

# HON. JOHN L. McLAURIN RESIGNS AS STATE WAREHOUSE COMMISSIONER; REPORT TO THE GENERAL ASSEMBLY

Gentlemen of the General Assembly:

At your last session I proposed a bill provided for grading of cotton offered for sale in the State by licensed graders. The criminal penalties for wilful misgrading did not meet the approval of the Legislature and nothing was done. I am still of the opinion that this bill should be made a law, but I will submit one upon another line applying only to cotton in warehouses, whether State, corporate or privately owned.

The Federal Department of Agriculture has been making investigations into the loss to planters from undergrading cotton, and the report mounts up into millions of dollars. This agitation for licensed graders is largely due to the South Carolina and Texas Warehouse laws. We have done nothing except agitate in South Carolina, but Texas has a compulsory grader's law which provides for samples being taken at the gin, and criminal penalties for not doing so. I have not sufficient information to express an opinion as to the Texas law, but I do think that such a system is practical in South Carolina on account of the difference in our methods of ginning. I submit herewith a bill which contemplates the employment of three expert graders at the State Warehouse. Every warehouse receiving cotton to be stored is required to take one sample from each bale, to be tagged in duplicate order with the number and marks, so that both sample and bale can be easily identified. The sample is sent to Columbia and classified by grade and staple. A record of same is made upon the books here and the sample returned to the warehouse manager who sent it forward. He makes a record of same and files the sample, so that it is accessible, if called for. The receipt issued by the warehouse manager gives the grade and staple and also the number and mark, so as to identify both bale and sample. The owner can sell the cotton on the duplicate, but I would expect cotton to be sold in large lots from these samples as they went through the State Warehouse office, a record being made of them each day. Mills and cotton buyers could come to the State Warehouse office and from these records be able to purchase only such grades as were actually wanted, and therefore could give a higher price. One of the troubles in marketing cotton now is that a mill has to buy cotton which it does not desire in order to get other cotton which it needs. This is a burden at all times on the cotton market. A central market system would be advantageous to both the planter and the cotton mill, as it would eliminate the expense of several middlemen. Cotton always brings more money handled in large lots, especially when the mill can select from them exactly what it needs.

Again, in parts of South Carolina the cotton territory is parceled out between certain cotton buyers or mills; this gives a monopoly, and there is no competition in prices. Under the system to which I am referring a man could sell his cotton readily through the State Warehouse. A perfect system of marketing cotton will never be attained, but having assumed leadership it is the duty of South Carolina to go forward and do something each year to curtail the enormous waste in handling the crop. It is a little here and a little there, but the sum total amounts to millions. I believe that the waste in handling and marketing the cotton crop each year would go far towards feeding the people of the entire South. It is not a question of production, but one of conservation. The price of cotton in the past has been depressed more by unequal distribution than overproduction. We were compelled by reason of cotton not being a good collateral for money to sell a twelve months' supply within three months. The State Warehouse system of South Carolina is the first step ever made towards scientific distribution of the supply over an entire year or two years, if necessary. If properly developed, it has unlimited possibilities.

In 1914 cotton was of no use as a collateral, and the South lost \$400,000,000.00 by the sacrifice of its cotton crop. Cotton is now recognized when represented by a proper warehouse receipt as an unrivaled security for money, and is eagerly sought by investors.

The commodity loan section gives the farmer the use of money at a rate of interest never known before. Instead of the reserve monies of the nation being centered in New York, they are now distributed in twelve centers. To take full advantage of this we must not only have warehouse room to carry agricultural products, but an effective system direct to the manufacturers.

The South Carolina law makes it the duty of the Commissioner to aid in securing loans upon cotton and also to make sales of same at the request of the owner.

The State guarantees the weights and grades of the cotton, but has never provided a scientific method of determining such grades. It requires expert knowledge to grade and staple cotton, and the average warehouse manager or grader can only approximate so as to make a safe collateral of the receipt, but not one which would be safe for the Warehouse Commissioner to make sales upon. A good grading system must be the foundation of a sales system, then foreign buyers will be quick to take advantage of such an opportunity to buy direct.

By the time this reaches you I will have completed arrangements under which a letter of credit can be issued by a large New York trust company, authorizing drafts to be drawn against receipts at three per cent. for 90 days, with 1-4 of one per cent. for acceptance, making 4 per cent. per annum, the receipts to be held by the Warehouse Commissioner for the New York acceptor. What more

could the farmers expect in accommodation?

