THE MATTER OF REFUNDING THE STATE'S INDEBTEDNESS

(CONTINUED FROM PAGE 2.)

act.

Of course, we are all in favor of getting our public debt at as low a rate of interest as possible, and of course it would be to the advantage of the State, both financial and otherwise, if this rate could be lowered to four per cent. or three and a half per cent. But this should not be done unless the refunding bonds can be placed either at par or at a premium. This cannot be done under the present act of 1912, and without the tax exemption recommended by me and which has been incorporated in the former acts of 1892 and 1910.

Why Discriminate Against Home People.

Why force our bonds in the hands of northern capitalists and deprive our South Carolina institutions of investments in these securities? Why not make our bond issue so attractive to our home institutions that the issue, or the greater part of it, will be owned by our home people? Under the present conditions and restrictions in the act of 1912, if the bonds are owned outside of the State, or even by individuals within the State, no county or municiapl taxes are collected on same; yet under this same act, if a bank or corporation owns these bonds, there is no exemption from taxation by reason of such investments. It is shown that about $1,000,000 worth of these bonds, one-sixth of the entire issue, is owned by the banks in Charleston alone. Hundreds of thousands of dollars are owned by other banks and corporations in other towns and cities of South Carolina. Why not give these local banks the same privilege you gave the northern capitilist and individual South Carolinian? Why restrict the field for investment? There can not only be no good reason advanced for such legislative discrimination, but many and excellent reason can be and are advanced against such discrimination—the market of investment will be materially enlarged, and, as is shown by the testimony of experts in such matters, the bonds can be sold to good advantage and at a premium possibly, while, under the act of 1912, the bonds cannot be sold at all. And this can be done without the loss of a single dollar of proper taxation to the State, at the same time giving the State the advantage of the increased price for the bonds and the enhancement of its credit in the financial marts of the country.

The Loans to The Counties.

There is another matter in conection with this refunding and retirement of the bonded indebtness, to which I desire to call your especial attention:—that is the action of the sinking fund commission in calling in the loans which are due the sinking fund commission, most of which were bearing interest at the rate of five per cent. per annum, and using the proceeds of these loans, the assets of the sinking fund commission, in the retirement of 4½ per cent. bonds. In considering this phase of the question, I would have you to keep in mind the fact that these loans were gilt-edged, and there was no possible chance for the State to lose a dollar of them; also, bear in mind, that under the act of 1892, under which these bonds were issued, the State of South Carolina reserves the right to call in and pay the whole or any part of the issue at any time after the first of January, 1913, so that it was and is not necessary at this time to call in and pay of the bonds unless it was to the advantage of the State to do so.

If you were indebted to A in the sum, say, of a million dollars, and were paying him four and a half per cent. interest on the debt, and B was indebted to you, say, in a simular sum, and was paying you five per cent., or a higher rate of interest, would you consider it good business to make B pay you, and pay A?

All right.

Now, suppose B was a part and [illegible] of yourself, and, in order to pay [illegible]d to borrow from D, and pay D [illegible] rate of interest than he is [illegible] you; don't you think it would [illegible] unwise [illegible] on your [illegible] to force B?

Well, listen:

You, as here [illegible], are the State of South Carolina; B is certain counties of the State of South Carolina, and D [illegible] the northern or outside money [illegible].

[illegible] Plain Business Proposition.

[illegible] State of South Carolina has borrowed money for [illegible] and for [illegible] money she is paying four and one half per cent.

Now, the State through the sinking [fund c]ommission, has loaned certain [illegible] money, at five per cent.; so [illegible] money on these loans [illegible] over and above the interest [illegible] paying on her bonded indebtness.

Now, the State has 20 years from January 1, 1913, to pay these four and one-half per cent. bonds.

However, the State's agents require the counties to pay up their loans.

Some of the counties haven't the money and are forced to borrow elsewhere, and pay a higher rate of interest than they are paying the State.

Then the State takes the money and pays these four and one-half per cent. bonds, thereby losing the profits which she is making from the counties, and at the same time causing heavy losses to the counties.

