TO-DAY'S NEWS IN BRIEF.

BUSINESS.

Yesterday's bank clearings were $8,900,146; balances $1,065,182. Local discount rates were firm between 5 and 6 per cent. Domestic exchange was quoted as follows: New York, 50c discount bid, 40c discount asked; Chicago, 35c discount bid, 25c discount asked; Cincinnati, Louisville and New Orleans, 25c discount bid, par asked.

Wheat closed lower at 73½@73⅝c bid Dec., 76⅝@76⅞c May and 73⅝@74¼c No. 2 red. Corn closed lower at 60¼c bid Dec., 62½@62⅝c May and 62¼@62c No. 2 mixed. Oats closed at 42c May and 41½c No. 2 Northern.

The local market for spot cotton was quiet and unchanged.

WASHINGTON.

President Roosevelt has decided to make no more appointments till Congress meets.

Senator Cockrell of Missouri has reached Washington and is preparing for the meeting of Congress. He expects much discussion but little legislation from the coming session.

LOCAL AND SUBURBAN.

The Municipal Assembly passed the fender bill as amended by the Conference Committee.

Mr. Gibson introduced a new smoke abatement bill in the City Council.

The House of Delegates, by unanimous vote, passed seven sewer improvement bills.

Representatives of sixty St. Louis business houses will depart on a special train for the South Monday night.

Veterinary surgeons will testify before the Coroner in the investigation of cases where children have died from tetanus after use of city antitoxin.

A deal is said to be on foot involving the purchase of land near the St. Louis approach to the Eads bridge for the purpose of establishing terminals.

President D. R. Francis returns from Georgia. Important meeting of World's Fair Executive and Organization committees is to be held to-day.

The train robber in custody at the Four Courts has been identified as Harry Longbaugh by man who once prosecuted him for horse stealing.

Harry C. Spring, who compelled a street car to stop by throwing a rock through it, is acquitted.

Old St. Teresa's Church, built thirty-six years ago, is being torn down.

Skeletons and relics were dug from the Indian mounds on the World's Fair site.

City Council adopted a resolution instructing the B. P. I. to eliminate from the sprinkling bill the provision for twenty-one inspectors.

Mrs. Ellen Welsh and Mrs. Maggie Oppermann were killed by a switch engine in East St. Louis.

Father B. L. Conway, the Paulist priest, answers questions of a non-Catholic at St. John's Church.

The new Horace Mann School will be ready for occupancy by January 1.

Frank Nicolay and Edward Collins have been appointed conductors on the Waterworks Railway, which the city will begin to operate next week.

The Police Board will charge the Southern Telegraph and Money Order Company with violation of the breeders' law.

Acting Mayor Hornsby vetoed the bill appropriating $200 for a horse for the Coroner's office.

GENERAL DOMESTIC.

The civil proceedings in the Oberlin M. Carter case will involve the ownership of about $200,000.

The Spreckles sugar bark, Nuuanu, from Honolulu to Philadelphia, was the first vessel to be caught in Antarctic ice, within 100 miles of Cape Horn, this season.

J. G. Johnson of the Democratic National Committee expresses the opinion that the Democrats will nominate a Missourian for President, and that William J. Stone will be their choice.

Dun and Bradstreet report generally improved conditions in both commercial and industrial fields. Prices satisfactory and generally firm.

The negro cook in the Mayor Wells party was crushed to death beneath the train near Chattanooga, Tenn. The Mayor and Governor Francis delivered speeches at Evansville, Ind., yesterday, in behalf of the World's Fair.

Charles D. Thompson, defaulting supreme finance keeper, Knights of Maccabees, will, it is expected, be arrested to-day.

Two of the fugitive convicts from Leavenworth prison were killed and two wounded in a running battle with a farmer's posse near Nortonville, Kas. Four others have been captured.

The escaped Leavenworth convicts are racing stolen horses to death in efforts to reach the Indian Territory.

John H. Kirby is looming up as a gubernatorial candidate on the Democratic ticket in Texas.

Z. T. Fishnor, Wells-Fargo express messenger, was found dying in his car at Elwood, Neb. There were two bullet wounds near his heart. The safe's contents were intact.

FOREIGN.

A violent quarrel with the Russian Minister in regard to the Manchurian treaty is said to have hastened the death of Li Hung Chang.

Li Hung Chang, by imperial edict, is created a Marquis, and his name changed.

Yuan Shi Kai, Governor of the Province of Shan-Tung, has been appointed successor to Li Hung Chang.

SPORTING.

Three football games for local gridiron to-day.

Jim Jeffries has abandoned active training, and will take it easy from now on until he meets Ruhlin in the ring.

RAILROADS.

Missouri Railroad and Workhouse Commissioners listen to arguments for and against Merchants' Exchange control of scales.

Supreme Court of the United States is hearing case of Interstate Commerce Commission against Western railroads, in regard to terminal charges.

The C., P. & St. Lasks Illinois Warehouse Commissioners for grade crossing over Alton tracks at bridge junction, East St. Louis.

ECZEMA; NO CURE, NO PAY.

