

South Carolina - Treasurer.

1873.

ECsn 5540.1
161

THE FINANCES

OF THE

Treasurer.

State of South Carolina. —



COLUMBIA, S. C.:

PRINTED AT UNION-HERALD BOOK AND JOB OFFICE.

1873.

THE FINANCES

OF THE

Treasurer.
State of South Carolina. —

COLUMBIA, S. C.:

PRINTED AT UNION-HERALD BOOK AND JOB OFFICE.

1873.

1873, Nov. 22.

Gift of
Hon. Chas. Sumner,
of Boston.
(H. 21. 1830.)

P R E F A C E .

The following five articles on "The Finances of the State" were written and published for the information of the public in the Union-Herald of this city, and are now carefully revised and put in a more permanent form for easy reference. There is a manifest disinclination on the part of the people generally to wade through the dry statistical details of official reports and records, and it was therefore deemed best to publish this information in a more popular and readable manner, and thus convey a general idea of the financial condition of the State.

Our political opponents, in the most partisan spirit, have taken advantage of this inclination of the people generally, and the absence of some such authentic statements as the following articles contain, to create prejudice and make political capital against the present Republican administration.

It is hoped that by the publication of this information, which may be relied on as authentic, the people will see their true financial condition, and the Democratic press will confine themselves to the facts and figures as given and not rely upon their imagination for them or resort to distortion and misrepresentation of the facts.

It is thought best, for obvious reasons, to present the articles separately, as they were originally written.

F. L. CARDOZO,

Treasurer South Carolina.

COLUMBIA, S. C., August 2, 1873.

THE FINANCES OF THE STATE.

ARTICLE I.

The condition of our finances is an object of the deepest interest to every citizen of the State, and we propose, therefore, writing several articles on the subject.

There has been an unusual amount of discussion of the *bonded debt* of the State, and the status of all the *new* bonds, except the "bonds to redeem the bills of the Bank of the State," is being now determined by the courts.

Our bonded debt is reported by ex-Treasurer Parker as follows :

OFFICIAL STATEMENT OF THE PUBLIC DEBT, OCTOBER 31, 1872.

Stock, State three per cent, act 1794.....	\$38,836 60	
Stock, Fire Loan, act 1838	303,343 89	
Stock, State Capital, act 1856.....	189,385 80	
St ck, State Capital, act 1857.....	121,051 37	
Stock, State Capital, act 1858.....	302,710 00	
Stock, State Capital, act 1859.....	215,176 24	
Stock, State Capital, act 1861.....	123,305 00	
Stock, State Capital, act 1863.....	1,560 00	
Stock, Funding, act 1866.....	79,113 94	
Stock, Conversion, act 1869.....	64,000 00	\$1,433,482 84
Bonds, Fire Loan, act 1838.....	461,944 51	
Bonds, State Capital, act 1853.....	38,000 00	
Bonds, State Capital, act 1854.....	249,000 00	
Bonds, Blue Ridge Railroad, act 1854.....	966,000 00	
Bonds, State Capital, act 1866.....	11,600 00	
Bonds, Funding, act 1866.....	930,200 00	
Bonds, Redemption Bills Receivable, act 1868.....	484,000 00	
Bonds, Payment Interest on Public Debt, act 1868.....	1,197,000 00	
Bonds, Funding Bills Bank State, act 1868...	1,189,600 00	
Bonds, Relief of Treasury, act 1869.....	856,000 00	
Bonds, Conversion State Securities, act 1869.	7,542,500 00	
Bonds, Land Commission, act 1869.....	124,000 00	
Bonds, Land Commission, act 1870.....	343,000 00	
		<u>14,412,844 51</u>
Total.....		\$15,851,327 35

Of this amount \$4,221,827.35 was contracted before reconstruction; the remainder, \$11,635,500, since that period.

A large portion of the debt contracted since the Republican party came into power—July, 1868—is also chargeable to the Democratic administrations of the State—for instance, the \$1,189,600 to redeem the bills of the Bank of the State is a legacy left us by the former rulers of the State, and the Republicans cannot be charged with the responsibility of creating this debt. They simply changed it from a floating to a funded debt.

The \$1,197,000 of bonds issued to pay the past due interest the Democrats are responsible for, as it was to pay the interest that had accrued *previous* to the Republican administrations.

The \$484,000 of "bonds to redeem the bills receivable" is also fairly chargeable to the Democrats, who attempted *provisionally* to reconstruct the State under President Johnson, but whose disastrous failure caused the passage of the present reconstruction acts. *They issued* the bills receivable and *we had to redeem* them.

Thus \$2,870,000 of the bonded debt contracted *since* the Republican party came into power, and for which they are generally held responsible, must be added to the \$4,221,827.35 of the *ante bellum* bonded debt, making \$7,092,427.35, and charged to the Democrats.

The remainder of the debt, the \$856,000 of the "relief of the Treasury bonds," the \$467,000 of the "Land Commission bonds," and the \$7,542,500 of the conversion bonds are fairly chargeable to the Republican party. The proceeds of the sale of the "Land Commission bonds" have been invested in lands for the benefit of the poor. The proceeds of the sales, or the money obtained by loans, on the "relief of the Treasury" and "conversion bonds" have been added to the amount received from taxes to meet the expenses of the government.

The status of the "conversion bonds" is now being determined by the courts of the State, and the subject will, no

doubt, receive a thorough and exhaustive investigation by the able Judge who presides over the Fifth Circuit, and perhaps the Supreme Court of the State. We do not presume to anticipate their decision, but will express our own opinion of the subject in our own way.

In the first place, we will state that \$1,611,400 of the entire amount of "conversion bonds" issued have been exchanged for other bonds, now canceled and filed in the Treasury, in accordance with the *original* intention of the law. The remainder—\$5,931,100—was either sold or hypothecated for loans advanced to the State, and, the State being unable to redeem them, they were forfeited and is thus a debt against the State. The *whole* of these bonds were intended to be exchanged for other bonds, as a *portion* of them were, and thus not *increase* the debt of the State; but, by a law which authorized the Financial Agent to hypothecate any securities that he may have in his possession for loans to the State, they were so used, and, not being redeemed, were forfeited.