The counties of the State—hence the citizens of the borrowing counties—lose doubly:

First, as the citizens of the Stae.

Second, as the citizens of the counties.

This is a plain business proposition, which can be seen by even the most ignorant.

Suicidal Policy.

I consider this a foolish, nonsensical, suicidal financial policy, and I have refused and now refuse to be a party to it, and I never expect to be a party to it. There are men all over South Carolina, and all over the world, who are borrowing other people's money at a low rate of interest, and lending it out at a higher rate, and are making good livings for themselves and their families, and some of them are piling up fortunes by such transactions, and every bank in the world does business on this principle. Yet agents of South Carolina hurry to do to the contrary, to the detriment of the citizens of the State.

There is not a man in your body but who would be glad to borrow $1,000,000 at 4 1-2 per cent. and lend it out at a higher rate; yet, when the State is doing this, you order it ended, and force your counties to go to other sources to borrow their money and pay a higher rate of interest than they are paying the State, notwithstanding the fact that the State is borrowing the money at a lower rate of interest than the counties were paying her, and the profit was being made by the State.

Gentlemen, you may consider this good business judgment.

I did not.

I do not.

Now, gentlemen, I have shown you the folly of withdrawing a 5 per cent. loan from your own people and forcing them to borrow money at a higher rate of interest, when you are paying only 4 1-2 per cent. for this money which you are lending the counties at 5 per cent.

I believe in a fair and square deal. This is what I have been fighting for. If I am wrong, I have not yet been convinced of it, and I have been making the fight for two years. If I am right, then it is your duty, as representatives of the people of this State, to come to my rescue and help me, not only in the matter of the refunding of the State debt, so far as the bonds are concerned, but also in this matter of lending and borrowing money.

No Personal Reward.

We are all liable to make mistakes. I may possibly, gentlemen, have been wrong in the position which I have taken in regard to this matter, but I assure you that I haven't received any reward, nor have I hope of any reward, save the consciousness of having done my duty to my people, as I see it. If the bonds had been refunded, if all this money had been called in, and every dollar of it paid out or reloaned, I would not have received one copper from any source. I was not expecting any rebate. Hence, I have had no hard feelings towards anybody in this matter. I haven't got mad about it, because, no matter which way it went, not a single iota of a cent was going into my individual pocket. Consequently I saw no reason to get mad, or to lose my temper. If I had been going to receive some financial reward from the transaction, and somebody had thwarted me in my purpose, I might have lost my head, got mad, and said foolish things, and done [illegible]. If I have erred, I have erred doing as I have done in [illegible] I have been [illegible], what I believed to be for the best interests of the people.

The matter is now in your hands. I want to call to your special attention the message I sent to the general assembly [illegible] this bond refunding act, and to say to you now that I will [illegible] the citizens of South Carolina [illegible].

I [illegible] each member of both your houses to read this communication and the attached record in full. I want you to see, first, how much money is in the sinking fund; how it is invested; what interest it is drawing, and how much of it is drawing no interest at all. I want you to see, for instance, that banks are paying the sinking fund commission 4 1-2 per cent. interest, and 4 per cent. interest, and that "balance cash in banks to the credit of S. T. Carter, State treasurer, as treasurer of the sinking fund commission, belonging to his fund," is "earning 4 per cent. per annum," when Newberry county is or was paying 5 per cent. per annum, and yet the effort has been to call in the county loans.

I am satisfied that, after a careful reading of the entire record, many of you will be surprised to know the financial condition of your State, as it will be revealed to you therein, if you will read it as you should, and I am satisfied you will be surprised at the positions taken by some of the members of your sinking fund commission who are State officials. I have done what I believed to be my duty. I have done what I know is my duty, and the burden shifts from me to you, and you are responsible to your people.

Very respectfully,

Coleman Livingston Blease,

Governor.

The Best Hot Weather Tonic

GROVE'S TASTELESS chill TONIC enriches the blood, builds up the whole system and will wonderfully strengthen and fortify you to withstand the depressing effect of the hot summer. 50c.