Your druggist will refund your money if Pazo Ointment fails to cure Ringworm, Tetter, Old Ulcers and Sores, Pimples and Blackheads on the face, and all skin diseases, 50c.

Marine Intelligence.

Glasgow, Nov. 8.—Arrived: Buenos Ayrean, from Montreal.

Liverpool, Nov. 8.—Arrived: Germanic, from New York.

New York, Nov. 8.—Arrived: Mongolian, from Glasgow.

Hamburg, Nov. 8.—Arrived: Deutschland, from New York; Palatia, from New York.

Boston, Nov. 8.—Arrived: Ultonia, from Liverpool.

Hamburg, Nov. 7.—Arrived: Steamers Deutschland, New York, via Plymouth and Cherbourg; November 8, Palatia, New York.

St. Vincent, Nov. 8.—Arrived: Cymbelins, San Francisco, via Montevideo.

London, Nov. 8.—Arrived: Neominee, New York. Sailed: Minnehaha, New York.

Cherbourg, Nov. 7.—Sailed: Kaiser Wilhelm der Grosse, from Bremen and Southampton, New York (was delayed by fog).

Plymouth, Nov. 8.—Sailed: Patricia, from Hamburg, New York.

Moville, Nov. 8.—Sailed: Parisian, from Liverpool, St. John, New Brunswick.

Antwerp, Nov. 8.—Arrived: Zeeland, New York.

New York, Nov. 8.—Arrived: Steamer Canadian, Liverpool.

Liverpool, Nov. 8.—Sailed: New York, via Queenstown.

Brisbane, Nov. 7.—Arrived: Steamer Aorangi, Vancouver, British Columbia, via Honolulu, for Sydney, New South Wales.

Yokohama, Nov. 7.—Arrived: Duke of Fife, Tacoma and Victoria, British Columbia, for Kobe, Shanghai and Hong-Kong.

Brisbane, Nov. 7.—Sailed: Miowera, from Sydney, New South Wales, Honolulu, Victoria and Vancouver, British Columbia.

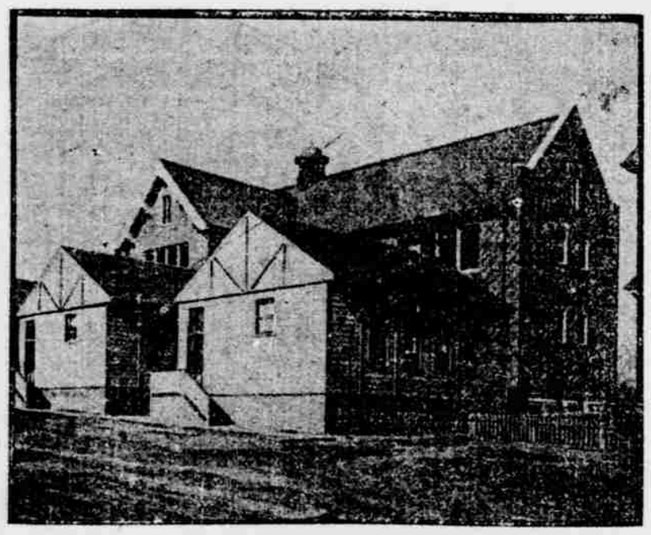
New York, Nov. 8.—Arrived: La Svoie, Havre.

Stops the Cough and works off the Cold.

Laxative Bromo-Quinine Tablets cure a cold in one day. No Cure, No Pay. Price 25 cents.

THIS MODEL SCHOOLHOUSE RAPIDLY NEARS COMPLETION.

Horace Mann School at Oak Hill Avenue and Juniata Street, Which Will Be Ready for Occupancy by January 1.



—By a Republic Photographer.

HORACE MANN PUBLIC SCHOOL.
At Oak Hill and Juniata street. The temporary frame structures in front of the new building will be removed.

Work on the new Horace Mann School at Oak Hill avenue and Juniata street is rapidly nearing completion, and the building will be ready for occupancy by the first of the new year. In the meantime the pupils who are to occupy the new quarters are being instructed in five portable school buildings situated temporarily on the grounds.

The new school will contain but ten rooms, yet it is constructed in such a way that additions may be made later should the increasing population of the tributary district make this necessary. It is intended that each of the ten rooms shall accommodate fifty or sixty pupils, all of the lower grades.

The Horace Mann School is built of brick with all the recent improvements which Commissioner Ittner had adopted for the Eugene Field and the Edward Wyman schools. The location of the Horace Mann School, south of Tower Grove Park, makes it convenient for a large number of children, who were compelled hitherto to go long distances.

SKELETON AND RELICS DUG FROM INDIAN MOUNDS.

Work of Excavation on World's Fair Site Conducted by Archaeologist D. I. Bushnell, Jr.—Flint Arrow Heads and Fragments of Pottery Indicate Handiwork of Red Man.

Four of the Indian mounds recently located on the World's Fair site were opened yesterday by a detail of laborers under the supervision of Archaeologist D. I. Bushnell, Jr. In one of the mounds was discovered an almost perfect skeleton, three skulls, fragments of pottery and numerous flint arrow heads. Bones were found in two of the other mounds, but they were greatly decomposed, and hardly distinguishable from the surrounding earth.