**Insurance.**  
At the last session of the General Assembly a bill was passed which destroyed the insurance trust in this State. The insurance companies withdrew from South Carolina in an attempt to force the Governor to call the Legislature in an extra session so as to re-enact this trust legislation. Their animosity was particularly directed to this office, because of the fact that in my report to the Legislature I gave the rates of insurance which we were receiving on State cotton and contrasted them with the rates which were being paid when the State Warehouse System went into operation.

It has been necessary for me to keep the names of the companies secret who are on our blanket policy, but you will observe from Mr. Bradley's report that he had the policies and submitted them to the Insurance Commissioner, who pronounced them all right. The reason for this is that the bitter fight made by the Tariff Association on these companies would prevent them from getting reinsurance.

A systematic attempt has been made to break down the State Warehouse System by dissatisfying the storers of cotton with our insurance. It comes to our ears frequently where parties are told by agents of the trust not to put cotton in State Warehouses—"that the insurance is not good."

The members of the General Assembly will recall the hearing before the Agricultural Committee last winter, when one prominent insurance man openly cast discredit on the State Warehouse insurance, and I could not resist the temptation to disclose the fact that one of the largest old line companies, with a representative at the hearing, carried a portion of our insurance and that another well known old line company was on our blanket policy.

**Home Monopoly is Created.**  
It is easy to understand how this legislature was created. The average legislator has not the information necessary to understand such problems, while the insurance interests are forever busy scheming and lobbying to secure the legislation best adapted to the ends sought. The insurance committees generally are insurance agents, which is just as wrong as to make up the finance or agricultural committees exclusively of bankers in one case or farmers in the other. The legislative body trusts to its committees, and, as a rule, adopt their reports, so that the personnel of the committee is of vital importance, and the trust has subtle means to get the right men on the committees. It is in this way that legislation created an insurance monopoly which enabled the trust to whip all independent companies in line. The mutual and independent companies have been afraid to enter the State, lest this Legislature recede from its position and allow them to be driven from the State after the expense of establishing agencies. I venture the assertion that if the General Assembly stands firm in its determination to have either competition or State regulations of rates, that within thirty days after adjournment there will be more insurance companies in South Carolina than are needed to do the business.

In many cases, we have had to pay higher rates to get reinsurance. In other cases lower rates have been offered so as to induce the people either to quit the system or not go into it. The newspapers have been filled the entire year with statements that the insurance companies were making no money in South Carolina. A similar fight has been going on in Michigan, Texas and other States. I have taken the trouble to get some of the newspapers from those States, and the same statements are being made in them as are being made in the South Carolina newspapers. The same policies were pursued in all of those States. In New York the heads of some of the insurance companies openly asserted to me that they denied the right of the State to question the rates at all. I did not attempt last year to influence insurance legislation, except so far as it affected the State Warehouse System. I did, when called before the committee, give them such information as was in my possession and expressed an opinion when requested.

**Large Profits.**  
I have put myself to some trouble to ascertain whether insurance was a profitable business or not, and I find that there is no business in the world where the profits are so enormous as in both life and fire insurance. The real profits of the insurance companies would not show in the premiums collected and the losses paid as reported to the insurance commissioner. It is known as the "Bankers' Profit." The lapse policy in life insurance and the short term cancellation in fire insurance show a profit very nearly akin in principle.

The three largest companies doing business in South Carolina were the Hartford, the Home and the Continental.

The Hartford has a capital of \$2,000,000.00; its ten year net earnings were eight and one-half million dollars, an annual average of forty-two per cent. on the capital stock.

The capital stock of the Home is three and one-half million dollars; in ten years its net earnings were thirteen and one-half million dollars—being an average of forty-two per cent. on capital stock.

The Continental, which organized the F. I. U. A. in order to compete with the mutuals and which is specifically exempted from the terms of the Laney-Odom Act, but which withdrew with the other companies, has a capital stock of two million dollars; in the ten year period they divided up in net earnings \$14,012,224.00, or an average annual profit of ninety-four per cent. on the capital stock.

Before 1910 this company had only one million dollars capital stock and paid an annual dividend of fifty per cent. In 1910 they doubled their capital stock by transferring one million dollars from surplus to capital and then continued to pay fifty per cent. dividends, equal to one hundred per cent. annually on the original capital stock.

