## R. AND NORTH

## RALEIGH, N. C. JANUARY 10, 1828

## VOL077

## REPORT of the President and Directors of the Literary Fund.

NO. 2

the Honorable the General Assembly

The President and Directors of the Literary Fout, in abedi once to the duty imposed upon them by law, respectfully submit

f diawing reports the receipts of this corporation for the year ending on the first of November last, have been. he amount transferred from the Apricultural Fund in Fe-		
10.57 In pursuance in all act passers an action	\$8,041	99
Land on Newbern Dave Store,	2,692	50
Cand Fear Dink Stock,	4,909	£1.
Do. from Cape Lear Navigation Company,	420	
vern Tax for 1827,	3.467	4
action Tax,	553	6.
1 Poteins	4,500	5
ridend on 5 Shares of State Bank Stock belonging to the	1.000	
Literary Fund in June, 1827,	17	5
	23,702	3
dd to this the amount due the fund on the first day of November, 1826, as heretofore reported,	12.304	9
		-

\$36,007 321 taking an aggregate of f this amount there have been expended and appropriated. or the purchase of a blank book to keep the accounts. 5 50 or 78 Shares of Stock in the State Bank, at par, 7,800

7 805 50

eaving a balance belonging to the Literary Fund on the 1st Nov. 1827, of 28,201 82

At a meeting of the Board on the 11th of February, 1837, the reasurer was directed to invest the amount then belonging to he fund in Stock of the different banks of this State, at certain ates designated by the Board. It appears from the foregoing count that under these instructions, only \$7,800 were invest d. Whether the neglect to invest the remaining part of the fund, rose from the severe illness with which the Treasurer was soon fterwards afflicted, or from his inability to procure the Stock on he terms prescribed by the Board, or from any other cause, the

Board have now no means of ascertaining. By an act of the General Assembly passed in the year 1825, he President and Directors of the Literary Fund were authorized n raise by way of Lottery, the sum of fifty thousand dollars; one alf of which was to constitute a part of the Literary Fund," and he other half to be paid to A. D. Murphey, Esq. to aid him in is intended publication of the History of North-Carolina. The ects of this act, they have been unsuccessful. Letters were adressed to the principal brokers in the different cities of the Unid States, who had been engaged in purchasing the privilege of otteries, inviting from them proposals for the one authorised by er various reasons to make any proposals, ' The Board believing hat this was the mode in which the Legislature intended that the athority to raise money by lottery should be exercised, and up villing to incur the risk and ecsponsibility of drawing a lottery inder their own superintendence, or that of agents appointed by hem, without the special direction of the Legislature, have de lined to take any further steps in this business. If the General assembly should be still disposed to prosecute this plan, it is respectally suggested that new provisions should be added to those conained in the act of 1825, and such as will readily suggest themelves to your honorable body, to inspire public confidence and mmediately employed in the direction of the Lottery. Upon this subject, as upon every other, this Board will cheerfully per-