The work of excavation on the largest mound investigated yesterday had not been completed at 5 p. m., when operations were suspended for the day. This mound is perfect in form, and it is believed by Mr. Bushnell that it contains some good Indian relics. The work will be completed to-day, and five additional mounds, in another section of Forest Park, will be opened.

Three of the mounds explored yesterday are located on the large hill just southwest of the Lindell Pavilion, which will be crowned by the Art building and grand peristyle of the Fair. The fourth mound is in the stretch of meadow land at the foot of the hill, on which several large exhibit buildings will be erected.

The principal finds of the day were made during the first hour's work on one of the hill mounds. Under the direction of Mr. Bushnell, trenches running from the extreme edge of the circumference to the center of the mound were started. As the center was approached the earth was removed with great care. At the depth of two and one-half feet fragments of bone were encountered.

These fragments were very fragile, but as the depth was increased the bone found was solid and fairly well preserved. After the first find was made the work was pursued with small trowels and by hand. All the specimens found were carefully removed, after having been carefully numbered and recorded by Mr. Bushnell. They will be turned over to the Historical Committee for exhibition in its display.

The excavation was pushed to the original surface of the ground. At this level the skeleton and several large sections of pottery were found. All the specimens were imbedded solidly in the hard earth. It was explained by Mr. Bushnell that mounds of the character of those opened had been formed by simply heaping earth over the bodies to be buried and that nothing is ever found in them below the original surface of the ground.

"These mounds," said Mr. Bushnell, "are not as old as is generally believed. They are not the work of mound builders, but of tribes of Indians which occupied this part of the country long after that race had passed away. These particular mounds are probably the work of the Omaha Indians. The mounds in the bottom land are, in my opinion, not burial places, but the remains of dwellings. The Omahas lived in houses built of rough logs, thatched with grass and heavily covered with earth.

"In this bottom there was doubtless a settlement of such lodges, and the mounds on the hill were the burying places of the people who lived in them. Any relics which might have been buried under the ruins of the lodges in the meadow land have long since rotted away with moisture from overflows. The hill mounds remain comparatively dry, and bones and pottery which we found there remain in a fair state of preservation."

PRESIDENT FRANCIS RETURNS FROM HIS GEORGIA TRIP.

Meeting of Executive and Organization Committees Postponed Because of Lateness of Train—Conference To-Day Expected to Produce Results—Permission to Change Course of River des Peres Is Asked.

President Francis of the Louisiana Purchase Exposition Company arrived in the city yesterday six hours late from Macon, Ga. His delay in arriving necessitated the postponement of the important joint meeting of the Executive and Organization committees, which was expected to produce important World's Fair news. The committees will meet this afternoon at 4 o'clock.

Secretary Walter B. Stevens intimated yesterday that the classification of the various committees in charge of different divisions of the Exposition work would be taken up at the joint meeting, with the result that some epoch-making developments might be expected. The heads of two of the four divisions of Exposition work remain to be appointed. They are the Director of Exploitation and Director of Concessions. These officials will hold equal rank with Director of Exhibits Skiff and Director of Maintenance and Construction Taylor. The four officials will form the cabinet of the President of the Exposition. It is considered not at all unlikely that the appointment of these important officials will be announced by the Executive Committee.

Application was made yesterday to the Board of Public Improvements by Chief Engineer Phillips of the Exposition company for permission to straighten the course of the River des Peres where it traverses the World's Fair site and Forest Park.

The application is in conformity with the announcement made by Director of Works Taylor some time ago and published in The Republic, in which the Director outlined the plan to change the course of the stream and cover it. The purpose was to utilize the bed of the river as a storm sewer for surface water draining from the World's Fair site. The board is considering the request.

A communication has been received at World's Fair headquarters from the T Square Club of Philadelphia, inclosing resolutions recently adopted by that organization, which have a bearing on the proposed Municipal Art and Science exhibit. The club indorses the proposed display and recommends that whatever form it takes, with a general appropriation or with a small one, its execution be left entirely to a committee of specialists. It is also suggested that a Curator of the proposed department be appointed for the purpose of preparing a report, which will be a permanent contribution to the great movement for civic betterment.

George Bleistein, chairman of the Committee on Publicity of the Pan-American Exposition, and president of the Courier Company of Buffalo, was a visitor at World's Fair headquarters yesterday. Another caller was Alfred T. Stofer, a Washington, D. C., newspaper correspondent. He has been a resident of the national capital since he left St. Louis about seventeen years ago to become Washington correspondent of The Republic. Before that time he was connected with the press of this city.

NEGRO COOK KILLED.

Crushed to Death Beneath the Mayor's Train.

REPUBLIC SPECIAL.

Evansville, Ind., Nov. 8.—An accident befell Mayor Wells's party near Chattanoogn, Tenn., last night while en route to St. Louis from Macon, Ga. The negro cook, named Lee, got off the train to inspect the provision chest beneath the car and the train started up before the inspection was completed. Lee attempted to board the train, but lost his footing, fell under the wheels and was ground to pieces.