The New York Times of November 19, 1915, contains the following: "The Continental Fire Insurance Company's melon of seven million dollars is ripe, and a one million dollar plum will be added. They will increase the capital stock from two million to ten million dollars and still have undistributed profits of ten million dollars. This will amount to a melon of 350 per cent."

**High-Handed Methods.**  
Under the monopoly created by the South Carolina insurance law large insurers in the State, able to deal directly through brokers in New York, could secure insurance rates at about one-half what other people in the State were paying for the same class of property. The cotton and oil mills and large property owners were getting very cheap rates at the time of the passage of the Laney-Odom Act, largely at the expense of the smaller property owners in the State, who had no knowledge of what was going on. The chief complaint against the Warehouse Commissioner was not that he secured a low rate on cotton, but that he told it.

After the withdrawal of the companies I enabled a great many people in South Carolina to place insurance, and the withdrawing companies have found that it has been impossible to punish South Carolina as effectively as they did in Missouri and Kentucky. I published a notice in the papers offering to see that insurance was placed, and did not fail in a single case where the risk was proper, nor have I heard of any loss from fire by reason of inability to get insurance. It has been a scare manufactured by insurance agents, a "cry of wolf where there is no wolf."

Doubtless you will recall, after the withdrawal of the companies, that while in New York with me Senator Banks placed a large amount of insurance through brokers at less than one-half the rate he was paying through their local insurance agents. He wrote an open letter to the paper calling attention to this fact, and his insurance was withdrawn simply because he told it.

As the fact of this leading daily papers in South Carolina (I have the clippings) were published to the people that these companies were doing business at a loss, and while the people of South Carolina contribute about three million dollars in premiums they withdrew after taking all this money from the State because she wished to exercise the same care with regard to insurance corporations as she does to banks, railroads and other things of the sort.

**Insurance a Tax.**  
There is nothing that comes closer home to the average citizen than fire insurance. In its last analysis it is a tax, and why tax collecting should be farmed out to private monopolies I fail to see. Every citizen in South Carolina contributes, directly or indirectly, to these insurance companies. The landlord adds to his rent, the merchant to the price of his goods, the fertilizer factory to the price of fertilizers, etc.

The figures which I give are all the more striking when it is taken into consideration that the ten-year period above covers the two largest fires in the history of the country—San Francisco and Baltimore. These tremendous profits are directly due to a monopoly created by legislative protection. The insurance laws of South Carolina fostered and permitted this trust to live, in the face of the Constitution of the State, which prohibits the formation of trusts. I said then, and I say now, that the Legislature did right to destroy it.

In addition to these profits, when you consider that the insurance companies pay very large salaries—and their agents openly stated before your legislative committee that it cost them forty-three per cent. to put the business in their offices—the conclusion is irresistible that the people of this country are paying unreasonable rates of insurance and that it is the duty of the State of South Carolina to give them relief.

I know of no reason why insurance companies should be exempt from the same kind of legislation which now regulates banks, railroads, express, telegraph and telephone companies. We define the limit and regulate the activities of every corporation which affects the general public. Why not the insurance companies? We fix telegraph and railroad tolls; we fix products, restrain trade or destroy competition. Why should an insurance corporation be the only one immune from competition and not even be supervised by the State in the making of rates?

In connection with this I will submit a bill which will take the State warehouse out of the power of the insurance trust and provide cheaper and equally as safe insurance for the cotton on storage.

**State Insurance.**  
If you will refer to the report of A. W. Bradley, State Auditor, and Mr. Walton, an expert accountant who checked up the office of the State Warehouse, you will see that they state that our insurance is safe and sound, and complimented its management. They show in this report that we have paid out approximately one hundred thousand dollars for insurance and that the losses during the two and a half years have amounted to \$1,197.00. This would have been sufficient, if carried as I suggested, to have paid all of the expenses of the State Warehouse System and left a surplus of about sev-

enty-five thousand dollars upon which we could have established the graders and sales system to which I have above referred.

In 1915 an act was passed authorizing money to be borrowed for Clemson College on the credit of the State; this money to be repaid from funds accruing to the credit of the college. If a similar act were passed by the Legislature authorizing the State Warehouse Commissioner, the Governor and the Comptroller General to borrow on the credit of the State a sufficient amount to meet any loss which might arise before the premiums collected were sufficient, said money to be repaid as the premiums are collected, then we could soon lay up a reserve fund for insurance and reduce the rate so that the farmers of this State would get the benefit of a cheaper rate of insurance. If we have the same good fortune that has attended us for two and one-half years, it would not be necessary ever to borrow a cent. Had this been done in the beginning the reserve fund would now be sufficient to guarantee that the credit of the State would never have to be used in any emergency.