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FREE—To prove the wondarful merits of REZITOL we will mail a large sample bottle for 25c in silver or stamps for postage, etc. Rezitol Chem. Co., Boston, Mass.

Is Sickness A Sin? A Sin of Commission or a Sin of Omission? Or Both?

We transgress Nature's laws, the Liver strikes, then we omit or neglect until we ache or sicken.

Loosen the dammed-up bile. Keep it loose with the old time-tried May Apple Root, (*Podophyllin.*) Podophyllin with the gripe taken out is called

PODOLAX

WORTHEN'S Wonder (Trade Mark) Workers

The Great Nerve and Brain Food.

Highly recommended for Nervous Debility, Nervous Prostration, Decline of Strength, Loss of Ambition, Insomnia, Melancholy, Nervous Dyspepsia, Kidney and Bladder Trouble and Constipation.

WORTHEN'S WONDER WORKERS are the greatest Laxative Tonic Tablet in the world.

ONE MONTHS TREATMENT FOR $1.00.

GUARANTEED—We will send six boxes of Worthen's Wonder Workers to you for $5.00, and guarantee them to give satisfaction or return the money.

Price $1.00 a box. 6 boxes $5.00. Sent by Mail on receipt of price.

AUDITOR'S NOTICE.

Assessment of Real and Personal Property for Fiscal Year 1914. I, or an authorized agent will be at the following places named below for the purpose of taking returns of both real estate and personal property for Fiscal year, 1914:

Newberry January, 1st to 13th, inclusive and on every Saturday.

Longshores—Monday, February 2nd.

Silver Street—Tuesday, February 3rd.

Chappells—Wednesday, February 4th.

Newberry Cotton mill—Thursday, February 5th.

Oakland Cotton mill—Friday, February 6th.

Mollohon Cotton mill—Monday, February 9th.

And in the Auditor's Office in the Court House Friday, February 20th, after which date a penalty of 50 per cent will be added against all persons, firms or corporations failing to make their returns as required by law. I would dislike very much to have to add this penalty but I am required by law to do so. The law requires a tax on all notes, mortgages and moneys, also an income tax on gross incomes in excess of $2,500.

There shall be a capitation tax of fifty cents on all dogs, the proceeds to be expended for school purposes. Dogs not returned for taxation shall not be held as property in any of the courts of this State.

All male persons from 21 to 60 years, except Confederate soldiers, or those persons incapable of earning a support by being maimed or from any other cause, are liable to pay a poll tax of one dollar.

Real Estate is to be assessed this year. Each tract or lot of land must be assessed separately. Also state to assessor whether you have bought or sold any real estate since last return. The law requires that all property, both real and personal, be assessed "at its true value in money," which is construed to mean, "The sum of money for which said property, under ordinary circumstances, would sell for cash."

Please don't ask that your property be taken from the tax duplicate the same as last year. The law requires that all property must be listed on regular tax return blanks and properly signed and sworn to by person making return. Please be sure to have year returns in, on or before the 30th of February, 1914.

Eugene S. Werts,

County Auditor.

Dec. 18, 1913.

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It works as well in winter as in summer; and observes neither Sundays or Holidays.

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Deposits left for three months or longer bear interest---in our Savings Department.

Deposits of any amount gladly received.

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We have the Harrows and other implements with which to prepare your land for the big crop for 1914.

We are now prepared to sell you the best farm wagon on the market for the money,

THE CELEBRATED "OWENSBORO."

Let us show it to you. Aso we are showing some good values in Buggies, Buggy Harness and Heavy Work Harness and Bridles.

Several car loads Flour and feeds of all kinds. "CORNO." Ask to see the famous "CORNO" Mill food for horses, cows and chickens. We have booked up on this feed and can save you money.

We are agents for the celebrated and wide world

Famous Columbia Guano Co. Fertilizers.

See us before placing your order. We carry a complete line of heavy and staple Dry Goods, Shoes and Old Dominion Hats. We are continually adding to our Hardware department.

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