Owing to the condition of his body, it will be impossible to ship it to St. Louis. Mayor Wells and every member of the party were much grieved over the accident.

The party arrived in this city about noon. The members were driven to points of interest about the city, when they were escorted to the St. George, where luncheon was served. Mayor Covert was at the head of the local Entertainment Committee and was assisted by a dozen prominent citizens.

At a luncheon, Mayor Wells offered a toast to the people of Evansville, and said he hoped the city would become a suburb of St. Louis before the World's Fair.

Former Governor Francis also made a few remarks, and invited Southern Indiana to come to St. Louis to see the big Fair.

"USE MAMMA'S PANCAKE FLOUR" these cool mornings. Your grocer has it.

GOVERNOR PRESENTS SPECIAL REPORT OF AUDITOR ALLEN.

Declares That the Best Men of Both Parties Have for Quarter of a Century United in the Plan of Securing the State's School Money—Aimed to Guard Against Possibility of Converting the Fund to Improper Uses and to Insure a Liberal Income for Schools—State School Moneys Impregnably Secured.

IDNENTITY OF SECURITY BETWEEN CERTIFICATES AND BONDS.

REPUBLIC SPECIAL.

Jefferson City, Mo., Nov. 8.—To-day the Governor gave out the Auditor's report on the present condition of the State School Fund. Auditor Allen, as part of the report, gives an interesting history of the School Fund, showing the identity in security of School Fund certificates with the bonds which they replaced. In an address to the people accompanying Auditor Allen's report the Governor shows that the best men of both parties have from the beginning united in establishing the certificate method of securing the fund, the object of all friends of public education being to guard against the possibility of converting the fund to improper uses and to insure a liberal income to the schools. The Governor says:

Governor's Address.

To the People of Missouri: I invite attention to the report of Auditor Allen, which concisely, and yet in sufficient detail, reviews the management of our public school fund since January 1, 1865. The Auditor's statement is so comprehensive that but little remains to be said by me.

The form of the investment of the school funds was changed under the several acts to which he has referred from the "bond" form of indebtedness to the "certificate" form of indebtedness. Both forms of indebtedness are, in contemplation of the Constitution, bond forms of liability, and the question naturally arises why the State should have changed from the one form to the other.

A cursory examination discloses the reason. The change was made for the purpose of more perfectly safeguarding these sacred funds.

Governor Hardin.

In this connection I desire to quote from the messages of Governors Hardin and Phelps. Governor Hardin's opinion was forcefully expressed in his message of January 5, 1877, in which, among other things, he said:

"This large increase in the several (school) funds, as well as the favorable purchase of the valuable securities in which the proceeds of the United States bonds were invested, is argument enough to prove the wisdom of the State Board of Education in making these conversions. The withdrawal from the market of such large amounts of our stocks, and for the benefit of such trusts, coupled with the asserted confidence implied from the act that these authorities had in the credit of the State, and of its good faith to pay them, had, no doubt, the effect of aiding in the appreciation of our State stocks. The proceeds of the sale of the United States bonds were invested in 6 per cent bonds of this State, payable to bearer, and deposited in the vaults of the State Treasury. They are not considered secure, and I, therefore, advise the Legislature either to direct by concurrent resolution that the State Board of Education cause to be written across the face of each bond and coupon, to be signed by its president, and a suitable record of the facts made in their journal, to the effect that the bond or coupon belongs to the particular fund, as the case may be; or if regarded as the more preferable form of security, to enact a law directing the substitution of consolidated bonds for those owned by the respective funds, and transfers of interest from the State interest fund as hereinafter recommended in case of certificates of indebtedness, or that the State Auditor issue and deposit with the Treasurer certificates of indebtedness for the proper amounts belonging to the respective funds, and on the first days of January and July of each year transfer the amounts of interest then due from the State interest fund to the respective funds. A precedent for this latter course was established by the act of March 29, 1872. One of the three alternatives should be adopted. If either of the two latter, the act should further require the Treasurer, on the receipt of the consolidated bonds or certificates of indebtedness, to deliver the bonds and the coupons attached belonging to the respective funds to the Auditor, who shall immediately, in the presence of the Executive, cancel them by punches through their faces, and note on the register of each bond and coupon that they have been retired and the date of and the cause for retiring the same. The issuance of either the consolidated bonds or certificates of indebtedness would not be in conflict, as I construe it, with section 40 of article 4 of the Constitution, for the debt or liabilities now due the funds were created by authority of law, and are existing, and the issuance in trust for them of new forms of security and taking up the present ones, is not the creation of a new debt, but merely the change of one form of evidence of indebtedness for another."

Governor Phelps.