The bill which I propose does not in the beginning contemplate insuring over one thousand bales in any one location. If it becomes necessary to protect more than this number in any one location it can be done by our present reinsurance facilities, which are amply sufficient.

In Germany and Switzerland they have insurance by the government, while in other European countries it is regulated by law. The insurance rates in European countries generally in time of peace were on the average about one-twelfth of the rate being paid in South Carolina. Furthermore, the expense of writing this insurance is about two cents for every one hundred dollars written. I suppose that the average rate paid the stock companies in South Carolina would be about \$1.25 per one hundred dollars, while the expense of writing same is forty-three per cent. of the \$1.25. These figures are a nightmare to the insurance companies in this country, who know that sooner or later the present methods will force State insurance or the organization of mutual companies where the rates will be very much lower.

The Federal Government early in the war, on account of the prohibitive marine risk, established a bureau of insurance, and it is very interesting to note what in one year it did for the Federal Government. The insurance companies arbitrarily placed the rates at a prohibitive point and claimed that there was no profit in it for them. The Federal Government gave marine insurance, and in one year made up profit of more than two million dollars. During that time it issued 1,539 policies, covering about \$140,000,000.00, on American cargoes and ships carrying noncontraband goods. The figures of this bureau show that the gross premiums for insurance issued amounts to \$2,904,866.00, while the losses were only \$771,329.00, of which \$58,811.00 was recovered in salvage.

This government insurance was of inestimable benefit to the entire country, especially to the cotton of the South, by providing more reasonable insurance.

**Armed Piracy.**  
The difference in the fire losses since the passage of the Laney-Odom Act has been approximately fifty per cent. less than for any year previous to the passage of this act. You have doubtless seen the figures given by Insurance Commissioner McMaster showing the great decrease in fire losses since the passage of the Laney-Odom Act in the State at large. I herewith submit the figures taken from the books of the Fire Department in the City of Columbia showing the losses each month during 1915 to December 1, 1916, when this report was completed:

| Fire Loss. |              |             |
|------------|--------------|-------------|
|            | 1915         | 1916        |
| January    | \$ 14017.04  | \$ 6,870.83 |
| February   | 9191.05      | 4,076.03    |
| March      | 84,686.46    | 7,364.05    |
| April      | 10,653.25    | 6,793.55    |
| May        | 12,599.20    | 582.10      |
| June       | 8,777.25     | 731.83      |
| July       | 8,173.11     | 41.80       |
| August     | 6,531.69     | 2,039.02    |
| September  | 5,275.40     | 17,993.66   |
| October    | 754.85       | 126.50      |
| November   | *10,052.77   | *3,159.97   |
| December   | 5,301.95     | -----       |
| Total      | \$176,014.02 | \$49,778.34 |

Extract from New York World, showing a decrease in fire losses with no decrease in rates:

"About.  
"Realty is gaining in its fight against fire insurance tribute.  
"On fire losses of \$6,000,000 a year in the metropolitan district, the companies are collecting \$30,000,000 in premiums. The advisory council of real estate interests announced yesterday that it would call a conference today to consider the entire subject. The fire Commissioner and representative fire insurance companies will be invited, incidentally also to consider the problem of reducing expenses for purchase and installation of sprinkler systems.

"At great cost five prevention methods have been adopted in buildings so that the per capita loss has decreased from \$2.62 in 1911 to \$1.94 in 1915," said the council. "There were 1,010 fewer fires in 1915 than in the previous year with aggregate losses of \$2,400,000 less and an average loss for each fire of \$140 less than any previous record. Consequently it is but natural for property owners to expect lower rates where through the reconstruction of their real estate holdings the fire risk is lessened."

"In the Bronx, Senator John J. Dunnigan completed an investigation showing that on fire losses of \$400,000 during 1915, realty owners had paid \$1,260,000 in premiums. He wrote to State Superintendent of Insurance Jesse R. Phillips yesterday that the companies were violating Section 141 of the insurance laws, providing that the State Superintendent of Insurance has power to determine the reasonableness or unreasonableness of rates and can order the removal of unfair discrimination after the fact has been established at a hearing.

