

EXECUTIVE COMMITTEE

OF

BONDHOLDERS

OF THE

STATE OF NORTH CAROLINA

To the Honorable the General Assembly of the State of North Carolina:

A meeting of the holders of the bonds of the State of North Carolina was held in the city of New York, on December 27th, 1876. Its object was to devise such a scheme or measure for funding the debt as would be acceptable to the people of that State. A plan was agreed upon, and a committee appointed to present it to the General Assembly during the present session. As such committee, and in pursuance of the resolutions under which they act, the undersigned herewith present the case as briefly as the circumstances admit. Before proceeding, however, it is well to state that the speakers at this meeting, without a single exception, expressed the kindest interest in, and sympathy for, the State and its people. They also manifested a commendable willingness to concede to the State all that is reasonable; and to aid the General Assembly and State officials in re-organizing its finances and placing them upon a solid basis.

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the belief that the State would never

invalidate its promises by enacting laws

in any wise repudiating its justly con-

tracted debt, or that would impair the

public credit. The traditions of the

State, as well as its statute law, justified

this confidence on the part of its credit-

ors. Section 41, chapter 82, of the laws of

1848-'49, declares, "That as security

for the redemption of said certificates of

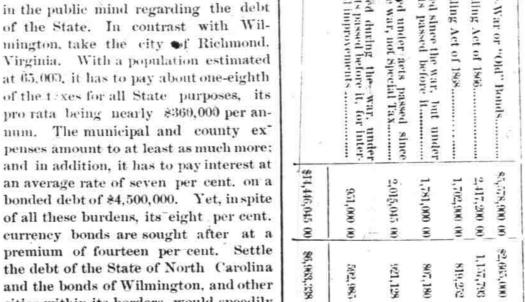
debt, the public faith of the State of

North Carolina is hereby pledged to the

The bonds represented at this meeting were chiefly those which the State has recognized as valid. None but the holders of these bonds were allowed to vote, and the committee represent no other.

In transactions with a commonwealth, it is advisable, in the outset, to define, be worth \$10,000,000. Its bonded debt Bona fide holders have not parted with is placed at only six per cent. of this their bonds, for the reason that they sum, or \$600,000. Its bonds (gold) pay believed the State would, ultimately, eight per cent. per annum, and should redeem its promises. sell freely at a premium of not less than Not including the bonds issued to the ten per cent. Instead of this they are

North Carolina Railroad Company, the selling at a discount of from twenty to holders of which look to that corporatwenty-five per cent. No doubt this tion for payment, the debt on October is, in part, due to the character of the 1, 1876, was as follows : [men who, for years past, have controlled the city government; but the chief the w reason is to be found in the uncertainty in the public mind regarding the debt of the State. In contrast with Wil-



807,180 cities within its borders, would speedily 888 advance to a level with those of Rich-\$21,409 88,243,900 31,574 998 21,529,152 2,588,180 Those who invested in the ante-war 173 bonds, and subsequent issues, did so in

> To settle this indebtedness, the funding scheme of 1874-'75-provided for the issue of new bonds having thirty years to run, and bearing different rates of interest, the average being less than four and one-half per cent. per annum. This rate of interest was, undoubtedly, objectionable to many creditors of the State; but the failure of its proposition resulted almost wholly from the insufficiency of the compromise offered. Ignoring the accrued interest, the State

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proposed to fund the debt on the basis

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holders thereof." This wise provision was confirmed by the adoption of the Constitution of 1868, under which the following:

mire them to pay into the treasury of the State, for the next thirty years, one per cent. of their gross earnings? Tak-

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ing as a basis, the published returns for four years, ending December, 1875, the earnings of the Wilhungton and Weldon, the Raleigh and Gaston and Seaboard and Roanoke railroads amounted to \$4. (00 per mile. These are, probably, th best roads in the State, and should not be taken to determine the earnings of the remainder. It is, however, safe to assume that all the roads now average about \$4,000 a mile per annum. As there are some 1,500 miles of road in operation, this rate would make the gross earnings for the first year \$6,000,-000. Starting at this point and adding five per cent, per annum for increase, a figure by no means extravagant, the fund thus created, if compounded at six per cent. per annum, would, at the end of thirty years, amount to more than \$10,000,000 or the entire public debt funded as proposed. It is possible this suggestion will meet opposition on the part of the officers and stock and bondholders of the railroads. When, however, the matter is fairly explained, they could not reasonably object: first, because of the assistance heretofore given them by the State, and the surrender by it of their securities; and, second, because of the smallness of the tax. That the companies should be compelled, in some way, to reimburse the State for a

portion, at least, of what it has given them, is a proposition needing no argument to enforce it. Whether or not the plan suggested is the right one and can be legally carried out, is not for the committee to say; and they are satisfied with having brought it to the atten ion of the General Assembly.

