SPEECH
OF
HON. M. W. GARY,
SENATOR FROM EDGEFIELD COUNTY,
ON THE PUBLIC DEBT
OF THE
STATE OF SOUTH CAROLINA.
DELIVERED IN THE SENATE CHAMBER.
COLUMBIA, S. C.
CALVO & PATTON, STATE PRINTERS.
1878.
MR. PRESIDENT AND GENTLEMEN OF THE SENATE:

I propose to discuss the public debt of this State in the following order:
1st. What is the amount of the debt?
2d. The legal obligation of the citizens of the State to pay the public debt.
3d. The political obligation of the Democratic party to recognize the adjustment of the debt made by the Radical party when in power, under the Act of 22d of December, 1873, known as "An Act to reduce the volume of the public debt and to provide for the payment of the same."
4th. The moral obligations of the citizens of the State to pay this public debt under the above adjustment.
5th. The financial ability of the people to pay the debt of the State.

The amount of the public debt authorized under the consolidation Act of 22d December, 1873, to be consolidated was $9,886,627. Of this amount there has been consolidated $7,169,667.94. The amount to be consolidated is $2,716,960.06, with interest on this amount from July 1st, 1871, to January 1st, 1878, which is $950,936, the principal and interest of the unconsolidated debt being $3,667,896.06. Now, if you apply the rule adopted by the Act of 1873, which is to pay fifty cents on the dollar, it will be $1,838,948.02.

The consolidation debt under this scheme would be $4,396,290.44, with interest in arrear to January 1st, 1878, eighteen months, will be $395,666.10, the aggregate of principal and interest being $4,791,956.54. If to this we add the $1,838,948.03, it gives us the amount of the debt after applying the Act of 22d December, 1873, to wit: $6,630,904.57, less the amount of the interest now in the Treasury.

The floating debt, according to the Investigating Committee, amounts to $1,046,926.04, and to this they have added the bills of the Bank of the State, amounting to $739,179-27, making in the aggregate $1,786,105.31.

The contingent debt is as follows: Spartanburg and Union Railroad bonds, $474,600; South Carolina Railroad bonds, $84,078; Charleston and Savannah Railroad bonds, $750,750; Laurens Railroad bonds, $75,000; Greenville and Columbia Railroad bonds, $1,436,545.80, amounting, in the aggregate, to $2,820,973.80.

The consolidated bonded debt amounts to $6,630,904.57. This debt is known by farmers and planters as a "sealed note debt." The floating debt, which is a debt in the nature of an open account against the State, amounts to $1,786,105.31.

The contingent debt, which is a debt in which the State has stood the security of the above railroad corporations or endorsed their bonds, is $2,820,973.80.
Now, these three denominations of indebtedness constitute all the indebtedness of the State, and it amounts to the enormous sum of $11,239,983.62.

In making this estimate, I have left out, as did the Committee of Investigation, the $4,000,000 of Blue Ridge Railroad bonds issued under Act of September, 1868, with the guaranty of the State. These bonds had, in violation of law, been placed as collateral security for loans effected in the city of New York. On the 2d of March, 1872, "An Act to relieve the State of South Carolina of all liability for its guaranty of the bonds of the Blue Ridge Railroad Company by providing for the securing and destruction of the same," which authorized the issue of $1,800,000 of "revenue bond scrip," payable by the State and receivable for taxes upon the surrender of the bonds to the State Treasurer for cancellation, was passed. About $3,500,000 of bonds were surrendered and canceled under this Act. The Act was decided to be unconstitutional by the Supreme Court of this State. The liability of the State is still under adjudication in the Supreme Court of the United States. Thus it appears that the State is still contingently liable for $1,800,000. If parties who hold bonds and stocks continue to refuse to consolidate them under the Act of 22d December, 1873, it swells the amount of contingent liability of the State by the further amount of $1,838,948.03. Taking this view of the contingent liability of the State, the debt will be increased from $11,237,983.62 to $14,876,931.65.

LEGAL OBLIGATION OF STATE.

A State cannot be sued; therefore it is necessary to apply the principles of the law which regulate the rights of individuals to those of the State. The General Assembly in this case becomes its own judge. It is, therefore equitable and just that its acts should be regulated by those rules which would have regulated the decision of a judicial tribunal. The facts in regard to the corrupt acts of the members of the General Assembly have been ably set forth in the report of Senator Cochran as Chairman of the Committee to investigate the public frauds. Such wholesale corruption has no parallel in history. It would require the pungent pen of a Juvenal or the invective of a Junius to do justice to their unrivaled and unblushing acts.