"There is considerable data in your department available for use in

checking up rates and it seems to me that this statute, as it stands, affords complete protection to the insured," wrote the Senator. "The New York Fire Insurance Exchange fixes rates west of Bronx River, the east section being fixed by the Suburban Fire Exchange, where the 1907 figures have never been changed, in spite of the fact that additional fire protection has been given, the Bureau of Fire Prevention created, additional water lines installed with additional police protection, all of which decrease the fire hazard, and it is only fair that property owners who paid for the additional fire protection should get a rebate in their premiums."

"Chairman A. W. Warner, of the Insurance Committee of the Building Managers' Association, reported at the monthly meeting that rates on both office buildings and apartments should be lowered at once."

My conclusions are:  
1st. There are too many insurance agents in South Carolina for all to make a living out of the business, hence the cost of 43 per cent. for merely placing business in the office.  
2nd. Taking the City of Columbia as an example and Mr. McMaster's figures, the greater monthly loss before the passage of the Laney-Odom Act evidences that this law saved fire loss by thousands.

3rd. That the first step toward cheaper rates is to prevent burning of property in order to get the insurance.

The financial distress of 1915 induced incendiary fires to collect insurance, and so long as collusion between the agent and the insurer is permitted to continue, the companies will, by exorbitant rates, shift the loss from the incendiary to the honest citizen who takes out a policy for real fire protection and not as an investment.

As the business was being conducted in South Carolina, it was not protection from fire by insurance, but armed piracy on the part of both insurer and insured. It offered a reward to the agent to over-insure and tempted the property owner to arson, which was so common as to constitute a menace to every town in South Carolina. With the power of fixing the rate and the valuation left entirely to the agent to increase his fees by giving the property owner all of the insurance he could induce him to pay for, there was practically nothing between the public and the fire bug. In one night, between midnight and day, within a radius of a few blocks, I heard five alarms of fire in unoccupied houses during the hard times of the winter of 1915.

**Government Must Protect Producers.**

The war after the present war will be a trade war, with the rest of the world arrayed against North and South America, for the reason that the accumulated wealth of centuries in the balance of the world has been destroyed or driven to this hemisphere. Already we hear of propositions in Congress to modify the Sherman Act so as not to make it apply to combinations in restraint of trade where it is for the development of foreign commerce. This undoubtedly means a further consolidation of manufacturing industries, railroads and public utilities. The formation of trusts will proceed on a scale never known before, and through these, favored classes will pile up undreamed wealth to the prejudice of the average man. Under present conditions, with all other interests consolidated into trusts and fixing the price of products, and with labor thoroughly organized, the producer of raw materials will be mercilessly plundered unless he is protected by the strong arm of the State.

Our whole scheme of national government revolves around protection to banking, manufacturing and transportation. It is only within the past four years that the national government has become aroused at the consequences of the neglect of agriculture. What chance have the organized millions scattered through the rural districts against corporate greed backed by expert financial strategy and unlimited capital? Cooperation is as easy in one case as it is impossible in the other; therefore, so long as present conditions continue all property must gravitate towards the already rich, until by agitation and education the farmers are finally taught that their only relief is to go to the ballot box and, by asserting themselves there, establish for their calling the principle of association, which is now only for the favored classes.

This war will bring civilization to its climax; tremendous transitions are upon us. It is a terrible price to pay; six million dead, fourteen million wounded, mountains of debt, an infinite ocean of human sorrow, with mighty nations vanishing like sunset shadows and fruitful fields given over to graves, but humanity is ever born into higher cycles of existence through terror, blood and death. The nations engaged in this war will come out of it with new visions of service that should be performed through government for the individual.

The food supply has been taken charge of and prices regulated. The State is purchasing the raw material and other necessities and turning it over to private corporations to be manufactured, the price at which it may be sold to the public as well as the rate of wages being fixed in advance. This function of government will be firmly established in Europe when the war ends.

What of this republic, where we have a more numerous class of very wealthy persons than in any other nation on the face of the globe? This concentration of tremendous wealth in the hands of the few constitutes our greatest danger. Income inheritance taxes and other things of that kind will never solve the problem. It must be done by leaving more money in the hands of the producers, and thus have our wealth more evenly distributed. The war has already greatly increased concentrated wealth, as is shown by the following headlines over a New York press dispatch:

New York, August 10.  
"Morgan Doubles Wealth of Father  
—From the War Makes as Much in Two Years as the Elder J. P. Did in His Whole Career in Wall Street."