The ex-Treasurer of the State—Mr. Parker—reports, however, that he received and used the money in behalf of the State which was so obtained, and it now becomes a very difficult and important legal question, which we leave the courts to decide, whether or not the State is liable to the innocent holders who advanced the money so used.

The Democratic papers have made a great many wild and foolish statements regarding the status of these bonds and the responsibility of the officers who prepared and issued them. The bonds, for instance, are called *fraudulent*, and the officers who signed and sealed them are said to be responsible for the alleged frauds. Again, they are said to be *fraudulently issued*, and the Financial Board held responsible therefor.

Now, in answer to these charges, we will state, in the first place, that the officers who *signed* and *sealed* these bonds acted entirely in accordance with *law*. The bonds were legally authorized for a specific purpose, and they were there-

fore prepared—*printed, signed and sealed*. Surely no person of ordinary intelligence can charge those who thus *prepared* these bonds, in accordance with the law authorizing them, with any wrong in obeying the law.

It happened, however, that two of the officers—the Governor and Treasurer—who were required to *sign* the bonds were also members of the Financial Board, who are now considered responsible for the manner in which they fell into the hands of third parties—that is by forfeiture as collaterals hypothecated for loans to the State, or by direct sales, instead of by exchange or substitution for other bonds as originally intended.

The “validating act” has subsequently legalized this *mode of issue*. The constitutionality of that act, in this respect especially, has been questioned, and we leave that also to the courts to decide.

The responsibility of the State to the holders of these bonds is an intricate and difficult question of constitutional law. The Treasurer reports that he received from the holders a consideration for the bonds they hold, viz: The money they paid for their bonds or advanced as loans, and the State would certainly only be acting in an equitable manner at least to refund them the money they advanced, if the bonds be declared illegal on account of the manner in which they were issued.

The State certainly got some value for the bonds, and used the money so received, and thus tacitly endorsed the action of her agents, the Financial Board, who sold or hypothecated the bonds instead of exchanging them for other bonds, as originally intended, as we have before said.

The Financial Board, who are considered responsible for the manner in which these bonds were put on the market, is not the *present* but the *previous* one. They claim, we believe, in justification of their action or assumed responsibility, that, as a financial board, they were vested with a general supervision of the finances, and, therefore, with the right to act as they have done; that the State received the money for which

the bonds were sold or hypothecated, and that their management was subsequently approved by the Legislature in the passage of the validating act.

The Financial Board has been considered responsible for the issue of the "conversion bonds," and perhaps is *morally*, as the Treasurer always affirmed, we believe, that he had the approval and co-operation of the other members of the board in his action with regard to the bonds generally.

But, strictly speaking, the Financial Board, *as such*, is not *legally* responsible for the issue of the "conversion bonds," as the law imposed the duty of exchange upon the *State Treasurer exclusively*, and he alone, therefore, is *legally* responsible for the issue of those that have not been converted or exchanged for stock or other bonds, in accordance with the requirements of the law. But on all these difficult and complicated questions of constitutional law and equity we patiently await the decision of the courts.

ARTICLE II.

Having given a full statement of the present status of the bonded debt of the State in our issue of yesterday, we propose to-day to inform our readers concerning the finances of the present year. We start out in the full consciousness of the fact that the crop of grumblers and maligners is just as large this year as it ever has been since there was a responsible government among men; nor is the number likely to diminish as long as it can be made to furnish a convenient pretext for assailing the official character of an individual or the administration of a political party. We are also well aware that while there is in all States more fault found with governments on the score of their finance than on any other, still the masses, ever ready to complain, manifest great dis-

relish to such a study of this subject as would keep them informed of this most important department of public affairs. There is, therefore, a wide spread ignorance on these matters which the opposition press and party always make haste to avail themselves of, and, by a distortion of facts, or by erroneous conclusion, or both, constantly attempt to set the party in power in the worst possible light. For these reasons, it was not to be expected that the present administration would escape without criticism and censure in this regard. There has been very little, indeed, that the Democratic press of the State could find to condemn in the conduct of the State government for eight months past, and they have been, comparatively, moderate and decent in their course. This may have been the result of patronage, (or "pap," as they like to call it,) past and prospective, or the delusive hope that such sycophancy might possibly induce Governor Moses to play into their hands. It is a significant fact that as soon as the public and official printing is taken away from the Charleston News and Courier that virtuous (?) sheet shows the cloven foot. Of course, the first thing it pitches at is the finances, and would fain make out the administration to be as bad as its own evil imagination. This we shall not permit it to do. The facts are not against us but greatly in our favor, and really make a showing of which the administration may be justly proud. In exhibiting this subject we bespeak the patient and attentive ear of the public as we attempt to lay the facts in a full and explicit form before them. Our statements, also, may be fully relied on, as we have taken the utmost pains to procure our facts and figures from the official reports and the records of the Treasury.

First, then, let it be remembered that when the present administration came into power there was a deficiency of \$691,396. This was what remained unpaid on the appropriations of the previous year. For instance, the school appropriation, \$300,000, was unpaid; large sums were due the Penitentiary, the Lunatic Asylum, the Asylum for the Deaf and Dumb and the Blind, the salaries (for a large portion of

the year) of the State and County officers, the Judges, the Professors of the South Carolina University. On these and other appropriations, we repeat, there was due \$691,396 when the present Treasurer assumed the duties of his office.

It is, however, just to state that while of this amount of deficiency \$300,000 were appropriated for schools, we do not believe that much more than \$100,000 were actually contracted for, because of the order of the Superintendent of Education directing the schools to be closed on account of his inability to obtain the money appropriated from the Treasury.