The ablest jurists of America have never doubted the power of the judiciary to interfere and declare null and void contracts or rights acquired by third parties having notice of the improper means by which such contracts were made and such laws enacted.

But in the present case the holders of these fraudulent bonds cannot successfully plead that they are innocent purchasers without notice. The doctrine of innocent purchasers without notice does not apply to the holders of bonds that have been issued in violation of the very terms of the Act authorizing their issue. The transactions of a State are necessarily public, and every act is open, and no one can plead ignorance of the law. It is different with private individuals. The acts of an agent may be unknown, and the authority of the agent may be concealed and limited or unlimited; but no such contingency can arise in transactions with a State. The powers of the agents and officers of a State are defined and regulated by law, and all men are presumed to
know them. To consider further the plea that the Northern bondholders are innocent purchasers without notice, this doctrine of course cannot apply to the bondholders of this State, for the profligacy of the members of the General Assembly was notorious. Now, what are the facts of the notice given to the outside world?

In the Taxpayers' Convention which met in 1871, the Hon. W. D. Porter, in his address as President of the Convention, used the following language: "The first great wrong is the fearful and unnecessary increase of the public debt." It will be remembered that they increased the debt in the short space of three years $11,412,368.37. In the same address he gave the following warning to the world: "The credit of the State is and can be dearer to none than to us. It has been the habitual policy of our people to keep the public credit not only untarnished but unsuspected. We mean not repudiation, but we do mean openly and in the most solemn manner to give notice to the world that the credit of South Carolina has been strained to the utmost limit, and that whatever obligations hereafter issued may be taken by capitalists must be taken at their peril."

I also beg leave to cite a portion of the annual message of His Excellency Robert K. Scott, delivered before the General Assembly of this State on the 28th of November, 1871: "The class of persons especially hostile to the State government, and the principles upon which it is founded, directed their efforts to make it appear to capitalists that the State administration was corrupt and profligate and that a popular reaction had taken place that would soon bear them into power. Founding their claims to consideration upon their false pretenses, and pretending to represent the people of South Carolina, they boldly proclaimed their purposes to repudiate all debts contracted subsequent to the adoption of our new State Constitution." I also cite the following extracts from the Charleston Daily News, taken from the issues of that paper during the years 1868 and 1869: "What capitalist would touch 'bayonet' bonds issued by our bogus Legislature? Would New York or Boston touch these bonds issued by authority of a horde of negroes and in face of the protest of the white people of the State?" "No 'bayonet' bond, for whatever reason issued, will ever be recognized by the white people of the State." "The question is whether one year more of Radical rule will not so largely swell the total that the people will, at the first opportunity, shuffle off the weight of care and repudiate every dollar of debt contracted after the war." It will be seen from the foregoing extracts that the President of the Taxpayers' Convention, the then Governor of the State, and the leading newspaper of the State, gave timely notice of the fraudulent character of these bonds and the determination of the people not to pay them. That these Acts for the issuing of bonds were conceived and executed in fraud, after the exposure of these Committees, leaves not the shadow of a doubt. In the treatise of Fonblanque on equity jurisprudence, he says: "Frauds, both at law and in equity, avoids a contract ab initio, whether the fraud be intended to operate against one of the contracting parties or against third contracting parties or against the public." Lord Eldon, one of the ablest Chancellors that England has ever produced, states "if a transaction has been originally founded on fraud, the original vice will continue to taint it, however long the negotiation may continue, or unto whatever ramifications
it may extend.” Lord Coke says that “fraud vitiates all acts, either legislative or judicial.” The Committee find, by their investigation, that $3,608,717 were not issued in accordance with law, and, therefore, were not authorized to be consolidated by the Act of 22d of December, 1873. This amount has been excluded upon specific irregularities and violations of the laws, ordinance and Constitution of the State.