Governor Phelps, in his message of January 9, 1879, also urged a change in the form of investment of our school funds. I quote from his able message:

"The bonds of the State belonging to this (school) fund are in the custody of the Treasurer. There is nothing to show upon their face that the bonds belong to the State. All of them are coupon bonds, the title to which passes by delivery. If these bonds should be improperly put in circulation, and come into the hands of an innocent holder, I suggest for your consideration whether the State would not be morally bound for their payment. Let us obviate all such questions when it can be so easily done. Direct that all of the coupons shall be destroyed, the bonds canceled by defacing them, and that fact be made of record in the offices of State Auditor and State Treasurer by a description of the bonds and the date they shall become due. Issue certificates of indebtedness to the public school fund, bearing interest at the rate of 6 per cent per annum, and in such amounts as will cause the certificate to become payable at the time the bonds would have become due, and in such manner that the public debt shall not be increased, in violation of the Constitution. Let provision be made that, when the certificates shall be redeemable, bonds of the State shall be purchased for this fund, and when delivered to the Treasurer they shall, in like manner, be canceled and certificates of indebtedness issued.

Seminary Fund.

"There are $122,000 of the bonds of this State, bearing 6 per cent interest, in the custody of the State Treasurer. They are coupon bonds, with nothing upon them to denote they are the property of the State. I recommend these bonds be canceled and certificates in lieu thereof be issued, in the same manner and subject to like conditions with the certificates by me recommended to be issued for State bonds held by the public school fund."

The school fund bonds were payable to "bearer," and were negotiable and transferable. A liability of loss was, therefore, ever present. To obviate this danger, these bonds, payable to "bearer," were canceled, and the new form of promise to pay to the State Board of Education, "nonnegotiable, unconvertible and nontransferable," was substituted.

The Constitution says that the school funds "shall be invested in bonds of the State of Missouri or of the United States." By reference to the language of the bond and the language of the certificate, as they appear in the Auditor's statement, it is obvious that the certificates are in fact bonds of the State, as required by the Constitution, and no political party would ever dare attempt to repudiate these sacred obligations of this sovereign State. In other words, both obligations are promises of the State to pay money. In the case of the "bond" the promise to pay was to "bearer," and therefore negotiable. In the case of the "certificate" the promise to pay is to the State Board of Education, and is nonnegotiable. That is to say, by the change made the negotiable bonds were canceled and nonnegotiable bonds issued in lieu thereof.

The Auditor has given the votes of the various political parties upon the several measures authorizing the certificates of indebtedness. I challenge especial attention to this record evidence, which shows that from March 29, 1872, when the original certificate was issued, Republican Senators and Representatives have uniformly voted to sustain and maintain this policy. No platform has ever been adopted by any political party in this State criticising the action of the Legislature in respect to the investment of our school funds. The last Republican State Convention, which assembled at Kansas City, made no reference to the alleged "unconstitutional" investment of our school funds. It remained for a partisan political journal, subsequent to that convention, to condemn the policy, which had the solemn sanction of the ablest members of its own party organization.

At various periods of our legislative history the present form of investment has been indorsed by such eminent Republicans as Allen, Benecke, Blodgett, Gottschalk, Headlee, Ittner, Vandivert, Bittinger, O'Fallon, Bonham, Harper, Low, Neville, Wade, Pettijohn, Swanger, Odneal, Tubbs, Harrison, Gmelich, Russell, Brewster, Davisson, Kennish, Mott and others.

For nearly thirty years the management of our school funds has been the one question upon which Missourians have met on common ground. Differing as we have upon many important matters of State policy, the representatives of the people have heretofore silenced partisanship when dealing with our great educational interests.

It is a sound public policy to continue the system which has hitherto been approved by substantially all intelligent and thoughtful legislators.

A. M. DOCKERY,
Governor.

Auditor Allen's Report.

To His Excellency, A. M. Dockery, Governor:

Sir—In addition to the exhibits covering the receipts and expenditures by the State from January 1, 1885, to December 31, 1900, inclusive, this day delivered to you, I have the honor to hand you herewith a table showing the condition of the State school and seminary funds on January 1, 1901, duly sworn to by me in accordance with section 22 of article 5 of the Constitution. In doing this I deem it proper to briefly review the management of these funds since January 1, 1885.

State School Fund.

This fund was created by an act of the General Assembly approved February 6, 1837, entitled "An act to establish a permanent fund for the use and support of the common schools," and the receipts into the fund have been derived from the sale of the "Saline lands," the surplus revenues of the United States deposited with our State Treasurer, etc., etc. The moneys of the fund were invested in stock of the Bank of the State of Missouri, from time to time, until, in 1856, the stock held for the fund amounted to $951,267.96 and remained unchanged up to 1866. As the Constitution of 1865 required this fund to be invested in United States bonds, the Republican General Assembly passed an act to sell the stock, which was approved March 5, 1866, and it was sold to Captain J. B. Eads for $718,255.25 (at $105.50 per $100 share), and payment therefor was made in bonds and matured coupons of the State. The bonds and coupons were canceled and the State debt was reduced by $718,255.25, and there the matter stopped for six years. The fund consisted of canceled bonds and coupons which yielded no income for the common schools. It will be observed that the law under which the bank stock was sold was not complied with, because the proceeds ($718,255.25) were used in the payment of the public debt instead of being invested in United States bonds for the benefit of the school fund.