Besides this deficiency of unpaid appropriations, there were claims against the State for over half a million dollars which were really expenses incurred during the last year of the previous administration, but for which there were no appropriations made. Among these were the following, viz:

Printing and Publishing Acts.....	\$325,700
Miscellaneous Claims.....	75,000
Printing Up House of Representatives.....	58,000
Members' Mileage and Per Diem, 1871-72.....	25,000
Ku Klux Claims.....	35,000
Claims Against Land Commission.....	14,000
Total.....	\$542,600

These claims were brought before the Legislature last winter, passed upon and ordered to be paid. This, of course, increased the whole amount of the appropriations for the present year by the sum of \$542,600. The whole amount, therefore, of last year's deficiencies which were assumed by the present administration were:

Unpaid Appropriations of 1872.....	\$691,396
Claims, as above, incurred in 1872.....	542,600
Total.....	\$1,233,996

The appropriation bill passed at the last session is as follows:

General Appropriation Bill.....	\$983,876
Henry Ware & Son.....	12,000
Claims Under Governor's Proclamation.....	35,000
Lands in Drington County.....	2,600
Building State Orphan Asylum.....	20,000
Legislative Expenses of 1872-73.....	75,000
Permanent Printing.....	250,000
Publishing Acts.....	75,000
Legislative Expenses of 1871-72.....	25,000
Legislative Expenses of 1872-73.....	135,000
Current Printing.....	50,000
Fitting Up House of Representatives.....	58,000
Total.....	<u>\$1,727,476</u>

Of this \$1,727,476, we repeat, the claims passed amount to \$542,600, which are chargeable to the previous administration. This amount deducted from the amount of the appropriations, \$1,727,476, leaves \$1,184,876 as the actual appropriations for the expenses of the present year. Of this last amount, \$300,000 is for schools.

What, then, was the Treasurer expected to pay during the present year? The following heavy amounts, viz :

Appropriations of 1873.....	\$1,727,476
Unpaid Appropriations of 1872.....	691,396
Total.....	<u>\$2,418,872</u>

Or, to put it in its true and proper form, the Legislature directed him by law to pay the deficiencies of last, and the current expenses of this year, as follows :

Unpaid Appropriations and Claims of 1872.....	\$1,233,996
Current Expenses of 1873.....	1,184,876
Total.....	<u>\$2,418,872</u>

In other words, the Treasurer was expected and ordered by the General Assembly not only to pay the current expenses of the present year, \$1,184,876, but more than as much again, viz : \$1,233,996 on the deficiencies and claims of last year. It is true this would not have been a difficult undertaking if the funds had been placed at his command ;

but as this was not done in sufficient amount, it has been impossible to meet all the demands on the Treasury. The fact is that but about \$1,650,000 have been received into the Treasury from all sources to meet these appropriations of \$2,418,872.

ARTICLE III.

At this point, and before entering upon a detailed account of the receipts and expenditures of the present year, it may be proper to inquire how it is that the Legislature has made the mistake of making appropriations and ordering expenditures so largely in excess of the yearly income of the government. It surely needs but little study of the subject of finance to learn the fact that the expenditures of a government, as of an individual, must be kept within the income. If a man's income is only \$1,000 and he lives at the rate of \$2,000 a year, he must come out \$1,000 in debt; and if he pursues such a course long, financial ruin and disgrace must be the inevitable result.

Just so with a corporation or a State. A State or a political party which administers the affairs of a State, to command respect and retain the confidence of the people, must manage the public business on the same safe and sound business principles as secures the prosperity and financial honor of private individuals. In other words, the expenditures must not exceed the income. The appropriations must not exceed the sum which the State Treasurer receives from all sources. We believe that much of the trouble in this regard has arisen from the practice which has heretofore obtained of either fixing the tax levy at one session of the Legislature and making the appropriations for the expenditures at the next session, which brought the two acts a year

apart, or else making the levy at the beginning and the appropriations at the end of the same session. In all cases the levy has been made so far in advance of the appropriations that the needs and expenditures of the government could not be estimated with any great accuracy. It is true the law requires the Comptroller-General to prepare estimates of the expenses for the succeeding year, but too little attention is generally paid to them. The result of all this is that every year the appropriations and expenditures largely exceed the income from the tax levy.

This subject should receive the earnest consideration of both Houses of the General Assembly. The leaders, especially, should insist that the total amount of the appropriations should not exceed the income of the State, estimated on a safe basis. If the Legislature, however, persists in making the appropriations as large as heretofore, they must then vote a sufficient tax to meet the expenditures they authorize. This is the very first principle, not only of political economy and statesmanship, but of party success.

It is unreasonable to denounce the Treasurer for not paying claims passed and appropriations made, when only \$1,600,000 is provided with which to pay \$2,400,000. But the masses of the people do not look at it in this light; they only know that they pay their taxes, and still hear the constant cry of "no money in the Treasury," and feel the keen disgrace that few will take State obligations at any price, and they naturally cannot understand the reason of this, unless it is, as our political enemies love to charge, that the officials are dishonest and the money stolen. They naturally and properly suppose that if the government contracts to pay a certain claim or appropriation it will do it—that it has the money or knows where it is to come from. Hence, if a claim passed or an appropriation made is not paid according to agreement, the people at once conclude that the Treasurer is at fault, little imagining that the Legislature would order the payment of nearly a million dollars out of the Treasury more than they provided income.

This same mistake has now been committed year after year, some years to a greater and some to a less extent. While the credit of the State was up and the deficiency could be bridged over with bonds, the clamor of creditors were hushed and the damage and danger were less apparent; but even that bridge finally broke, carrying down with it not only the credit of the State, but those who erected it, and much of the honor and fair fame of the Republican party. We have no such bridge now to depend upon, and it is well we have not, for now our legislators must learn that every consideration of political economy and party success and honor imperatively demand that the appropriations and expenditures must be kept within the income of the State Treasury. They should go farther, even, than this. They should always so calculate as to have a small sum on hand after all expenses are paid.

It is, however, due to say that all the trouble this year results from the deficiencies of last year. The sum total of the appropriations applicable to the expenses of the present year are only \$1,184,876, while the amounts received from all sources from December 1st, 1872, to June 30th, 1873, is as follows, viz :

Received from N. G. Parker, ex-Treasurer.....	\$194 00
Received from Taxes (general).....	1,636,465 83
Received from License Tax.....	11,809 68
Received from Fees, office Secretary of State.....	6,040 36
Received from Fees, office Comptroller-General.....	2,190 00
Received from Dr. Ensor by Refund.....	8,182 16
Received from Sales Books and Materials.....	45 15
Received from Charleston Joint Stock Company.....	2,000 00
Total.....	\$1,636,927 18

The difference between this amount received and \$1,184,876, the current expenses of the present year is, \$452,045.18. In other words, the administration of the finances for the last nine months would have had the practical effect of defraying all the expenses of the present year (could the moneys have been so applied) and paying \$452,051.18 on

the deficiencies of last year. This is a good showing, and at this rate all the old accounts and claims will in a couple more years be cleared off, allow a reduction of taxes, provide for the payment of the interest on the bonded debt, and the Treasury be in a condition to meet all just claims and obligations at the time they are due.