If we apply the broader doctrine of fraud, as above enunciated, to the entire indebtedness that has been created under the Radical rule, it will invalidate every bond issued during their administration. The amount of the public debt in July, 1868, when the Radicals went into power, was $7,262,231.79. The bonded debt comprised the following bonds and stocks:

Three per cent. stock ............................................. $38,836 60
Fire Loan stock .................................................. 314,453 89
Fire Loan bonds ................................................... 484,444 51
New State House stock ........................................... 1,775,000 00
New State House bonds ......................................... 511,600 00
Funded debt ....................................................... 1,282,971 27
Blue Ridge Railroad bonds ....................................... 1,000,000 00

Interest in arrears October 1st, 1868 .................................. $5,407,306 27
.............................................................................. 434,791 52

The floating debt consisted of:

Bills receivable, issued by Gov. Orr ......................... $160,000
Bills of the State Bank ........................................... 1,260,131
.............................................................................. $1,420,134 00

Bonded and floating debt October 1st, 1868 ........ $7,262,231 79

The average expense of running the government by the Democratic party in ante bellum times was about $400,000, so it is self-evident that there was no necessity for the increase of the public debt by the issue of bonds, and the issuing of them was, as testified by Niles G. Parker, not for the purpose of funding past due principal and interest, but it was "to make money."

The following are the tax levies and collections from 1868 to 1875:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>LEVY</th>
<th>COLLECTIONS IN CASH</th>
<th>including poll tax.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1868</td>
<td>7 1/2 mills</td>
<td>$1,028,696 98</td>
<td>including poll tax.</td>
</tr>
<tr>
<td>1869</td>
<td>5 mills</td>
<td>699,875 75</td>
<td>including poll tax.</td>
</tr>
<tr>
<td>1870</td>
<td>9 mills</td>
<td>1,154,731 38</td>
<td>including poll tax.</td>
</tr>
<tr>
<td>1871</td>
<td>7 mills</td>
<td>1,002,606 46</td>
<td>excluding poll tax.</td>
</tr>
<tr>
<td>1872</td>
<td>12 mills</td>
<td>1,622,714 90</td>
<td>excluding poll tax.</td>
</tr>
<tr>
<td>1873</td>
<td>12 mills</td>
<td>1,651,307 67</td>
<td>excluding poll tax.</td>
</tr>
<tr>
<td>1874</td>
<td>12 mills</td>
<td>1,334,594 47</td>
<td>excluding poll tax.</td>
</tr>
<tr>
<td>1875</td>
<td>11 mills</td>
<td>1,147,027 32</td>
<td>excluding poll tax and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>bills Bank of State.</td>
</tr>
</tbody>
</table>

Amount received for and in the several years respectively ............................................. $9,641,515 13
This statement shows that the excess of taxation above what was necessary to support the government ranged from a half million to a million of dollars, and that if the taxes that were levied and collected for these years had been honestly applied it would have paid the expenses of the government and gone far towards paying the entire bonded debt of the State. It thus appears that the State has received comparatively no benefit from the sale of the large amount of these bonds that have been issued, or from the $10,165,114.36 that were collected by taxes in eight years from an impoverished people. The expenses of the State government under Radical rule, at $400,000 a year, should have amounted, in eight years, to $3,200,000. Now subtract this amount from the aggregate taxes collected, to wit, $10,165,114.36, and it will leave $6,965,114.36; and if you will subtract this amount from the debt of the State on the 6th of July, 1868, when the Radicals went into power, to wit, $7,262,231.79, it will leave the sum of $297,117.43. It will thus be seen that if the taxes had been properly applied our debt to-day would be less than $300,000. What better argument do our people want to refuse to pay the fraudulent debt thus imposed upon them?

THE OBLIGATION OF THE DEMOCRATIC PARTY TO RECOGNIZE THE CONSOLIDATION DEBT.

I propose next to consider the obligation of the Democratic party to recognize the debt as consolidated or proposed to be consolidated under the Act of 22d December, 1873. I know of no usage or law that gives to any one the right to bind a political party, except a regular convention of the party; the platform adopted by the party is the rule of action for every member of the party. It is argued that a mere resolution of the State Executive Committee, passed on the 4th of October, 1876, has bound the Democratic party to the adjustment of the debt under the Act of 22d December, 1873. The election came off on the 7th of the following November, so this resolution was adopted just thirty-four days before the election. I should like to hear some reason given for its adoption. The great mass of the white people were opposed to standing by this adjustment, because they knew it was an attempt to mix fraudulent bonds with valid bonds, so it could not have been passed to please the Democracy; nor do I see that its adoption would have the effect of winning over the colored votes of the State. The ante bellum
The Moral Obligation of the State.