well founded. 1st. As to the loss of the fund set spart for common schools. Whether a loss has been sustained by any part of this fund or not, as it was mixed in the hands of the Public Treasurer with the general funds of the State, can only be determined by ascertaining when the defalcation in the Treasury occurred, and when the sums appropriated to the Literary Fund came into the possession of the Treasurer? It is well'known that the act es-tablishing this fund was passed at the wession of 1825. The Board have hereanto annexed a statement, taken from the official records of the Treasury, by which it appears that the first mobies trans-ferred by the Treasurer under this act, were transferred on the S1st October, 1826. By far the largest part of the sum belonging to this fund has been received since that period. It seems to have been the opinion of your Committee of Investigation, and that opinion appears to this Board to be supported by strong circum-stantial evidence, that the defalcation in the Treasdry, from whatever cause it proceeded, must have occured before the Sist October, 1826, which was the close of a fiscal year. If this opinion be correct, it follows as a necessary consequence, that the money lost or withdrawn from the Treasury must have belonged to some other than the Literary Fuel, which then had no existence. The Bourd believe that this simple exposition and comparison of facts satisfactorily shew, that whatever may be the deficiency in the Treasury, no part of the sum lost or abstracted can be properly chargeable to the fund, the investment of which was entrusted to those care. They confidently, however, indulge the hope that this deficiency is mercly temporary, and that the State will sustain no ultimate loss in may of its funds. Other views might be presented on this subject, which the Board, for the sake of brevity, forbear to urge; and they therefore proceed to remark upon the second proposition, that they ought to have taken bond from the person to whom they entrusted the monies appropriated to the Literary Fund. Upon this subject, the Board can only say, that upon an attentive considerati n of the Act, to which they owe their existence, and which prescribes and limits their powers and aluties, they could perceive no authority vested in them to require Balance supposed to be in the Treasury, 1st July, 1828, bonds from any one. The act, while it makes the Treasurer of Probable receipts after 1st July & before 1st Nov. 1828. the State, exoflicio, a member of the Board, and directs him to keep all their accounts, gives them no authority to appoint a Treasurer of their own, nor to withdraw the fund from the Public Treasury, except for the single purpose of investing 't, at their discretion, in some productive stock, with a view to its accumulation, util it should become sufficient for the ultimate object of its apportation. For this purpose, and this alone, the Board believe they were constituted the special agents of the State. Would they not have been justly censurable, if, because the legal right to this fund was vested in them, for the sake of its more convenient management, they had withdrawn it from the hands of the board regret to state, that in their efforts to accomplish the ob- person to whom was confided, by the choice of the imme inte representatives of the people, the custody of the public money of the state, and had taken it into their own possession, or had given it in charge to one appointed by themselves and responsible only to them? As to the 3rd proposition, even if it were true in In both funds on 1st Nov. 1828, his act. To all these letters, answers were returned, declining principle, the Board cannot understand how it is to affect them. vored respectfully to shew, that they had no authority to draw this fund from the Friasury, into which it must originally be paid: but for the purpose of vesting it in stock, it must necessarily remain in the hands of the Treasurer, as Public Treasurer, until such investment is made or directed by them. If the Legislature, whose province it is, have failed to make it a condition of his bond, that he should account for this money, they, and not the Balance in the Treasury 1st Nov. 1828, 'Soard, who had no authority to require any bond, are responsible. But as the Board believe the opinion here alluded to, to be erroneous, they briefly state that according to their views, the money prevent abuses and mismanagement in those who may be more appropriated to this corporation must be received into the Public Treasury, and there kept until this Board, in their discretion, shall direct its investment: that the duty of safely keeping this noney is as strongly enjoined by law upon the Public Treasurer

	Probable Disburses	ents to 1st July.	182
£	Legislature,	836,000	693
2.	Executive Department,	1,031	A. 18
5.	Stat- do.	750	1.10
4	Treasury do.	1,250	859
5.	Comptroller's do.	600	633
	Adjutant General,	200	Sant
7.	Public Printer,	450	100
8.	Judiciary,	19,000	283
9.	Bal. Buncombe Toro, Co.	250	54
	Div. an deferred St. Bank St	lock, 3.856	1.6
	Pensions.	1,000	50
2.	Geological Survey,	250	100
	Supposed appropriation to be	made	2
8	for the sale and finishing th	e sur-	<b>F</b> 3
	vey of Cherokee Lands,	2,000	63.7
4.			1.00
1	1828,	1,008	1.
$\gamma^{(n)}$		P. 18. 18. 18.	

Deduct for cash paid for disbursements since 1st Nev. 1827, to 1st January, 1828, including salaries to the Indiciary for the last fall and all arrearages,

1	Deduct other	appropriations	this session.
1	. Extra printing supposed	to be \$250	10.000
2	Other charges,	500	A. 1997
3	Other charges, Cape Fear appropriation	6.230	and shares
	<ul> <li>C.D. 2010 March 1994 GA</li> </ul>	175 · · · · · · · · · · · · · · · · · · ·	1200 - 12 - 14 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -

Supposed to be in the Treasury, 1st July, 1828,

Pobe applied to the use of Internal Improvements or the Literary Fund. 55,111 85

1. From Sheriffs for taxes, \$67,000

Auctio eers' tax, 450

- Tax on Newbern Bank, 6,337.
- 4. Do. on Cape Fear, do. 5.958

Deduct from this amount the half year's expense for Civil

List from July to Nov. 1828, 24,557 Balance in the Treasury, 1st. Nov. 1828, 110,299 83 If this amount there is appropriated

78,696 50

for Literary fund, \$8,245.50 Of this amount appropriated for Internal improvement, 40,451 00

From this sum deduct for salary paid Engineer in Dec. 1827, 1.175 Deduct for expenses till Nov. 500 Deduct half year's salary, 1,000

De

The amount of the Literary Fund stated above is composed of the 10. lowing items heretofore appropriated: 28,184

- 1. Amount now on hand, 2. Receipts for vacant lands in 1828,
- 3. Dividends on Nav. Co. Stock, two dividends,
  - Dividends on Newbern Bank Stock, at Dec. 1827, 1,077
- 840

ace of the matter mem to d The committee, in examinthem. were not disposed to enter here any refinest specialitions in political e-commy; for they are sens-ible that the object of the resolution submitted to the consideration of the Legisture, and referred to them, may very easily be obtain-ed by a brief examination of the subject, addressed to the reason of the coun-try, and the solud under-standing of that body un-der whose authority they act.

60.537

70.091

8,000.00

62,091 83

6,980 00

55,111 85

79,725 00

134,836 85

78,696 50

11,605 33

2,675 00

18.928 55

4,000

of June, 1828, 1,077

The committee are a-ware that there is no por-tion of the Auserican nea-ple more attached to the Union, and more deeply sensible of the great bene-fits which might be ex-pected to flow from it, con-ducted more the principle. ducted upon the principl upon which it was first formed, than the people of N. Carolina: they have never at any period of our history, even under the strongest political excite-ment, endeavored to embarrass the government the administration of the to whom it was outrasted, otherwise than by the right of suffrage. They inve-seldom expressed a legisla-tive opision upon the mea-sures of the General Government, being at all times willing to give a full and feir opportunity to those charged with the management of public af-fairs of being " judged by their measures." But a crisis has arisen in the po-political affairs of our country which demands a prompt and decisive expression of public opi ion. Under such circumstances, silence would be in justice. to ourselves, and a want of candor to the other States of the Union.

The committee are of opinion, that interest, either pecuniary or political, is the great point of union, from the smallest association up to the confederacy of these United States, and that whenever a system of policy is pursued by the Gen'l Government, which strikes at the very foundation of the Union, it is the right of every member of the confederacy to call their attention to the fundamental principles upon which the government was formed, and if they persist in measures ruinous in themselves, the question may fairly be discussed. whether the checks and balances of the government have not been over-thrown; whether they have been instrumental in producing so operous an cffect, and whether the benefits of the Union are not more than counterbalanced by the cvils. The committee will not assert, that Congress have no power under the consti-tution to lay duties on im-ports, which are intended to operate as a protection to manufactures: they maintain, however, that the exercise of such a power, as contemplated by the Wool-lens Bill, is a direct violation of the spirit of that instrument, and repugnant to the objects for which it was formed. The constitution gives to. Congress the power " to lay and collect tax-s, duties, imposts and ex cises; to pay the debts and provide for the common defence and general wel-fare of the United States; and provides that all duties, imposts and excises shall be uniform throng out the United State-The clear object of 4 lay, ing impost," therefore, was like laying taxes and other duties, to pay the

orm any duty and obey an instruction that you may cribe.

