

to their children it would be an easy matter to supplement the public school fund and have good common schools in every county community. Since the State has undertaken this matter, it is its duty to see that it is done to the best advantage and to the satisfaction of the people. The present condition of the public schools is such that it is necessary to take prompt action to improve them. The present condition of the public schools is such that it is necessary to take prompt action to improve them. The present condition of the public schools is such that it is necessary to take prompt action to improve them.

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

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

PHOSPHATE INDUSTRY.
By reference to the report of the Phosphate Inspector you will see an itemized statement of the work accomplished during the last fiscal year. The royalty paid the State for rock mined in 1898 amounted to \$24,522.04. During the fiscal year just closed it amounted to \$539,376.28, being an increase of \$514,854.24 over the preceding year. This indicates that the companies doing business in our phosphate beds are recovering from the disastrous effects of the great storms of the past few years. The care and development of the phosphate industry of the State is of vital importance and demands our careful consideration. At your last session no provision was made to defray the expenses of the Commissioner and the Board. This expense has been met by the Attorney General, under resolution of the Board, out of funds collected by him and in his hands. I suggest that you should provide by a sufficient amount to cover this expense in your appropriation bill. For an itemized statement of the work done by the Inspector I direct your attention to his report.

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

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

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

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

The Atlantic Coast Line has constructed from Danmark to Robblee, a distance of 21 miles.

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

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

The Sumter and Wateree R. R. Co. has constructed a line from Sumter Junction to the City of Sumter, a distance of 15.8 miles.

The North Western R. R. Company have under construction an extension from Sumter to Camden, a distance of 30 miles, 10 miles of which is in operation, and the other mileage is under rapid construction.

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

A line from Conway to the Seashore is under construction, a distance of 10 miles. This will make a total new mileage of 57 miles in the State.

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

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

RAILROAD EARNINGS.
Earnings of the railroads of the State from all sources for the year ending June 30, 1899.....\$ 8,916,383.04

TOTAL EXPENSES.
Maintenance of way and structures, equipment, conducting transportation, general expenses..... 5,834,246.37
Taxes..... 285,716.57
Income..... 2,791,430.44
Increase in gross earnings over 1898.....\$ 827,053.00
Gross earning per mile..... 5,377.43
Operating expenses per mile..... 2,357.95
Net income per mile 1899..... 1,923.38
Net income per mile 1898..... 807.37
Increase per mile..... 215.77

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

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

rules and regulations of the Board of Control. As an advisory board to the State Commissioner I would suggest the Comptroller General, the State Treasurer and the State Superintendent of Education, with such powers and duties as in your wisdom you may think proper to confer upon them. I do not deem it wise to put the Governor or the Attorney General on this advisory board. You might add to this board the chairman of the Finance Committee of the Senate and the Chairman of the Ways and Means Committee of the House. It would not be necessary for this board to meet more than four times a year and at each meeting competitive sealed bids could be submitted and these bids opened in the presence of the Commissioner and such purchases made as would be needed to supply the demand. The State Treasurer is the custodian of the funds, the Comptroller General distributes the school part of the fund arising from the dispensary, and the State Superintendent of Education is the head of the educational department which is the beneficiary of the fund. These officers are elected by the people and have to give account to them for the manner in which they discharge their duties and are always men of ability and character.

In place of the County Boards I would suggest that the County Supervisor, the County Auditor, and the Mayor of the County seat town, if a dispensary be located there, if not the mayor or intendant of some town, be the County Board, with such powers and duties as you may think proper to confer upon them. They would be elected by the people and would have to give account of their stewardship to the people. I would also suggest that the county dispensers be elected by the people as other county officers are elected and for a term of two years.

These changes are suggested not only because in my judgment they would improve the administration of the law, but on the ground of economy. I regret that I have not the figures for the last fiscal year. They could not be obtained on account of the closing of the Legislature coming so near to the close of the fiscal year. The figures, however, will not be materially different from those of the fiscal year 1898, so far as the County Boards are concerned, but the cost of the State Board will undoubtedly be very much increased. In this year the total cost of the County Boards was \$9,724.20. For the same year the cost of the State Board of Control was \$4,399.01, which makes a total of \$14,144.21 as the cost of the State and County Boards of Control and which by their abolition would be turned into the profits of the dispensary.

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

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

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

Mr. W. W. Harris, who is clerk and is in charge of this department under my direction, in his report to me says: "There is less complaint of the illicit traffic in liquor coming to this office from throughout the State than ever before during the five years I have been connected with this bureau and it is very evident that there is less violation of the Dispensary Law over the entire State, with the possible exception of the city of Charleston and two or three of the counties in the north-west portion of the State, and it is probable that even in those sections there has been improvement." I submit herewith a table showing the comparative cost and the work done by the reduced number of constables for the last six months of 1899 and the corresponding six months of 1898.