In order to fully understand the plea of the moral obligation of the State to stand by the "consolidation" Act of 22nd December, 1873, it will be necessary to go back to the history of the government after the close of the war. The first government we had was a military one, which ruled us as a conquered province. The second was a government under the Acts of reconstruction. I shall not discuss the validity of these Acts, but they were described in the platform of the national Democratic party as being "unconstitutional, revolutionary, null and void." On the 6th of July, 1868, the government was organized under these Acts with R. K. Scott as Governor, Daniel H. Chamberlain as
Attorney General, and Niles G. Parker Treasurer. The General Assembly was composed of one hundred and fifty-five members, of whom twenty-one were Democrats and one hundred and thirty-four were Republicans. Of the Republicans ten were white men and one hundred and twenty-four colored men.

The reports of the Committees on public frauds and on the bonds of the State, with the accompanying testimony, show conclusively that the Executive Department was the head center of fraud and corruption during the period of Radical ascendancy in this State. The report of the Committee appointed under Act of the General Assembly to investigate the indebtedness of the County of York shows that two of the Judges of the Supreme Court were bribed. A further investigation would show that many of the Radical Circuit Judges were also open to bribery and corruption. The report of the Committee on Public Frauds shows a degree of political and social rascality without a parallel in the annals of legislative history. Under the head of "supplies" were furnished all kinds of articles, ranging from such articles of the feminine toilet as "bustles" and "palpitators" to a splendid carriage and horses. The Bacchanalian orgies of these "carpet-bag" and "colored statesmen" eclipsed the merriest nights of Catiline and his conspirators. The three co-ordinate departments of the government being in the hands of such infamous men, where can you find any fact that can give the color of honesty to any of their executive, judicial and legislative acts?

During this long carnival of vice and venality, honesty and virtue were set aside; enlightened public opinion was subordinated to the cupidity of ignorance in high official station. The people of this State had no remedy against these great crimes against the civilization of the age. While we were being plundered under the forms of law, if we turned our eyes to the general government for its protecting aegis, we were rudely and unmannerly turned out of the capitol, and were stigmatized as rebels who were still plotting treason against the government, and were, therefore, unworthy of its sympathy and protection. When we looked to our State government, we were simply trying to make terms with thieves and robbers. The advocates of the recognition of the adjustment of the public debt, under the terms of the consolidation Act of 22d December, 1873, claim that this Act is a finality of the debt. It must not be forgotten that this Act is the creature of a Radical General Assembly; that it sprung from the corrupt body now so notorious. We are told that it is a sacred contract with the creditors of the State. The very terms of this Act show that the whole scheme is one of blatant repudiation and of compulsory adjudication of the debt of the creditors of the State. By it they repudiate one-half of the public debt, as ascertained by their own investigation, which was $9,886,627. Now one-half of this amount will be $4,943,313. This is of course repudiation. In the same Act, they also repudiated $5,965,000 of "conversion bonds," making in the aggregate $10,908,313. In addition to this, they also repudiated, in Article IX, Section 16, of the Constitution of the State, $2,241,840. Thus it will be seen they have repudiated $13,150,153 besides interest on these amounts. This entire scheme was intended to cover up and legitimate the fraudulent debt of Radical rule at the expense of the ante bellum debt owned by honest creditors of the State. I confess I do not see the sacredness, the purity and honesty, that the advo-
cates of this Act assume to throw around it, for they attempted to join
the pure and valid with the corrupt and fraudulent, the quick and the
dead. A moral obligation must spring from an honorable and honest
transaction. This is the maxim of morals that influences the action of
Courts of chancery. The testimony taken before these investigation
Committees reveals the fact that the executive, judicial and legislative
departments of the government were, during the entire eight years of
Radical rule, honeycombed with fraud and corruption. The bonds and
liabilities of the State that are the offspring of such impure sources
can have no claim upon honest men for payment. Let the hand receiv-
ing them be ever so chaste, yet if they come from an impure source or
through a polluted channel, they will be void in whosoever possession
they may be found. It will be well for our people to consider these
points in the formation of their conclusion as to their moral obligation
to pay such debts of the State.

FINANCIAL OBLIGATIONS OF THE STATE.