Compare 1 with other Southern States, a large measure of pro-perity has been enjoyed since the war, by the people of North Carolina. Its income for the year 1870, probably amount of to over \$90,-

bonds were sold and re-sold by brokers. | corporations, and in lieu thereof, re- horses, \$56,80; mules, \$67,34; jacks, the levying of taxes to pay the interest \$55,75; jennets, \$20,20; milch cows, on the public debt. The truth of these hogs, \$1.17, and sheep, \$1.05.

ber 30, 1875. It shows an increase, dur- Not including improvements of, or ad-

hand or on deposit, solvent

\$152,546,023 Total The advance in land was two and one-half cents per acre: but the live stock were rated far below 1874. The increase in twelve months was 542,476 head, of all kinds. To keep the aggregate value as nearly as possible to that of the previous year, it became necessary to reduce the prices. Hence the horses were returned as worth only \$52.30 per head; mules, \$60.85; jacks. \$50,30; jennets, \$17,42; goats, 88 cents; milch cows, working oxen and other cattle, \$6.74; hogs, \$1.03; sheep, 96 cents. It is needless to observe that these figures do not even approximately represent the real value, either of the land or the live stock. Taking the latter at the prices upon which taxes are levied in Virginia, the aggregate would

be \$33,757,865, or \$17,074,769 in excess of the valuation in North Carolina. To guard against misunderstanding on this point, it is well to give, in detail, in parallel columns, the prices both in Virginia and North Carolina: Vo.

Horses, average per \$15.92 head. Mules. 103.83 Milch cows, oxen and other cattle, aver-

working oxen and other cattle, \$6,63; propositions is apparent to every one at all conversant with the affairs of North The last published report of the State | Carolina, and is confirmed by informa-Auditor is for the year ending Septem- tion in possession of the committee.

ing the year, in the taxable value of ditions to the real and personal properthe property of the State, amounting to | ty, it is safe to place the income for the \$12,592,662. Of this sum \$9,345,212 year 1876 at \$75,000,000. The Treasappears to have been added to the per- urer's report shows that he received sonal estate, other than live stock. This from all sources during the year only \$566,274.77, or about three-quarters of

> one per cent. of \$75,000,000. \$15,309,799 11.047.321 The population of the State in 1840. 16,683,096 was 753,419; in 1850, 869,039; and in 1860, 992, 622. The increase in 20 years 43,505,807 was a trifle over thirty per cent., namely 15,35, between 1840 and 1850, and 14,70 from 1850 to 1860. Between 1860 and 1870, the increase was only 78,739,

> > the population then being 1,011,361 and the increase 7.93 per cent. The war, doubtless, caused this marked reduction in the ratio of increase, and it is safe to assume, that, since 1870, it has approximated to that which obtained between 1840 and 1860. This would give the State a present population of not less than 1,150,000. That this ap proximation is rather under than over the mark is shown by the vote of 1876. viz: 233,846. It, therefore, appears that all the taxes for State purposes. during the year just ended, amounted to less than fifty cents per head of population.

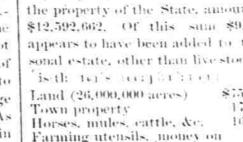
The comparative immunity from taxation so long enjoyed by the people of North Carolina, becomes strikingly apparent when its tax levy is contrasted with that of other States. In Virginia, for instance, the people have been and are now called upon to pay annually for State purposes alone \$2,900,000, During N. C. the past year the taxes for municipal, county and-State uses, amounted to \$52.30 about \$6,000,000. There are, at pres-60 85