It now remains to show what has been done with the moneys received during the present year. The tax levy for State purposes was twelve mills. Two mills of this was sacredly set apart for the use of the common schools—the Treasurer prohibited under the strictest provisions of law from applying the proceeds to any other purpose. Of the balance, five mills were directed by law to be applied to the current expenses of the present year. On a basis of \$150,000,000 taxable property, this twelve mills levy was expected to produce about \$1,800,000; up to the present time, however, it has only produced about \$1,650,000.

In paying out this money, it is proper to inquire by what rule, if any, the Treasurer is guided. By reference to the law, it will be seen that two classes of creditors hold preferred claims. The \$300,000 school appropriation, or the income from the two mill tax, is sacred to the support of the public schools and can be applied to no other purpose. In regard to the \$260,000 appropriated for the expenses of the last General Assembly, the Legislature enacted “that the Treasurer is hereby *authorized, directed and required to pay* the said certificates at his counter prior to any other claim or claims whatsoever, and to hold the certificates as his vouchers therefor; and he is also *authorized, directed and required to retain* in the Treasury sufficient moneys from taxes to meet the demands of such orders and certificates.” (Pp. 307 and 321, vol. 15, statutes at large.)

Over these two classes of claims, therefore, the Treasurer has no discretion in making payment to the extent of the appropriations therefor; in regard to all others, he has no restrictions in law and may exercise his best judgment. Of course the penal and charitable institutions are favored

creditors. Next, naturally, comes the salaried officers, such as have by custom no livelihood except the income from their offices; after that, such regular or incidental expenses as seem to be the most worthy and pressing.

The following is a condensed statement of receipts and payments from November 1st, 1872, to date—July 30th, 1873:

RECEIPTS.

Total Receipts.....\$1,658,082 93

EXPENDITURES.

Balance from last Statement.....	\$2,403 64
Free Schools.....	342,006 43
Legislative Expenses of 1872-73.....	259,967 37
Salaries.....	212,807 92
Permanent Printing.....	206,160 37
Support of Lunatic Asylum.....	112,407 40
Publishing Acts of the General Assembly.....	81,165 00
Support of State Penitentiary.....	75,415 36
Fitting up the House of Representatives.....	57,975 57
Contingent Fund Executive Departments.....	64,881 55
Current Printing.....	42,000 00
Legislative Expenses of 1870-71 and 1871-72, Members' Mileage and Per Diem.....	31,353 08
Expenses of General Election of 1872.....	31,900 78
Refund on Account of Over Payment of Taxes.....	28,658 55
Enrollment and Organization of Militia.....	25,069 42
Claims Paid.....	26,288 02
State Orphan Asylum.....	14,000 00
Education of the Deaf, Dumb and Blind.....	11,179 00
Repairs of Lunatic Asylum.....	4,845 71
Repairs of University Buildings.....	4,186 30
Repairs of State Armory at Columbia.....	3,744 28
Interest on Bonds of Agricultural College.....	3,836 00
Preservation of the Records of the Office of Register of Mense Conveyance of Charleston.....	3,000 00
Maintaining Quarantine.....	3,116 95
Lands in Darlington County.....	2,600 00
Purchase of Books for County Auditors.....	1,607 00
Claims under Governor's Proclamation, 1871.....	700 00
Contingent Expenses of Supreme Court.....	625 25
Repairs Lazaretto.....	600 00
Rebate Taxes.....	600 00
Presidential Electors.....	358 00
School Records Appropriation.....	316 37
Catawba Indians.....	250 00

Mileage of the State Board of Education.....	204 00
Natural Philosophy Rooms, South Carolina University	200 00
Chemical Laboratory Rooms, South Carolina University	200 00
Anatomical Rooms, South Carolina University.	200 00
Purchase of Books for the Supreme Court Library	70 00
Transient Sick Poor.....	48 00
Transportation and Clothing for Discharged Convicts.....	27 25
Bills Receivable Redeemed.....	5 00
State Normal School.....	20 00
	<hr/>
Balance on Hand.....	\$1,658,004 89
	78 64
	<hr/>
	\$1,658,082 93—1,658,082 98

From this it will be seen that the balance on hand is a very small one, and that balance consists of "bills receivable," which are receivable for taxes but which the creditors of the State are not compelled to accept, and which, therefore, they do not receive; and, also, that the payments have all been made in accordance with law and to the full ability of the Treasury to meet the demands.

ARTICLE IV.

A series of articles on the finances of the State would by no means be complete which did not give an account of that most important work of our Republican government in establishing and maintaining a system of free common schools. Of course, in devoting a brief article of this serial to the schools of our State, we shall only be able to glance at the subject. To fully set forth this great work in all its magnitude and importance, to show the difficulties which have

been encountered, the malignant opposition of the Democratic leaders and press, the indifference of large masses of the people who had been kept in stolid ignorance for generations by the cupidity and ruthless tyranny of the slaveholding lords who had seized upon the government of the State, the persecution of teachers, the trials, vexations and labors incident to the establishment of a system of popular education with the limited means at the command of this department of the government—to clearly and faithfully exhibit all this would occupy a volume, rather than a column in a daily paper. We, then, can only glance at the subject, give a few of the facts, figures and salient points, and leave it to our readers to fill up the details from their own knowledge and observations.

An article appeared in the Charleston News and Courier of the 22d instant, on "Our Common Schools," which exhibits the bitter animosity of the Democracy towards popular education and violently assails the Republican party in connection with this subject. It also lets out its spleen against Northern-born residents of the State, and retails again the stale and unprofitable falsehoods as to the condition and workings of the system, by which the opposition try to make capital against the party in power. Although confessing that the system is an admirable one and is well established, and claiming to be "strongly in favor of the free common schools," the editor says:

"Outside, however, of the mere establishment of the system, the Republicans can claim no credit for their efforts in the cause of popular education, and we cannot see that there is any great gratitude due them for that. * * * * But where are the schools, and where are the children being educated? They cannot be found. There is just enough of a show of schools to give some coloring of law to the disbursements of the public moneys appropriated to that purpose. We venture to say that there are not a half dozen schools outside the Democratic Counties, supported entirely by the State, which can be called schools in any proper sense

of the term ; nor a half dozen School Commissioners who can write a half dozen consecutive sentences of plain English correctly, not to speak of their want of capacity in many other respects."