In order to properly understand the ability of the State to pay her
present enormous indebtedness, it will be necessary to ascertain the
amount of taxable property before the war as compared to what it is at
the present time. Before the war the taxable property of the State
amounted to $5,325,539,552; for the year 1877 it amounted to
$135,735,883. Now if we subtract this amount from what it was before
the war, it will show a loss in taxable property of $396,794,669. The
bonded debt of the State before the war was $4,438,958.98; we now
have a debt of $11,237,983.62. It will thus be seen that, with a debt
nearly three times as great as it was before the war, we then had four
times the taxable property to pay it with that we now have, and yet we
are told it is the part of heroic honor and honesty to pay these unmiti-
gated frauds upon the poor taxpayers of this State.

The chief subject of taxation of this State before the war was a tax
levied upon our slaves. At that time we had 400,000 slaves, valued, on
an average, at about $500 per capita, thus making their aggregate value
$200,000,000. This large amount of property was destroyed by the
general government as one of the results of the war. Our ante bellum
debt was made upon this species of property as a basis of credit.

The general government also required, as one of the conditions pre-
cedent to our reconstruction and our readmission to the brotherhood of
States, that we should repudiate the debt, amounting to $2,241,840, con-
tracted under the Confederate States government and owned by our own
citizens. The results of the war and the action of the General government
induced our people to settle the debt among themselves at twenty-five
and fifty cents on the dollar, exclusive of interest. Usage and custom
made it for the time the rule of adjustment of private debts, and they
were accordingly so settled except in some extreme cases, where the spirit
of a Shylock demanded the full amount “nominated in the bond.” Is
there any reason to make the bona fide and valid bondholders of the
State an exception to this rule? Some of the bondholders have volun-
tarily settled with the State upon this basis, and it is confidently believed
that others will do the same. In addition to this burthen of State taxa-
tion, the census reports show a decrease in the property of the Southern
States. Nearly $2,000,000,000 was lost in the property of slaves alone. The present enormous debt of the United States, which in 1870 was $2,500,000,000, has caused the steady but sure decline in real estate and has paralyzed all of the industries of the government. The net gains of the citizens have not been sufficient to pay the County, State and National taxes. The general government now draws $400,000,000 per annum from the hard earnings of the laborers, farmers and planters of the United States, for, after all, the sons of toil are those who pay the taxes of the State and National government. Although our State Auditor's report assesses the taxable property of this State at $135,735,883, it is a well known fact to every member of the General Assembly that the same property, when put up for sale, will not bring one-half of the value placed upon it by the County Auditors of the State. A common mistake that is made by those who estimate the assets of the State, or its ability to pay its outstanding obligations, is to overlook the private debts of the citizens of the State. They should be taken into consideration as a part of the gross amount of the indebtedness of the State, and the taxes of the State should be regulated accordingly. Our people are as poor as skimmed milk, and the cry for a stay law has already reached me from Edgefield; their property is being sold for a song to pay debts and taxes.

There is one fact that is well established by political economists and statesmen: that no agricultural people can or ought to pay a high rate of taxation for purposes of the State; that about five mills on the dollar is the highest rate that a State can collect from its citizens for the support of the government. The average rate of taxation in the States of this Union is less than that amount; that "communities are prosperous in proportion to the smallness of the taxation which they pay the State," is an axiom in political economy. New York pays only two and a half mills on the dollar, the New England States still less, and New Jersey pays nothing. Virginia, after a sad and vain, though heroic, struggle to tax her glorious people to an amount that would satisfy the ravenous demands of her creditors in the North and in Europe, has at last concluded that she cannot tax her citizens more than five mills on the dollar without taking the plough, the hoe, the axe, the mule, and even the corn from the laborers and husbandmen who till the soil. Any other policy would end in reducing their wives and daughters to the abject condition of mere slaves to the bondholders. What Virginia has done in regard to her public debt South Carolina may surely do, for South Carolina's debt, unlike Virginia's, was not honestly contracted or the proceeds of it expended for the good of the people of the Commonwealth, but it has been used to minister to the rapacity and greed of thieves and plunderers who have their offices in Wall street, New York, and who call themselves bankers, brokers and financial agents. Now, let me consider the facts as to the amount of taxes that are to be levied and collected annually from this State. The last constitutional amendment, a Radical measure, that has been adopted by the present Democratic General Assembly in obedience to the advice and recommendation of the Governor, provides "that the Boards of County Commissioners shall levy an annual tax of not less than two mills on the dollar of all taxable property in their respective Counties." The aggregate taxable property of the State amounts to $135,735,883. Two mills on the amount will raise $271,-
471.76. It also imposes on taxable polls in the State an annual tax of one dollar on each poll, the proceeds of which shall be applied solely to educational purposes. The amount realized from this tax will be about $150,000, which is more than one mill on the taxable property of the State. The aggregate amount for educational purposes will be $421,471.76, it being $21,471.76 in excess of what the average expenses of the entire State were before the war. Let us next consider the amount of the "bonded and floating" debt, the interest of which we will have to provide for under the Act of 22d December, 1873. The debt under this Act when completed will amount to $6,630,904.57. The floating debt amounts to $1,046,926.04. They aggregate $7,677,830.61. The annual interest upon this sum at six per cent. per annum will be $460,669.83, which is about three mills on the dollar of all the taxable property of the State. The tax levied in 1877 to pay the ordinary expenses of the government was about as follows:

