 13.—The convention this morning commenced the consideration of the article entitled "Education." The first section went through without debate, in the following form:

Section 1. The supervision of public instruction shall be vested in a state superintendent of education, who shall be elected for a term of two years by the qualified electors of the State, in such manner and at such time as the other State officers are elected; his powers, duties and compensation shall be defined by the general assembly.

Section 2. The general assembly shall provide by law for the election or appointment of such county, township or principal school officers as occasion may require.

Section 3. The general assembly shall make provision for the election or appointment of all additional school officers.

Section 4. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 5. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 6. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 7. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 8. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 9. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 10. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 11. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 12. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 13. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 14. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 15. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 16. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 17. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 18. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 19. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 20. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 21. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 22. The general assembly shall provide by law for the election or appointment of all additional school officers.

poses in the several school districts in which it is collected. Whenever during the three next ensuing fiscal years the tax levied by the said county board of commissioners or similar officers and the poll tax shall not yield an amount equal to \$3 per capita of the number of children enrolled in the public schools of each county for the scholastic year ending October 31, 1895, as it appears in the report of the state superintendent of education for said scholastic year, the comptroller general shall for the aforesaid three next ensuing years levy such an annual tax on the taxable property of the State as he may determine to be necessary to make up such deficiency and apportion same among the counties of the State in proportion to any respective deficiencies therein; the sum so apportioned shall be paid by the State treasurer to the county treasurers of the respective counties on the warrant of the comptroller general and shall be apportioned among the school districts of the counties and disbursed as other school funds.

And from and after the 31st day of December, 1898, the general assembly shall cause to be levied annually on all the taxable property of the State such a tax, in addition to the said tax levied by the said county board of commissioners, or similar officers and poll tax above provided, as may be necessary to keep the school open throughout the State for such length of time as the general assembly shall determine; the general assembly may prescribe and said tax shall be apportioned among the counties in proportion to the deficiencies therein and disbursed as other school funds.

Any school district may, by the authority of the general assembly, levy an additional tax for the support of its schools.

Section 6. The comptroller general shall levy at each regular session after the adoption of this constitution an annual tax of 3 mills on the dollar on all taxable property throughout the State for the support of the public schools, which tax shall be collected at the same time and by the same agents as the general State levy and shall be paid into the State treasury. There shall also be assessed on all taxable polls in this State between the ages of 21 and 60 years an annual tax of \$1 on each poll, the proceeds of which shall be apportioned to the support of the public schools. The school tax shall be distributed among the several counties in this State in proportion to the respective number of pupils enrolled in the public schools.

Section 7. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 8. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 9. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 10. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 11. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 12. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 13. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 14. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 15. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 16. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 17. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 18. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 19. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 20. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 21. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 22. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 23. The general assembly shall provide by law for the election or appointment of all additional school officers.

Section 24. The general assembly shall provide by