ent, about 5,500,000 acres of land under cultivation in North Carolina. while in

atively small percentage, so as to satisfy the 'n crest on but one half of the debt recognized by the State? To adopt measures to this end, and faithfully abide by their provisions, is the initial of renewed prosperity, and re-estab lishment of the public credit of the commonwealth. Until 1830, it ranked fourth among the States of the Union. That its resources are capable of such development as shall restore its of t rank, can not be doubted by any one familiar with its climate, the varied products of its soil, and its inexhaustible mineral riches. Nature has, indeed, contributed her choicest gifts with lavish hand. The soil yields abandantly, Wheat, corn, rye and other cereals, with various kinds of root crops, grow in luxuriance. Tobacco, cotton, rice and flax also thrive: while in cattle and sheep raising the State is second to but few in the l'nion. Its territory embraces more than twelve million acres of the finest timber in the world. Hickory, oak, maple, ash, walnut, lime, pine and spruce are the natural growths of its forests, whose timber products are unexcelled. Its water power is in itself a staple source of wealth, and abounds in all parts of the State, except the coast division. Of the 3,642 manufacturing establishments in operation in 1870, it was estimated that more than 26,000 of the 33 152 horse power requisite, was furnished b. water; and this represents but a small fraction of what the State is capable of doing in that direction. Its mountains and valleys abound in iron, coal, copper, lead, zinc, mica, silver and gold. To develop these resources, and place North Carolina in the front rank of the States of the Union, it is necessary that its finances shall be readjusted and reduced to a system commensurate in score to the

Speaking of the public debt and in support of a measure looking to a partial adjustment of it, some six years

needs of the State.



credits, &c.