And again :

"The money of the property holders will be collected, squandered and stolen, from year to year, under the ostensible plea of being applied to purposes of public education, but the negroes and indigent white children will never receive any instruction worth consideration until the intelligent and honest white people of the State take the matter in hand and themselves direct and supervise and manifest an interest in the public schools."

And still again :

"It is surely bad policy, to say the least of it, to leave the coming generation of negroes, who will be in great part the future office holders and voters of the State, to obtain their only instruction from the enemies of the State and persons devoid of moral character and full of malignant hate towards all that is good and noble and true in the past of South Carolina. It is a very serious question for the old citizens of South Carolina to consider, whether they can well afford to stand by and see the poisonous doctrines of New England instilled into the minds of the negro youths of the State."

Now, see how plain a tale will answer, and more than answer, this adversary of popular intelligence. Take the first paragraph we quote—that we can claim no credit for the system ; that no schools can be found, and that no children are being educated, outside of the Democratic Counties. If the editor of that intelligent sheet will turn to the reports of the State Superintendent of Education, he will find whether there are any schools in the State and any children attending them.

The Republican party came into power in the summer of 1868. At the very first session a law was passed for the temporary organization of the educational department, and

during that year, with the aid of \$36,973.67 from the State, the census of the school children was taken, 400 schools established and about 17,000 children instructed in them.

The full exhibit is as follows :

YEAR.	NUMBER OF PUBLIC SCHOOLS.	NUMBER OF PUPILS.
1869.....	634	28,793
1870.....	769	30,448
1871.....	1,639	66,056
1872.....	1,919	76,322

The number of schools and of pupils in attendance this year cannot be closely ascertained, as there are no reports in as yet. That there will be a considerable increase in both is unquestionable, as the schools for the first time have had the benefit of a comparatively liberal appropriation.

Now, here is truly a glorious work undertaken and accomplished. During the past five years of Republican administration from 150,000 to 200,000 of the children of our State have been in attendance at our public schools and received the elements at least of an English education ; and even last year over 50,000 of these were in spelling, over 40,000 in reading, 30,000 had learned to write, over 20,000 were in arithmetic, 16,500 in geography, 11,000 in grammar, and nearly the same number in history and the higher branches. And these schools are scattered all over the State, in every County, and attended by every class. Last year Georgetown County had the smallest number of schools, viz : 15, and Abbeville the largest, outside of Charleston, viz : 117. We repeat, they are attended and prized by all classes of the people, as shown by the fact that last year the number of white pupils was 37,687 ; colored, 38,636.

Does this showing indicate, as the News and Courier asserts, that the school money is "stolen from year to year?" Let us see what the State has paid out in the prosecution of this noble work of bringing the light of knowledge to those who long sat in darkness under Democratic rule. There was paid out in support of schools :

By ex-Treasurer N. G. Parker, during four years.....	\$406, '61 07
By the present Treasurer.....	342,006 43
Total.....	\$748,467 50

The amount which the present Treasurer has paid out has been :

On Appropriation of 1871-72.....	\$84,539 46
On Appropriation of 1872-73.....	257,466 77
Total.....	\$342,006 43

To this must be added the poll tax and what the various school districts of the State have raised in support of schools during the last five years, which cannot be less than a quarter of a million dollars, and is probably considerably more, and we have over a million dollars spent in five years for the education of the children of the State ; a greater amount, probably, than was expended for the education of the common people by the government of South Carolina from the Declaration of Independence to 1868, a period of ninety-two years. This expenditure has been almost exclusively for the salaries of teachers. The erection of school houses has also been carried forward with an enterprise in keeping with the general progress of the system. The State Superintendent's last report shows as follows :

	NUMBER OF SCHOOL HOUSES.	VALUATION.
Erected Prior to 1872.....	1,644	\$220,448 00
Erected in 1872.....	226	11,505 50
Total	1,870	\$231,953 50

Nor does this include many burned by the Democratic friends of the editor of the News and Courier. Besides this, the amount of rent paid for houses for school purposes in districts which did not own such buildings was \$2,854.13.

These statements, of course, do not include the present year ; yet we know the work of school house building is going on this year with increased rapidity. For example,

the school district embracing the city of Columbia and a small tract of country adjoining has already voted a tax of one mill, which will realize from six thousand to eight thousand dollars, to be applied solely to building school houses. Many other districts have done as well and some have voted a tax as high as five mills, if we remember correctly, for the same purpose.

It remains to notice the third quotation from the News and Courier, in which it vents its malice against the North and those of our teachers who had the impertinence and audacity to be born outside of South Carolina. It does not assert, but insinuates, that "the coming generation of negroes" are obtaining "their only instruction from the enemies of the State," &c. This is an appeal to the passions of the people, with the evident object of prejudicing them against the public schools and the party which has so triumphantly established them against Democratic opposition and persecuti^on. Look at the following facts, taken from Mr. Jillson's last report :

Northern White Teachers.....	52
Northern Colored Teachers.....	22
Total	75
Southern White Teachers.....	1,634
Southern Colored Teachers.....	476
Total	2,110

Thus it is seen that out of 2,185 teachers in the public schools of our State only 53 are Northern whites—those whom the News and Courier thinks likely to be imbued with the "poisonous doctrines of New England."

And what is it about New England that our Democratic leaders are in such mortal fear the masses of our people will learn to love and imitate? Is it the intelligence, the sturdy virtue and wealth of the people? Is it their enterprise and patriotism; their schools and colleges; their manufactories; their statesmen, inventors, poets, historians and artists? It is said that New England rather abounds

in these articles, all of which are the direct fruit of their *system* of public schools, which *system* is precisely like our own, and is so much admired by the editor of the News and Courier. De Tocqueville, who was a Frenchman and a monarchist, after traveling among all civilized nations, unhesitatingly placed Republican New England at the head of the list as having made greater advances than any other people in the arts of civilization. Yet it was "the doctrine" of popular education and personal liberty which made this section what it is.