1st. For the salaries of the executive and judicial officers of the State, $1,431,100.

2d. For the support and maintenance of the penal, charitable and educational institutions of the State, exclusive of common schools, $101,300.

3d. For public printing for the two houses of the General Assembly, $10,000.

4th. For the pay of members of the General Assembly, $81,000.

The aggregate of this amount will be $335,400. It will take a levy of about two and a half mills on the dollar on the taxable property of the State to raise this amount. The customary levy for the expenses of the Counties of the State is about three mills on the dollar of taxable property of the State.

It will thus be seen that for educational amendment we levy a tax of two mills, for poll tax one mill, interest on the public debt three mills, for annual expenses of the government two and a half mills, for County expenses three mills, making in the aggregate the enormous sum of eleven and a half mills on the dollar, being a levy of six and a half mills more than experience teaches can be levied upon any people without bankrupting the State. Real estate in South Carolina, taken altogether, the improved and unimproved, does not yield to its owners a greater annual income than three per cent. of its value, if, indeed, it yields anything like as much as that—that is to say, if we take into account, as the omnipresent and remorseless tax-gatherer does, all the lands in the State, the millions of acres of uncultivated land, as well as the comparatively small quantity of cultivated land, we shall find that the lands of South Carolina would not rent for three per cent. of their value. Improved farms here and there may rent for five or six per cent., or even more, of their value, but they constitute but an infinitesimal portion of the surface of the State, every square inch of which is taxed, while millions upon millions of acres yield no income at all to the taxpayers.

Assuming, however, that real estate does yield three per cent. of its value annually to its owner, if we tax him eleven and a half mills we compel him to pay as taxes upon his real estate more than one-third of the sum which he derives from its ownership. In other words, we tax the income derived from real estate more than thirty-seven per cent. out
of every dollar which he gets for the use of his land. We confiscate thirty-seven and a half cents to pay the expenses of the government and the interest on its bonds. What do we tax the bondholder on the income derived from his bonds? Nothing. The practical operation of this system of taxation demonstrates the fact that nothing is more sure to ruin a State than extravagant and oppressive taxation. The history of the world is full of illustrations of this truth, but we need not go beyond the limits of our own State for any proof of it. Our own bitter experience during the eight years of shame and sorrow which we have just passed attest it unmistakably to the people of South Carolina. They know that extravagant taxation breeds corruption and waste in high places and beggary at home; that it takes from the farmer, planter and laborer the very elements of production, paralyzes every industry, and not only keeps immigrants from coming into the State to live and work among us, but, what is infinitely worse, it drives our own people into exile, for there are States, like Georgia and Texas, which know how to exist without consuming by taxation the very substance of those who support the government.

The result of the long, laborious and patient investigation of the Committee has vindicated the wisdom of Governor Hampton in advising and the General Assembly in refusing to appropriate $3,700,000 to the payment of the interest on the public debt until the valid bonded debt of the State was ascertained. This Committee has shown what is the debt of the State, and also that $3,608,717 of these bonds and stocks are tainted with fraud.

The discussion upon the debt of the State has been forced by the friends of the bondholders upon this General Assembly. It was not one of the issues of the campaign of 1876. The report of the Committee is full and convincing as to the fact of fraud connected with that portion of the debt created under Radical rule. I am in favor of adopting the report of the Committee. It is a step in the right direction. Every day throws new light upon the dark transactions of the miserable miscreants who ruled and ruined our State. The adoption of the report of the Committee would be practically to remit the whole question to the people for their final action. Any other mode of adjustment would be but a temporary expedient, for the people will not be gagged by their own representatives upon a question involving the future hopes and prosperity of the whole Commonwealth.