The President and Directors of the Literary Fund, in common cloped and exhibited before you by your Committee of Investigaion. Much as it has affected them from its peculiar circumstances, to well calculated to excite their sympathy, they would deplore it still more deeply, if they believed it could have any indiscuce in rearding the execution of the great plan, which your wisdom has conceived, and in the prosecution of which they are employed as humie instruments. In the accomplishment of this plan, the ardent vishes of every benevolent mind, the hopes of every intelligent pariot are enlisted. Virtue and intelligence are the only sure founlations of a republic, and in proportion as you enlighten the mind. you add new incentives to virtue, and duninish the temptations to vice. The Board are happy to believe, as the result of the anxous inquiries they have made on this subject, that there will be to necessity for any encroachment upon the Literary Fund to sup-

ply the temporary deficiency in the general fands of the State. They beg leave, in elacidation of this opinion, to offer the annexed statement, giving a prospective view of the fiscal concerns of the State for the ensuing year. From this it will be seen that all the dinary expenditures of the government can be met without at all which have devolved on the present incumbent since his appoint interfering with the specific appropriations heretofore made by he Legislature. While however they feel pleasure in presenting this prospect, they assure the Gyneral Assembly, that they will, a directing investments of the money entrusted to their management, take especial care so to act as not in the slightest degree to impede the ordinary disbarsements, or derange the ordinary opcrations of the Treasury department.

The Board having no further recommendations, and no other general views to present at this time to your honorable body, night here close their report. But they feel constrained, by a case of duty to themselves, and of sincere respect for those, unher whom they hold their appointments, to advert to the unfortunete misapprehension which prevails among some members of your honorable body, as to the manner in which the duty of this Board has been heretofore performed. Creatures of your will, called by you to the performance of reponsible duties without oher reward than that which the patriot feels, in the consciousness f contributing to the welfare of his country, with no possible pterest to lead them astray, they had hoped, that even if they ered in judgment, the veil of charity would be cast over their erors. If they have received the censure of any one, they are willing to attribute it to that jealousy of persons cutrusted with he management of monied affairs, which recent circumstances have tended so highly to excite; and to the want of that palient investigation offacts, and of that cool process of reasoning. which the mind in its moments of irritation is unable to bestow; but which is absolutely necessary to bring it to correct conclusions. It is said, 1st. That the whole fund for common schools, amounting to twenty-eight thousand dollars and upwards, has been lost. 2dly. That the President and Directors of this fund were censurable, for not taking bond from the persons entrusted with the keeping of their monies. Aud, 3rdly. That the deficiency in this fund could not be covered by any bond, which has been, or should have been given by the late Treasurer as General Statement of the Treasury as to probable receipts and 'reasurer of the State. The Board believe, that a little reflection will convince every one, that none of these propositions are General Receipts

as that of keeping any other money of the State; that the coudi tion of the bond of the Public Treasurer, as prescribed by the act

with their fellow citizens, deeply deplore the unfortunate defalca- of 1801, is, that he shall faithfully account for the public money ion in the Treasury Department, which has recently been de- and perform the several duties appertaining to his office as Public Treasurer; that the duty of keeping the Literary Fund was one imposed upon him in his official capacity as Public Treasurer; and that even if the bond of this officer had been given before such duty was assigned, yet it has been determined by the Supreme Th Court, that where a public officer gives bond for the faithful disharge of his duties, the condition embraces future duties, which may be superadded by the Legislature. The Board therefore have to doubt, that even if a loss had occurred in the Literary Fund by the default of the Treasurer before an actual appropriation and investment of the money had been made, such loss would have been embraced by the bond of the Treasurer. And in this opinion they are happy to find that they have the concurrence officially expressed of the able Attorney General of the State.

The Board will prolong their report no further than to express heir deep regret that this exposition of their views should have been rendered necessary, and to offer as an apology for the late period at which this communication is made, the long vacancy that existed in the Treasury Department, and the pressing duties ment to that office.

They have the honor to be. With the highest consideration, Your obedient servant. JA. IREDELL, President of the Literary Fund.

Raleigh, 5th Jan. 1828.

A brief view of what the condition of the Treasury of this State will probably be on the 1st July, 1828, and the 1st Nov. 1828. Deposites in bank, Dec. 1827.