The fact is, our opponents are jealous and enraged at our success. They plainly see that the party of proscription, hate and caste cannot maintain itself before an educated people. It is said that the Roman hierarchy claimed that "ignorance is the mother of devotion." We know it was the bulwark of slavery and will always be contended for by those who would perpetuate slavery in substance under the guise of liberty. The old leaders see their power wane and their hold slacken as schools increase. That they should be a little disturbed at this is natural and must be overlooked.

We admit, our schools as yet are very far from perfect. Many of our school officers never went to college. Many of them were prevented by Democrats, who now want their offices as well as the control of the public schools. We do not know of any Democratic school officers who have refused their salaries and ordered the amounts placed to the credit of the school fund.

We are glad the Democracy like the system. We know the rank and file of the people of both races like it also and do not propose to give it up. Its practical workings are being improved year after year, and we shall try to make it as perfect as possible, and hope soon to see all of the 209,000 children of the State enjoying its advantages.

ARTICLE V.

In the several articles we have previously written, we endeavored to give the public a general idea of the financial condition of the State. We stated in the first article the amount of the bonded debt, and gave a statement of the manner in which a large portion of that debt was contracted and the status of the conversion bonds.

In the next two articles we gave a full explanation and description of the manner in which the money that has been collected from taxes this year has been spent, showing that we have been called upon to pay not only \$1,184,376 of appropriations that may be justly chargeable to the present administration, but also \$691,396 of deficiencies, and \$542,600 out of the \$1,727,476 of the appropriations of the present year that are both chargeable to the previous administration.

We have received about \$1,650,000 from taxes, and we have, therefore, been called on to pay \$2,418,872 with that amount. The thing was simply impossible. We endeavored to point out one of the chief causes of the embarrassment and difficulty, viz: In the fact that the Legislature makes the tax levy *first* and the appropriations *afterwards*; and *they do not confine their appropriations within the limits of the amount expected from the levy*. It would be more correct, or convenient at least, to make the appropriations *first*, and to make the appropriations so made the basis of the levy. But this is now impracticable on account of the time fixed by law for the collection of the taxes to commence, November 20, and the time that the Legislature generally makes the appropriations, February or March succeeding. If the appropriations could be made *first* and a levy sufficient to meet them *afterwards*, it would have had the effect of *curtailing* the appropriations at least, as the large amount of taxation necessary to meet them would then be made apparent.

But, after all, the levying of the taxes *first* ought not to make any practical difference in making the appropriations

afterwards, within the limits of the levy, as the amount expected from the levy can generally be very closely estimated.

The chief cause of the embarrassment lay in the fact that, under the previous administration, the *definite* amount received from taxes could always be supplemented by an *indefinite* amount received from the sale or hypothecation of bonds; and our Legislature made appropriations, therefore, without confining themselves within the limits of the amount received from taxes. And it seems that they have not yet realized the fact that the revenue from the sale or hypothecation of bonds is cut off. The constitutional amendment, most wisely, we think, forbids the further increase of the debt by issue of bonds without the consent of the people, expressed by a two-thirds vote at the ballot box.

It were well that the Legislature realize the fact at once and act upon it—that our main and almost exclusive source of income is from taxes—and not until they keep their appropriations within the revenue expected will the Treasurer be able to meet all demands against the Treasury promptly. We are proud to state that the prospect of doing this is very good, as we have shown in one of our previous articles that the appropriations justly chargeable to the present administration amount to \$1,184,876, and our income \$1,650,000. As soon as we shall get rid of paying the debts left as a legacy by the previous administration, we shall easily be able to pay all our current expenses, and either have a handsome balance to pay the interest on the bonds that may be decided valid obligations of the State or reduce the taxes.

We also gave for the information of the public a statement of the payments made by the Treasurer from November 1, 1872, to July 30, 1873, a period of nine months, and showed that \$560,000 of that amount—the school claims and legislative expenses—are preferred claims.

In our article of yesterday, we gave a full account of what the Republican party has done for the cause of education. We obtained our statistics from the official records and

every fact given can, therefore, be verified if necessary. We regret, with our worthy Superintendent of Education, that more has not been done. But, after all, we must admit that it is a good *comparative* showing—that is, we ventured to express our opinion that more has been done by the Republican party in spending more than one million of dollars in *five years* than has been done by the Democratic party for the cause of free common schools in the previous *ninety years*.

We now proceed to give, in conclusion, a comparison of expenditures of the present administration with both the Democratic administrations and the previous Republican administration.

The Charleston News and Courier says, in its editorial of the 24th ultimo, the Treasurer “very conclusively shows the appropriations of the General Assembly are far in excess of the means provided him for their payment, and he might also have added that they are considerably more than twice as much as should be appropriated or expended for the government were its affairs conducted with even tolerable honesty and economy. The new administration have fulfilled their fulsome pledges of retrenchment and reform with a vengeance. They have levied the heaviest tax which has ever been saddled upon the people, even since corrupt Radicalism usurped the reins of government. * * It looks very much as if the Republicans had exchanged the devil for a witch, or *vice versa*, when they removed Scott and took Moses.”

Now, perhaps, it would be even surprising to the News and Courier to be informed that their statements are *absurdly untrue*, and to have it proven even to *their* satisfaction. We think we have shown already, in the course of these articles, that the present administration is an improvement upon the former one. But we will prove this fact again, and also prove that the present Republican administration is an improvement upon the Democratic administrations before the war. We shall not appeal to our imagination for our facts in doing this, nor indulge in lofty flights of senseless decla-

mation, but shall give the simple facts and figures and let the reader draw the inevitable conclusion for himself. He will see that we have, indeed, in the eloquent language of the *News and Courier*, accomplished "reform with a vengeance," in the literal and not ironical meaning of the phrase. We have stated that the present administration is an improvement upon its immediate predecessor. We will now demonstrate the fact by a comparison of the two, and also a comparison between the present administration and the Democratic administration of 1859.

We have, with great labor and pains, collated from all the reports and records, from the beginning of the Republican administration, in July, 1868, to November 30, 1872, a complete statement of the moneys received from every source of income. Money was received from taxes, from the sale or hypothecation of bonds and miscellaneous sources, such as phosphate royalty, license tax, fees of office Secretary of State, Land Commission, Comptroller-General, Treasurer, joint stock companies, &c.