It will be seen that so far as the work done the number of seizures is about the same, while there has been a saving of six months of 1899 over the same six months of 1898 of \$4,298.00 in this one item.

These figures include the cost of buggy hire, railroad fare for the constables, and the salary of the clerk to the Governor.

I am glad to be able to state that during my term of office, with but one exception, there has been no violation of the law in this respect and one citizen was killed and another wounded and one citizen was killed. This unfortunate trouble cannot any more be charged to the Dispensary Law than

could a similar difficulty in the enforcement of any other law be argued against it.

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

I have received from the Comptroller General the following statement of receipts and disbursements on account of the special State Dispensary School Fund for 1898-99: Received from State Dispensary 1898-99.....\$120,000 00
Disbursed to the several counties under Act 1898.....\$67,204 35
Disbursed several counties under Act 1899..... 19,338 02
Disbursed several counties under Act 1899..... 43,457 69—\$120,000 00
I am sure that you will be guided by a wise discretion and exercise good business judgment in dealing with this subject, and I trust that whatever action you may take will redound to the good of the State.

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

The result of this year's work appears in the elaborate report submitted to me and by me transmitted to the General Assembly.

It will be seen that the account given of the raising of troops in South Carolina for State and Confederate service, 1861-65, which Col. Thomas presents as the joint work of Mr. W. J. Rivers and himself, is a valuable contribution to the history of the War Between the States and that taken by the troops furnished by the State to the Southern Confederacy. This paper throws a flood of light upon the rolls and lays the foundation of the sketch designed to accompany the publication thereof, when this publication shall be ordered by the General Assembly.

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

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

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

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

CHICKAMAUGA BATTLEFIELD.
The General Government has purchased the Chickamauga Battlefield and Southern States for an expenditure of \$25,000. The General Assembly of South Carolina in 1897 sent a commission to locate the position of her troops and in 1894 appointed a commission to select suitable monuments. In view of the prominent part South Carolina took in this war and in this battle it seems but fit and proper that she should join with her sister States in this tribute to the memory of her heroic dead and provide the necessary means to complete the work already commenced. The South Carolina Division, U. S. V. will present memorial to you asking an appropriation for this purpose of \$10,000. I commend it to your favorable consideration.

STATE BOARD OF HEALTH.
The annual report of the State Board of Health will be submitted to you. It is important that you should give careful attention to this report and the suggestions and recommendations contained in it. You will also find a full exhibit of expenditures of the Board. The fund appropriated at the last session was exhausted before the close of the year largely on account of the existence of small pox in various sections of the State and in the efforts of the Board to combat the disease. Other infectious and contagious diseases have prevailed to a more or less extent in some

parts of the State but have been of a very mild character. Only small pox has assumed anything like an epidemic form and the mortality has been very light. It has appeared in twenty-three counties during the year and is still prevalent in some sections. It is important that stringent measures should be adopted in order to stamp it out before it assumes a more virulent type. The Secretary of the State Board, Dr. James Evans, in his report to me says: "It was my duty to present to the State Board of Health to prevent the rapid spread of the disease to those widely separated sections of the State for several reasons, the chief of which was the inadequate funds at the disposal of the Board; not being clothed with sufficient power to enforce their authority in isolating, guarding and preventing intercourse with the sick; in enforcing the great safeguard against the spread of the contagion, compulsory vaccination, and the great means of extending the health organization of the town and county, which would require prompt notification of the presence of any contagious or infectious disease to the health authorities, who could thus take prompt action in stamping out any disease before it could possibly infect other persons and become epidemic." This matter deserves your careful attention. To extend the organization from the State Board to the County Board and from the County Board to the Township Board would be an operation machine that should be able to control and stamp out any contagious or infectious disease before it could have opportunity to spread, and could guard with a jealous eye the health of the State. You have now on your calendar a bill providing for township boards of health.

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

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

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

CLAIMS FOR CAPTURED AND ABANDONED PROPERTY.
It has been brought to my notice that there remains in the Treasury of the United States the sum of \$10,512,007.96, balance remaining from the sale of captured and abandoned property of the Southern States, and a lot of cotton captured on March 13, 1863, and July 2, 1864, this being chiefly cotton seized in and around Beaufort during the occupancy of the parishes of St. Helena and St. Luke's while the war was in progress, and elsewhere throughout the Southern States in such parts of the territory as were under Federal control during the war, and after the war by special agents of the Treasury appointed for that purpose. This fund has been the subject of considerable contention. Claimants have endeavored to establish their right to it, but owing to the difficulty of bringing suit against the United States, a verdict, and the peculiar provision of the law under which it was taken requiring iron-clad oaths and proof of loyalty, individual suits could be brought only in a very few instances. Meanwhile the fund has lain in the Treasury, and individual efforts have continued to be made by persons deeming themselves interested therein, before Congress, to secure the privilege of bringing suit in the Court of Claims. During the year that has passed the subject has been considered frequently by the Supreme Court of the United States, and it has been determined by that tribunal in a direct decision, (Klein vs. U. S. 13 W. A. L. 135 II) that it was not the intention of Congress by the enactment of those statutes, that the title to property seized under them should be divested from the loyal owner; (2) that the proceeds of the property should go into the Treasury without change of ownership; (3) that the same intention prevailed in the case of property of owners who though hostile at the time the property was taken, might subsequently become loyal; (4) that the Government constituted itself trustee for those who by that Act were declared entitled to the proceeds of captured and abandoned property.