The gravitation of the higher orders of mankind from close association and common interest is perfectly natural and is clearly manifest to every mind competent to investigate social phenomena. The mere fact of great riches makes a strong bond which is now supplemented by a common sentiment of fear from the threatened strikes in all parts of the country, the high cost of living and a natural desire to participate in the abundant luxury seen on every hand. The capitalistic classes fear that the source of their rapidly accumulated fortunes will be cut off by legislation that is radically democratic in its character. The manner in which the eight-hour law was passed shocked and alarmed. The attitude of the Federal administration shows that it recognizes that the time has come when the law making power must openly and effectively concern itself with industrial, commercial and financial questions upon large lines. Governments must deal justly and strongly, not only with the labor problem, but with the profits to the farmers of this country. Half measures and sickly palliatives only irritate and make matters worse. It is better to have effective measures or nothing at all. It should have a strong, effective warehouse law or repeal the act.

Ever since the passage of the State Warehouse law certain interests in this State have been angry and resentful to see the State of South Carolina openly and avowedly interfere in grading, warehousing, selling cotton, fixing interest and insurance rates, with the declared purpose of aiding the individuals engaged in production. It came as a radical innovation, a novelty in the legislative field. It was not so much what the feeble act itself could accomplish as the threat contained in the strong declaration of a broad purpose to aid the individual farmer.

The government from its very foundation has aided other individuals and classes, as every well informed man knows. I have been in close touch with public affairs for more than the executive, legislative and judicial functions in both State and nation have been systematically prostituted to the service of the rich men and corporations. This has been done within the law and outside of it. It has been done in defiance of the Constitution and against the plain rights of the people at large, but yet it has established no precedent which can be used to the advantage of the masses, because it has always been done under false pretense. No matter how flagrant the violation of the spirit of our institutions, the act itself, hether protective tariff, railroad subsidies, land grants, insurance or banking, have always been clothed in the garb of seeming legality and sent forth to do its work under a constitutional mantle. There is no statesman or philanthropist who does not recognize that this country must fail as a republic commonwealth unless there be material changes in commercial, financial and industrial customs so solidly entrenched in our social order.

The great financiers practically own the press of the country, and they are ever at work creating sentiment in favor of their masters and against every man who seriously attempts to change the existing order. These newspapers fail to realize, or else wilfully ignore, the fact that the true reformer has no fight against capital per se; he is simply demanding that the powers of the government be given to aid the average man to equal opportunity. In the past the entire governmental power has been devoted to the development and protection of big-business. There must be room for little business and the little man to win as well as for Big Business and Big Man.

Only an anarchist would crush business of any kind, either big or little, but the time has come when not all of the attention of government can be given to the interests which need it least. In this connection Mr. W. W. Bradley and myself have prepared a loan credit bill to enable State banks to loan money on long time upon agricultural lands, which will be presented for your consideration, together with a grader's insurance bill.

**Resignation.**  
In conclusion, I herewith tender my resignation, to take effect upon the election of my successor.

The spirit of intolerance in the bitter factional contests in South Carolina makes the further development of the system by me impracticable.

I have had no personal or political axe to grind. I followed the course which it seemed to me would best insure the development of the Warehouse System upon broad lines of service to the farmers of this State. I have no political apologies to make, and the mere fact of being in a minority is no proof that I am wrong. The Governor and this Legislature were elected pledged to the development of the Warehouse System, and although my term does not expire until November 5, 1918, after the positive stand I took in the campaign, I feel that I should not embarrass the development of the system, and that I owe it to a majority of this Legislature and Governor Manning to give them a free hand.

I believe that all of us wish to do our best for South Carolina, and I stand ready to aid my successor free of cost whenever called upon.

I wish you to understand, gentlemen of the General Assembly, and the people of this State to believe, that I have never desired an office for self aggrandizement, but only as a means of being real service to my State.

I do not propose to permit factional prejudice against me to pervert the usefulness of this office. I feel that the best service I can render is to leave the way open for those in control to further develop a system which was the salvation of the farmer without personal credit in it and which will be greatly needed. I misread the signs next. The office has been thoroughly cleaned by Messrs. Bradley and Walton and I herewith submit as an appendix a portion of their report, which not only thorough, but just to the State and fair to me.

Respectfully,  
JNO. LOWNDES McLAURIN