By act of the General Assembly approved March 1, 1872, entitled "An act creating a permanent school fund" (the original school fund having been wiped out in reducing the State debt), the sum of $1,500,000 of the war indemnity money due this State by the Federal Government for "enrolling, equipping and provisioning militia forces to aid in suppressing the rebellion" was appropriated "to be held and sacredly preserved as a public school fund." When General John B. Gray, the State's agent, collected the war indemnity money, the $1,500,000 was placed to the credit of the school fund and invested in United States bonds, and it has been "held sacredly and preserved" for the school children down to this day.

The Republicans did not set aside and distribute the State school moneys during and after the Civil War, but used all of the revenue tax not required for support of the State government in equipping and maintaining troops (as they were perfectly justified in doing), and when the Federal Government reimbursed the State in 1867 it was right and proper that the school moneys so expended, should be refunded to the school children. The donation of $1,500,000 has been referred to as evidence of the good faith of the Republicans in doing so. The facts are that the receipts into the revenue fund during the years 1861, 1862, 1863, 1864, 1865, 1866 and 1867 (when no part of the revenue fund was set aside for the common schools) amounted to $7,225,913.31, and the children were entitled, under the law then existing, to one-fourth, viz: $1,806,4 8.33. It will be seen that the Republicans did not fully reimburse the schools, but held out $306,478.33.

On January 1, 1871, when the Republican party went out of power and the Liberal Republicans took control, the school fund consisted of:

6 per cent U. S. bonds	$1,658,000.00
Cash awaiting investment	4,586.78
6 per cent Missouri bonds	23,000.00
Total	$1,674,586.78

First Certificate Issued.

In 1872 the Constitution of 1865 was amended to permit the investment of the school fund in the bonds of this State, and in that year Senator John H. Morse of Jefferson County introduced a bill (No. 264), in the Senate, then largely Republican—directing the issue of a 6 per cent State certificate of indebtedness for $900,000 to reimburse the school fund for the proceeds of the sale of the bank stock in 1866, principal and interest (which had been improperly used for the reduction of the State debt). On its passage in the Senate the vote stood: Ayes, 28; noes, 1 (Spaunhorst—Democrat). Among the Republican Senators who voted in the affirmative were C. C. Allen of Jasper, Louis Benecke, Wells H. Blodgett, Robert H. Browne, Thomas A. Buckland, Llewellen Davis, John M. Filler, William Fellenlus, Louis Gottschalk, S. W. Headlee, Anthony Ittner, William B. Rogers, M. G. Roseberry, James Southard, R. H. Vandivert, David A. Waters, C. S. Brown and James H. Todd. It is worthy of note that James S. Rollins of Columbia, who left $6,000 by will to be invested in a certificate of indebtedness for a scholarship in the university, was then Senator and voted for the issue of this, the first permanent State certificate of indebtedness. Among the distinguished Democrats who supported the measure, was Henry C. Brockmeyer of St. Louis. (Page 651, Senate Journal, 1872). The vote on the bill in the House stood: Ayes, 75; noes, 18. Among the Republican Representatives who voted in the affirmative were Abbee of Polk, Alsup of Howell, Asher of Clark, Auer of St. Louis, Bittinger of Buchanan, Bohn of Benton, Buckley of Ralls, Cloud of Jasper, Colcord of St. Louis, Crockett of Andrew, Dent of Hickory, George of Camden, Hackman of Warren, Hickman of St. Louis, Harmon of Nodaway, Hooper of Adair, Kost of Daviess, Lamson of McDonald, Langston of Greene, Leach of Gasconade, Martin of Caldwell, McAllister of Scotland, McMillen of Cooper, Miller of Douglas, Norris of Ozark, O'Bannon of Dallas, Pope of St. Louis, Robinson of Holt, Rolston of Johnson, Sharp of Schuyler and Steel of Cooper. (Page 1116, House Journal, 1872). The bill was approved March 29, 1872 (p. 149, Laws 1872), and the 6 per cent certificate of indebtedness for $900,000 was issued on July 1, 1872, under the Liberal Republican administration of Governor B. Gratz Brown.

Investment in Missouri Bonds.

On January 1, 1875, the fund consisted of the following:

6 per cent U. S. bonds	$1,671,000.00
6 per cent Missouri bonds	20,000.00
6 per cent Missouri certificates of indebtedness	900,000.00
Cash awaiting investment	32,554.62
Total	$2,623,554.62

In December, 1875, under the wise administration of Governor Charles H. Hardin, the State Board of Education sold the $1,671,000 of United States bonds for $1,913,868, and with the proceeds of the sale, other receipts and the cash awaiting investment, $1,949,000 of 6 per cent Missouri bonds were purchased for the fund at a cost of $1,958,846.40, including $2,312.50 paid for brokers' commissions. The result was that the State school fund was increased more than $300,000 without costing the taxpayers a cent.

On January 1, 1881, the fund consisted of:

6 per cent Missouri bonds	$2,909,000.00
6 per cent certificate of indebtedness	200,000.00
Cash in treasury	792.66
Total	$2,909,792.66

Bonds Converted Into Certificates.