In the 55th Congress a general bill was introduced opening the door of the Court of Claims to suits by all of these claimants, and favorable reports from the Committees on Claims of both Houses were submitted, recommending the passage of the bill (Senate Bill No. 2034, 55th Congress, 2d Session, Report Senate Committee on Claims No. 1634) and these public documents carried on their face the evident justice of such legislation. The bill failed to pass only for the reason, as I am informed, that it failed to receive attention in the mass of business before Congress, and so this measure, so beneficial to a large number of our citizens, the proceeds of whose property is in that fund, failed at that Congress. With a view of aiding the passage of the bill when re-introduced, as it has been or will be, I have seen proper to address a reasoned appeal to every member of our congressional delegation, requesting them to give diligent attention to this important measure, and I have also addressed communications to the Governors of the several Southern States, whose citizens are in common interest in the fund, and requested them to take similar action, and replies have been received from several of the Governors, showing that they have accepted of my suggestion, and the Governor of Georgia has passed a resolution requesting its congressional delegation actively to co-operate, and it is noted that at the present Congress by united effort, this legislation, long delayed, will be enacted. It is difficult to see why in this era of good feeling, when all the acerbities of the war have gone to their merited oblivion, that the Congress of the United States should withhold from its citizens the simple right to proceed before its own courts, and demonstrate their interests in the fund, for which the highest courts has admitted that they occupy a fiduciary position.

In this connection it is proper to state that much of the evidence upon which these claims exist is rapidly passing away, and some means should be afforded to our citizens to perpetuate this testimony as far as possible, and to enable them to do so a commission should be appointed, with power to take and bring before its own courts, and demonstrate their interests in the fund, for which the highest courts has admitted that they occupy a fiduciary position.

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

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

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

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

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

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

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

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

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

TRUSTS.
While we felicitate ourselves on the number of corporations that have been chartered within the State during the past year, we should not forget to hinder their success it should not be forgotten that they are creatures of the State. Obtaining their existence from the State, you have the right to regulate their operations and the operations of those doing business in this State though receiving their corporate existence from other States. The tendency of these corporations is towards centralization and combination. This tendency leads ultimately to oppression and an effort to drive the weaker institutions out of competition and unless guarded by wise legislation will eventually take away from the individual his natural rights. While on the other hand if wisely conducted and properly guarded they will do much to develop and bring into life the natural resources of the State. It is a subject that should command your most earnest and thoughtful attention. I thought proper simply to call it to your attention, so that while you legislate to foster and encourage corporate enterprises you might also guard and protect the rights and privileges of the individual citizen.

LOCAL LEGISLATION.
Much time of the Legislature is consumed with the passage of laws that have only a local application. The attention of the Legislature is directed to the expense of such legislation at different times by predecessors and yet every session of the Legislature finds itself confronted with a batch of such local legislation. The State Constitution prohibits the passage of local or special laws concerning certain subjects and demands that all general laws cover the same. You should avoid as far as possible the passage of local and special legislation, for it not only involves the expenditure of money but also the time of the Legislature. Where general laws have not been provided in accordance with the requirements of the Constitution, you should resist the temptation to pass such laws and then the introduction of local and special legislation should not be permitted.

GOOD ORDER.
There has been a general good order prevailing throughout the State. The county of Darlington is to be commended for giving a legal and proper execution for a crime that usually results in summary justice. This spirit is to be encouraged and commended. It is in greater respect for the proper and legal character of administering the laws.

LIBERTY IS NOT CONSTRICTED AS LICENSE AND WE need to instill into our people a regard and respect for constituted authority and that the best and most highly prized liberty is that which is secured in a government that respects the rights of the individual and of modern times is the tendency to disregard and disrespect constituted authority. It is the duty of every citizen to do his duty to support upon personal freedom in order to secure and enjoy the best and the purest and the sweetest liberty.

I have thus endeavored to obey the mandate of the Constitution laid upon the Governor to "give to the General Assembly information of the condition of the State, and recommend to its consideration such measures as he shall deem necessary or expedient." I have not presumed to record the trust that whatever you regard as wise and just will be done for the benefit of the people of the State.

M. D. McSWENNEY, Governor.