	,445				
in the State Bank, 25	,190	85			
n the Bank of Cape Fear, 20	,155	15			
n Bank Notes,	80	00			ĺ.
	,616	80		- 3	
	1	-	85,487	85	
Bank Dividends receivable Dec. 18	27.			27	1
in the State Bank, 2,762 shares, 3 per cent. 8,	286			1	
	.989			14	P
in the Cape Fear Bank, 2,062 do. 2 per cent. 4,	124				
In St. Bank (Literary Fund.) 78 do. 3 per cent.				. 1	L
Dividend e r part of this Stock of June, 1827,	17	50			L
			17,650	50	Ł
				-	U
			103,138	\$5	Ľ
The Dividends on Stock of June, is estimated					Ľ
to be about the same as of Dec. 1827,			17,650	50	ľ
· · · · · · · · · · · · · · · · · · ·					10

Supposed receipts for vacant lands, 1828. Supposed do. Cherokee Lands, Two Dividends of Cape-Fear Nav. Co.

Receipts up to 1st July, 1828,

Expenditures up to the 1st July, 1828.

	Do Do	on Cape I	fear do		1827. 1,40		
	Do		res of St. Bar	to be build and the state of the state	CLUT SHULL HEREIG	and the second second	1
	Do	on Bank &	stock in June	, 1827,	17	7 50	í.
	9	3		1000	58,%	13 50	
		of the Internal In		d is composed	of the follow	ing receip	pLE
		int now on ha				5,000	G,
		ern Bank Stor		Dec. 1827		3,912	
4.	Same			June, 1828		3,912	23
5.	Bank	of Cape Fear	dividends, I	)ec. 1827,	建油油用用	2,716	1
6.	Same	Bank,	1	une, 1828,	10 1 12	2,716	X
					- Deniel Sta	10,451	
	Witten .		20 A.S.		A DATE OF THE OWNER	Contrast Contrast	1150

Statement of the different periods at which the money constituting the Literary fund was received into the Treasury. 1826 Oct. 31 Dividend on 16 shares of Newbern Bank Stock,

	declared January, 1826,	862
"	Dividend on 205 shares Newbern Bank Stock,	1 Sakan
Y	declared July, 18:26,	820
"	Dividend on 235 shares of Cape Fear Bank	0.000
	Stock, declared January, 1826, -	705
**	Dividend on 417 shares Cape Fear Bank Stock,	1000
	declared ruly, 1826,	1,255
**	Tavern and Retailers' tax received this day,	4,109 84
	Auction tax received this day, -	741 04
**	Land entries for the year ending this day,	4,614 07
1827		1000
Feb'y 5	Agricultural fund transferred this day,	8,041 99
Oct. S1	Dividend on 359 shares of Newbern Bank Stock,	
	declared in January, 1827, -	1,436
a	Dividend on \$59 shares Newbern Bank Stock,	
	dechared in July, 1827,	1,256 50
	Dividend on 699 shares of Cape-Fear Bank Stock,	
	declared in January, 1827,	2,079
**	Dividend on 704 shares of Cape Fear Bank Stock,	
	declared in July, 1827	2,112
Oct. 31	Dividends on 150 shares of Stock in the Cape	
	Fear Navigation Company, -	420
	Tavern tax received this day,	5,467 4
**	Auction tax received this day, -	553 6
**	Land entries for the year ending this day,	4,500 \$
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Sec. Sec.		\$5,989 8
The s	um of \$17 50, the amount of a Dividend declared in	June, 189
	shares of State Bank Stock, belonging to the Lite	
were no	ver paid into the Treasury, but remain in deposite i	n that Ba
to the c	redit of the President and Directors.	19-20
An Contest		1.00
DI	PORT RELATIVE TO THE WOOLLENS B	IT.T.
1/1	STORI REMAILTE TO THE TOODLENS D	I AJ MA

120,788 83 4,000-00 The joint select committee, to whom was referred the following 5,000 00 resolution, to wit: 840 00

" Bessfred, That so much of the Governor's Message as relates to the alteration of the Tariff, contemplated by the "Woollens Bill," he referred to a joint select som \$130,628 83 REPORT,

That they have bestowed as much attention to the subject refers red to them, as the time not necessarily devoted to other subjects behrs and provide for the \$150,628 63 of public importance would permit, though they are willing to common defence & general