On January 27, 1881, Senator Morrison of New Madrid, introduced Senate bill No. 84, entitled "An act to consolidate the Permanent school and seminary funds certificates of indebtedness of the State bearing 6 per cent interest, and to provide for canceling the State bonds and certificates of indebtedness now held in trust for said funds." And on March 8, following, it was passed in the Senate by a unanimous vote. The ayes were: Senators Allen, Bradley, Bryant, Byrne, Bland, Cabell, Caldwell, Cottey, De Armond, Dobyns, Dungan, Edwards of Lafayette, Gottschalk, Heard, Heaston, Hutt, Lloyd, McMahon, Mabrey, Mackay, Manistre, Manring, Morrison, Naylor, Pehle, Perkins, Rogers, Rouse, Stephens and Walker—total 30; absent on leave, Senators Edwards of St. Charles, Headlee and Jacobs; sick, Senator McGruth. (Page 329, Senate Journal, 1881.) In the House the bill was passed by a vote of 77 ayes and 2 noes (Steel and Webb voting in the negative.) Among the leading Republicans recorded as voting for the bill may be mentioned Allen of St. Louis County, Bell of Jackson, Bonham of Andrew, Bryant of Douglas, Cochran of Lawrence, Crawford of Benton, Grabenhorst of St. Charles, Harper of Putnam, Hayhurst of Franklin, Hornbeck of Christian, Landenburg of Gasconade, Low of Mercer, Moody of St. Louis city, Neville of Harrison, Norris of Ozark, Preston of St. Louis city, Shidow of Hickory, Taylor of Grundy and others. (Page 1098, House Journal, 1881.) The bill (with emergency clause) was approved March 22, 1881 (p. 204, Laws 1881), and directed the State Fund Commissioners to issue a nonnegotiable certificate of indebtedness, payable thirty years after date, bearing 6 per cent interest, for the amount of the 2,000 Missouri State 6 per cent bonds and the $900,000 certificate of indebtedness then held in trust by the State for the school fund, to be "sacredly preserved in the State treasury for the permanent school fund of the State"; and another 6 per cent certificate for the 122 Missouri State 6 per cent bonds belonging to the seminary fund. Whereupon the fund Commissioners issued a consolidated State certificate of indebtedness to the State Board of Education for $2,909,000, and the records show that the 2,000 bonds and the $900,000 certificate—the one issued by the Liberal Republican administration on July 1, 1872—were duly canceled as the law directed. Section 5 provides that the certificates of indebtedness issued under the act just quoted "shall remain a sacred and irrevocable obligation of the State, unconvertible and untransferable for the purpose of its issue, but shall remain as so much of the permanent school fund and of the seminary fund as is represented in their amounts, respectively."

Further Investments Directed.

On the eleventh day of January, 1883, Senator Thomas V. Bryant introduced Senate bill No. 35, entitled, "An act to provide for the permanent investment of any moneys remaining in the State treasury and belonging to either the 'public school fund' or 'seminary fund' of the State, or that may hereafter be paid into the State Treasury, to be added to either of said funds, and to provide for canceling any Missouri State bonds now held by any educational institution under the control of the State, by issuing therefor certificates of indebtedness of the State, bearing 5 per centum interest per annum, payable semiannually," which, with the emergency clause, received every vote in the Senate, viz: Senators Baldwin, Bland, Bridges, Britts, Bryant, Cresap, Dilley, Dohyne, Downing, Dungan, Edwards of Lafayette, Edwards of St. Charles, Farris, Halliburton, Heard, Hutt, Jacobs, McMahon, Mainstre, Morrisson, O'Brien, Oliver, Pehle, Rogers, Rouse, Stephens, Walker, Wear and Yancey—total, 29; absent, Senators Hathaway and McGrath; absent on leave, Senators Allen and Davis. (Page 243, Senate Journal, 1883.) On March 23 and 30 the Senate bill was amended by the House, and the bill, as amended, passed on the last mentioned day by a vote of 77 ayes and 22 noes, the members voting for and against the bill belonging to both political parties, and among those recorded as voting in the affirmative may be mentioned such distinguished leaders of the Republican party as Allen of St. Louis, Hackney of Miller, Harrington of Adair, Whitmer of Holt, Whybark of Bollinger, Muench of Warren, Murphy of Franklin, Grabenhorst of St. Charles, Wade of Greene and others. (Page 1973, House Journal 1883.) The House amendments were agreed to in the Senate by a vote of ayes, 19; noes, 1 (Senator Baldwin). The bill was approved March 31, 1883 (p. 199, Laws 1883).

Under the act of 1883, five certificates of indebtedness were issued to the school fund, amounting to $219,000, and seventeen to the seminary fund, aggregating $441,000.

Bonded Debt Reduced by Transfers.