In the estimate of the amount received from the sale or hypothecation of bonds, so much of the "conversion bonds" have been included as were not issued for purposes of exchange, but sold or hypothecated directly, viz: \$5,931,100, and "relief of the Treasury bonds," inasmuch as the proceeds of these alone could have been applied to the *general* expenses of the government, the others having been authorized for specific purposes, such as "redemption bills receivable," "paying past due interest," &c., which we may assume were applied for the purposes intended. We assume that the bonds used for the general purposes of government brought one-third their face value—thirty-three and one-third cents on the dollar.

The amount of "conversion bonds" used as above is \$5,931,100, the amount of relief of the Treasury bonds \$899,000, making \$6,830,100 of bonds. These, at the above estimate, would produce \$2,276,700. (Not having access to the records of the Financial Agency, we can only

make an approximation, which, we think, will be found pretty correct.)

The former Republican administration had, therefore, from July 1st, 1868, to November 30th, 1872, the following sums to meet their expenses :

From Taxes.....	\$4,512,269 88
From Sale or Hypothecation of Bonds, \$893,000—Relief of the Treasury—and \$5,931,100 Conversion Bonds, estimated at 334 cents on the dollar.....	2,276,700 00
Miscellaneous Sources.....	408,948 68
Total	\$7,197,918 56

All of which was very “carefully” disposed of, and, in addition thereto, they bequeathed to the present administration \$691,396 of deficiencies and also a debt of \$542,600—a nest egg which had to be covered by appropriations during the present administration.

Their total expenditures, or the amount of debts they contracted, therefore, amounted to (deducting \$203,000 old bonds redeemed) \$8,228,914.56.

Now, if it be remembered that the previous administration was in power from July 1st, 1868, to November 30th, 1872, a period of four years and five months, it will be seen the average annual expenditure was \$1,863,150.36. The expenses justly chargeable to the present administration have been frequently shown to be \$1,184,876, a difference of \$678,274.36. This is certainly an improvement on the part of the present Republican administration, as compared to its immediate predecessor.

But there is another method of comparison between the previous Republican administration and our own which might very justly be made, that is, the comparative *rate* of taxation. The rates of taxation during the previous administration were :

In 1868-69.....	7½ Mills.
In 1869-70.....	5 Mills.
In 1870-71.....	9 Mills.
In 1871-72.....	7 Mills.
Total	28½ Mills.

The rate of taxation in 1872-73, during the present administration, is 12 mills. Of this 5 mills is for deficiencies, and is, therefore, chargeable to the previous administration, leaving only 7 mills for the present. The $28\frac{1}{2}$ and 5 mills, making $33\frac{1}{2}$ mills for the four years of the previous administration, would make an average of about 8 mills.

So that not only is the *average annual rate of expenditure* of the previous administration made larger than the present, but also the *average annual rate of taxation*.

There is still a third method of comparison between the two Republican administrations which might very justly be made, that is, not the amount of *money* received and expended by each, but their comparative *cost* to the State. In making this estimate we take *not* the *proceeds* of the sales or hypothecation of the bonds, but their *face value with their interest for twenty years added*, as appears by the following statement :

Conversion Bonds Issued Directly.....	\$5,981,100 00
Interest for Twenty Years, at Six Per Cent.....	7,117,320 00
Relief Treasury Bonds.....	899,000 00
Interest for Twenty Years, at Seven Per Cent.....	1,258,600 00
Receipts from Taxation.....	4,512,269 88
Miscellaneous Sources.....	408,948 68
Total.....	\$20,127,238 56

Dividing this amount by the period during which the previous administration was in power, viz: four years and five months, gives an average annual expenditure of \$4,557,066.96. The expenses of the present administration for this year are \$1,184,876, a difference of \$3,372,190.96.

But we will now compare the present administration with the Democratic administration of 1859.

By the Comptroller-General's report for the year ending October 1, 1859, it appears that the general tax amounted to \$635,000. By the statutes it will be seen that the appropriations amounted to \$615,081.74. Remember that this represents *gold* value. The appropriations for the present fiscal year, as above, were \$1,184,876.

By the census of 1860 there were in South Carolina, at that time, 301,214 free population, and 402,406 slaves; by the census of 1870, there were 705,606 free population. Now, "remember," in the eloquent language of another, "that in 1860, 402,406 souls, now a part of our body politic, voters, amenable to our laws, the cost of governing whom is now chargeable to the government of our State, were, in 1860, chattels, merchandise, with not one civil or natural right which white men were bound to respect. In 1860 the slave was no charge on the State government, save when he was hung for some petty misdemeanor and the State compelled to pay his loss." It would be, therefore, but just and fair to divide the amount appropriated in 1859, \$615,081.74, by the then free population, 301,214, and it will be found that the cost of governing each citizen was \$2.04; and then divide the amount appropriated this year, \$1,184,876, by the free population now, 705,606, and it will be found that the cost of governing each citizen is \$1.67—\$2.04 in 1859 during the boasted Democratic period, and \$1.67 in 1873 under the so-called corrupt Radical rule, a difference of thirty-seven cents *per capita* in favor of the latter or of a total of \$148,890.22 in favor of the Republicans of 1873, if the Democrats had the same number of free population to provide for in 1859 that we have in 1873. This is a comparison of appropriations in bulk only, but analyze them in detail and notice the different sums appropriated to each object, and the Republicans gain still more by the comparison. We select, by way of illustration, the following:

	1859.	1873.
Free Schools.....	\$75,000	\$300,000
Normal School.....	8,000	25,000
Deaf, Dumb and Blind Asylum.....	8,000	15,000
University.....	24,800	29,850
Agricultural College.....		11,508
Penitentiary.....		40,000
Lunatic Asylum.....	35,375	77,500
Total.....	\$151,175	\$498,858

Difference in favor of Republicans \$347,683.

If we were to pursue this comparison throughout the entire appropriation bills, and give the Republicans the benefit of everything that was *peculiar* to them in the appropriations, or in *excess* when there was a *similarity*, we believe we would be able to reduce the \$1,184,876 appropriated by them in 1873, when there was a free population of 705,606 to provide for, to the \$615,801, appropriated by the Democrats in 1859, when there was a free population of 301,214 to provide for, less than half the number. This would prove that the Democratic administration cost twice as much *per capita* as the Republican.