No State bonds have been taken up under the act of March 31, 1883, and it is proper to explain that while this act does not require the school and seminary fund moneys, for which certificates of indebtedness are issued, to be placed in the sinking fund and used for the reduction of the bonded debt, it has evidently been the settled policy of the various State administrations since the passage and approval of the act not to issue certificates in excess of the amount of money transferred from the school fund, seminary fund or revenue fund, to the sinking fund to pay off bonds, so that the debt of the State be not increased, in violation of the Constitution, by reason of the issue of certificates. An inspection of the books of this department shows that the following sums of money have been transferred from the funds just mentioned to the sinking fund and used for the reduction of the bonded debt since the passage of the act of March 31, 1883:

From the revenue fund	$ 560,000.00
From the school fund	223,000.00
From the seminary fund	674,958.23
Total amount transferred to sinking fund	$1,457,958.23
The total amount of certificates of indebtedness issued to the school fund since March 31, 1883	$ 249,000.00
The total amount of certificates of indebtedness issued to the seminary fund during that time	1,112,529.42
Total amount of certificates issued	$1,372,529.42

It will be noticed that $105,118.81 more money has been put into the sinking fund to pay off bonds (from other sources than the State interest fund) than the aggregate amount of certificates issued to the school and seminary funds under that act.

State Seminary Fund.

This fund had its origin in the acts of Congress, approved February 18, 1818, and March 6, 1820, by which two townships of the public lands were donated for the use of a "Seminary of Learning." The moneys arising from the sales of these lands were invested in stock of the Bank of the State of Missouri, and, in 1866, the fund owned $160,000 of the stock, which was sold in that year, along with the stock held for the school fund, to Captain Eads for $108,500, who paid for it in bonds and matured coupons. The State interest and sinking funds came out of the transaction $108,500 ahead, but there was no seminary fund until the Legislature passed an act, approved March 12, 1867, directing $108,364.45 of the war indemnity money due from the United States to be set aside for this fund. The moneys in the fund were increased by the dividends due on the stock at the time of the sale of the bank stock to Captain Eads, and $108,700 of 6 per cent United States bonds were purchased.

In December, 1875, the $108,700 6 per cent United States bonds were sold by the State Board of Education for $126,635.50, and $122,000 6 per cent Missouri bonds were purchased at a cost of $123,220. The result of which left $3,320.42 to be placed to the credit of the seminary moneys, leaving an uninvested balance of $96.08 and at the same time increasing the fund by $13,395.08 and the annual income by $792.

By the act of March 23, 1881, the Fund Commissioners issued a 6 per cent certificate of indebtedness to this fund for $122,000 and canceled $122,000 of 6 per cent State bonds, as before mentioned.

Since the act of March 31, 1883, was passed the treasurer of the Board of Curators of the university has paid into the State Treasury sums of money at various times for which certificates of indebtedness have been issued in the manner and form before described. The only certificates not issued to the seminary fund under the acts referred to were two; one for $646,958.23, under the act of March 26, 1891 (p. 29, laws 1891), providing that "the direct tax money" refunded by the United States be placed to the credit of the seminary fund and a certificate of indebtedness to be issued therefor, and the other for $22,851.13, under act of April 2, 1895, entitled "An act to restore to the seminary fund the expenses incurred in the superintendence and sales of lands disposed of for the benefit of said fund and in the distribution of the proceeds of said sale." The bill for the last mentioned act was introduced by Honorable John L. Bittinger of Buchanan County, a distinguished Republican, now United States Consul at Montreal, Canada. The Republicans had a safe working majority in that body, and it was passed by the following vote: Ayes, 81; noes, 6; absent, 50; sick, 3. Among the fifty-four Republicans who are recorded as voting in the affirmative were Pettijohn of Linn, Swanger of Sullivan, Jones of Polk, Freeman of Miller, Odneal of Mercer, Tubbs of Osage, Hart of Putnam, Higbee of Schuyler, Young of Texas, Schoppenhorst of Warren, Baugher of Washington, Davis of Wayne, Harrison of Worth, Sawyer of Cape Girardeau, Gmelich of Cooper, Denslow of Grundy, Watson of Christian, Tatum of St. Louis and Speaker Russell of Crawford. (Page 1205, House Journal 1895.) In the Senate the vote stood: Ayes, 24; noes, 0; and among those voting for the bill were the distinguished Republican Senators Brewster of Buchanan, Busche of St. Louis, Davisson of Harrison, Kennish of Holt, Mott of St. Louis, O'Bannon of Dallas, Lenhrum of Lawrence, Powers of Putnam, Seaber of Adair, Williams of Moniteau and Wurdeman of St. Louis County. (Page 787, Senate Journal 1895.)

CERTIFICATES OF INDEBTEDNESS OUTSTANDING.

School certificates:	
Under act of March 22, 1881	$2,909,000.00
Under act of March 31, 1883	249,000.00
Total school certificates	$3,158,000.00
Seminary certificates:	
Under act of March 22, 1881	$ 122,000.00
Under act of March 31, 1883	441,000.00
Under act of March 26, 1891	646,958.23
Under act of April 2, 1895	22,881.19
Total seminary certificates	$1,235,839.42
Total school and seminary certificates outstanding January 1, 1901	$4,393,839.42