It would be also fair to make the same comparison of *cost* to the State between the present Republican administration and the Democratic administrations that we have made between the two Republican administrations, that is, to take the *face* value of all the bonds issued by the various Democratic administrations, *with their twenty years interest added*, and divide them by the number of years during which they were issued, and add the average annual amount to the other sources of income for each year.

There is still another method of comparison to which we invite the attention of our Democratic opponents. It cannot be estimated by dollars and cents, as our friends of the News and Courier say they judge everything. What is the *intellectual, moral* and *material* condition of the people in 1873 as compared to that of 1859? What pen would be eloquent enough to describe that difference, now and then? The black pall of slavery, like the midnight darkness of an Egyptian plague, hung over the South in 1859. Whatever cultivation of the intellect the money wrung from the sweat of slaves may have obtained was greatly outweighed by the moral degradation that slavery produced. One man living by the labor of another is a degradation to both, but more, morally, to the master than slave, who is compelled to serve. But when females are included among the slaves, over whom the master exercises absolute control, the scenes enacted can bet-

ter be imagined than described. The consequence was what may naturally be expected, and what was known by every resident of the South—there was, beneath the seemingly fair exterior, a deep-seated moral pestilence that was more degrading to the master than the poor slave, and destroying the very foundation of society.

But we turn with disgust from the consideration of this aspect of the case to the difference of the *intellectual* and *moral* condition of the colored people now and in 1859. Then it was a *crime* to teach the slave to read; he could *hear* the “word” of God expounded by his master and tortured to uphold slavery, but he could not learn to read that “word” himself under the severest penalty; and if any Northern Abolitionist should attempt to teach him to read he would be forthwith treated to a coat of tar and feathers and shipped to his original home. The masters knew well that ignorance was essential to the perpetuation of slavery, and most carefully did they keep their slaves from entering the temple of knowledge.

But the most marked improvement is noticed in the *material* condition of the freedmen. Those who were slaves in 1859, doomed to labor for others during their whole lives and see their children follow in their footsteps, with no future before them, were disconsolate and broken-hearted, when the iron of slavery did not enter their souls and destroy every manly and noble aspiration.

But now what a contrast! The slave a freeman, enjoying the results of his own labor, acquiring a home, learning, in his old age, to read the “word” of God, protecting the virtue of his wife and daughters, sending his children to school and in the possession of the proud heritage of American citizenship.

If the appropriations of 1873, under Republican administration, were four times more than what they were in 1859, under Democratic administration, we would say that such inestimable advantages were cheaply purchased, even if the tax payers or property holders, as the News and Cou-

rier delights to call those who made their property mostly by slave labor, have to foot the bills—it would only be restoring to the poor freedman a very small amount of what was taken from him and his ancestors during the last two centuries.

One of the most important improvements that the present administration has effected, in both its legislative and executive departments, is in the manner of *making* and *paying* appropriations. For instance, for the last five years the Legislature has made various appropriations, *unlimited* in amount, and ordered them “to be paid out of any money in the Treasury not otherwise appropriated,” such as payments on account of *printing, armed force, &c.* The *limit* of these appropriations was always dependent upon the will of the officers who were authorized to approve or draw the orders. They could approve and draw to an unlimited extent, and although the Treasurer was authorized to pay such orders *only* out of “any money in the Treasury *not otherwise appropriated,*” and although the money in the Treasury was always “otherwise appropriated,” yet he almost invariably paid such *unlimited* appropriations in preference to those that were *specific and limited*, and which should have always been preferred. The present Treasurer, on the assumption of the duties of his office, on December 1, 1872, after consultation with the Attorney-General, distinctly announced that his interpretation of the phrase “to be paid out of any money in the Treasury not otherwise appropriated,” would be the literal and obvious one, viz: That appropriations that were *specific and limited* in amount would be preferred claims and paid *first*, and if any money was *then* left in the Treasury “*not otherwise appropriated,*” those unlimited appropriations would be paid. The consequence is no such appropriations were made at the last session—all were *specific and limited in amount.* The State cannot, therefore, be held legally responsible for anything beyond the amount specified in the various appropriations, and if any officer who may be authorized to *draw* orders on the Treasury should exceed the

amount *limited by law* he would become personally and individually responsible for the excess. And if the Treasurer should *pay* more than the amount *limited by law* he would become personally and individually responsible for the over-payments.

Now, when this important change is considered in connection with the fact that the legitimate current expenses that may be chargeable to this year is much less than the taxes, as we have repeatedly shown, it will be at once evident to the most casual observer that as soon as we can pay the debts left us by the previous administration we will not have any deficiencies or floating debt; or, in other words, if the Legislature continues to make only specific appropriations, as they did last session, we shall soon be able to pay the current expenses of the government on a more moderate tax than we levied last year.

We will explain: The appropriations for this fiscal year—beginning November 1, 1872—are \$1,727,476; of this amount \$542,600 are properly deficiencies, that is, debts incurred during the preceding fiscal year, beginning November 1, 1871. The additional deficiencies reported by ex-Treasurer Parker for that fiscal year, beginning November 1, 1871, were \$691,396, making total deficiencies of \$1,233,996.

There will be at the beginning of the next fiscal year, November 1, 1873, between \$600,000 and \$700,000 of the appropriations of the present fiscal year, beginning November 1, 1872, unpaid.

There cannot be any other legal deficiency, for the Legislature did not authorize the payment of any money or the contraction of any debt except what is included in the above appropriations of \$1,727,476. As we have before said, all the appropriations for this current year are *specific* and *definite* in amount.

We shall then probably have a deficiency of between \$600,000 and \$700,000 at the beginning of the next fiscal year and the ordinary expenses of the government to levy a tax for. Now, if we take as a basis of our calculations or

estimate for the next fiscal year the appropriations for the current fiscal year that are necessary to meet the ordinary expenses of the government, and leave out the extraordinary expenses, such as "fitting up House of Representatives," &c., we will find that they amount to about \$1,200,000. This, with the deficiency of about \$600,000, would give us about \$1,800,000 to raise by taxation, which would require next year the same rate of taxation as this year—fifteen mills.

With the money so raised we could pay the deficiencies left from this fiscal year, and the regular appropriations for the current expenses of next year, and thus be out of debt and with no deficiencies for the fiscal year beginning November 1, 1874.