	clearly, the relations of the parties	State was re-admitted into the Union.	Ante-War,or \$ \$5,578,900; at 40 pr ct. \$2,231,560	1870, probably amount of to over \$90,-	age per head, 18 95 6,74	Cutivation in North Carolina, while in	tial adjustment of it, some six years	2.000
	thereto. This is but a plain business	Article I, section 6, of this instrument	All later issues) a am tur i are a ana ma	000,000, of which were taken from the		Virginia the acreage docs not reach 3,500,000. The money value of the pro-	ago, the Hon, J. W. Graham truthfuliy	
	proposition, which individuals and cor-	reads as follows: "To maintain the	All later issues 38,867,145; at 25 pr et. 2.216,786 recognized.	soil at least \$70.0.00, 100. A glance at	Sheep, average per head, 2,90 0,96	3,500,000. The money value of the pro-	and eloquently summed up the case in	
1	porations alike recognize. To carry out	honor and good faith of the State untar-	TOTAL, \$14,445,045 \$4.448,346	the returns of the prolasts of that year.		ducts of the son is relatively in lavor of	the manner following: "We often hear	
	this principle in the matter at issue,		This is less than thirty and eight-	is full of instruction.	As appears above, the value of prop.	North Carolina. Taking its products	the cry now, 'Why not repudiate the	
		fore and since the rebellion, shall be re-	tenths per cent. of the principal only.	PRODUCTS OF NORTH CAROLINA, FOR THE YEAR 1870, AS PER CENS.'S RE-	in the second se			
	and its creditors, would be, compara-	garded as inviolable, and never to be	Taking the principal and interest to-	THE TEAR 1840, AS PERCENS SIRE- TURNS,	739 between 1870 and 1874, and \$12,-	to Virginia. As stated above, the taxes		
	tively an easy task were the committee	questioned, &c." And that these might	gether, the per cent is only twenty and		592,662 for the year, ending September	paid by the latter, in 1876, amounted to		
iacteir,	to speak only in their own behalf. The	I not appear to the creditors of the State		Peaks and Beause 338,803	should, to-day, be placed as high as	of the State claim that it has not gained	not cast all our difficulties up in them.	1
	State, and who claim that it is able to	islation and by adequate taxation, pro-	State of North Carolina, it offered its	··· Sweet Potatoes. 3.071,840	\$300,000,000. A careful examination of	at all since the last census. The popu-	a tet ng abay the distant	
	pay in full. On the other hand, it is	vide for the prompt and regular payment	creditors about thirteen cents on the dollar,	Tons Hay, 83.540		lation cannot, certainly, now exceed	1 of conscience and of honor and	
	well-known to the committee that the	of the interest on the public debt, and	These figures explain themselves, and	Bales Cotron, 144,935 Lbs, Tobacco, 11,151,087	other sources of information, justify the	1,300,000. Upon this basis the per capita	In the plain bath of duty to the	
	people of the State, and many of their	after the year 1880, it shall lav a specific	clearly indicate the cause of the failure	" Butter, 4,297,834	committee in m king the appraisement	tax amounts to over four dollars and	we shall be able to overcome all diffi- culties, recollecting that the way to do	
	representatives, plead extreme poverty	annual tax upon the real and personal	and the second	" Rice, 2,059,281	following :	sixty-one cents, which is more than three	I wate is to face them, and not to shot	
	as the reason for the long delay in pro-	property of the State, and the sum thus	of the present funding scheme. The	" Honey. 1,404,040	Improved farms, 5,500,000	times the sum, per head, raised by the	our eves on them I place we	
	viding an honorable and equitable ad-	realized shall be set apart as a sinking	sum offered by the State is, in propor-	··· Wool, 799,667	acres, at \$10 per aure. \$55,000 000	Contractions and and a subject of the second s	1 solve, I see nothing but wandowing in	
	justment of the State's indebtedness.	fund, to be devoted to the payment of	tion to the debt, so small, that a ma-	** Cheese, 75,185 ** Flax, 59,552	Other lands, including tim-	The population of South Carolina was.	the wilderness, until the present conor	
	Between interests and views so diverse,	the public debt."	jority of the bond-holders have preferred	··· Maple Sugar. 21.257	ber and turpentine dis-	in 1870, 923,447, and now numbers,	ation passes away. Let us not fear the dangers and perplexities of the route	č.
	the committee, themselves interested	There can be no doubt that the wise	risking the loss of the whole, rather	··· Wax. 109,054	tricts, 20,500,000 acres at \$2,50 per acre. 51,259,039	probably, 1,000,000. In this respect, it	for we will reap but the greater now of	
1	parties, fully realize the difficulties of		than accede to this plan of settlement.	Galls, Wine, 62,348	Town property, including	is fully fifteen per cent, behind North	10f successfully contending with there	
	their task. They, therefore, bespeak	legislation of the State, and the honora-	At the same time, as stated by the com-	 Syrup. 33,888 (Sorghum) 621,855 	mills and machinery, 45,000,000	Carolina; while, as regards the natural	Let us act with a firm heart trusting	2
1.14	the candid consideration of their views,	ble action of its officials before the war,	mittee in the outset, the bond-holders	" (Sorghum) 621.855 " Molasses, 418	Live stock, farming utensils	resources of the two States, North Car-	we will realize that,	
5 . T	both by the General Assembly and the	did much to establish its credit and	are generously inclined, and ready to	h'ds Sugar, 35	and machinery, 35,000,000		'As after the night looms the sunrise of morn.	4
	holders of the bonds of the State of	enable it to borrow at a lower rate of	close with the State officials upon the	Cranberries,	Cash on deposit, or in hand, stocks, bonds, solvent	olina is incomparably the stronger. The	So out of the gloom, future brightness is born." In similar manner, Governor Kemper,	
	North Carolina.	interest than was offered and paid by	basis of a fair and equitable proposition.	Betterments and additions to	credits and other personal	property of South Carolina was assessed	I III IIIS LAST annual moses as	
	It is not denied by the authorities of	other States. The same may be said of		stock, Estimated worth, \$59,359,635	estate, 50,000,000	in 1874, upon an appraisement of \$141	1 to the debt of the State of Vincinus	ý.
17.5	the State, that nearly all of the recog-	the constitutional provision of 1868,	than the State is able to pay, and they	Estimated worth, \$59,359,635 Orchard Products, \$394,749	Railroad property, 30,000,000	624,925, and the receipts from taxes in	The true way, he says "to remain	4
	nized debt was contracted to aid, direct-	which the bondholders regarded as only	will accept such a compromise as it	Market Garden Products. 48,499		that year, amounted to \$1,712,268	the hin trances to our progress the most	
	ly or indirectly, in promoting internal	the authoritative expression of the estab-	should be willing to concede. Hence,	Forest 1,089,145	Total, \$266,250,000	Hereafter, even under the wisest and	to arouse a vigorous and healthy public spirit and start the commonwealth or a	
a		lished practice of the State.	at the meeting previously referred to.	Home Manufactures, 1.603,513	The entire recognized debt, including	most economical management of its best	new career of development, is by reo	
	improvements. The larger part of this	The holders of the recognized bonds,	resolutions were adopted setting forth	Animals, slaughtered or sold for slaughtering, 7,983,132	interest, is now only eight per cent of this	citizens, the tax levy for State uses will	ganizing our credit, to bruish distance	
114	indebtedness is represented by bonds	do not, however, base their claims	the basis of such a settlement as would	Medicinal Herbs (estimated) 250,000	sum. On the basis of the State Audi-	exceed \$1,500,000, annually. This is	which locks up or drives off capital, and	
	issued more than twenty years ago, to-	wholly upon legal grounds. They also		Fisheries ··· 250,000	tor's figures, it is fourteen per cent. To	about \$300,000 more than, or one and a	prostrates enterprise. While we up	
	gether with the issues under the Fund-	assert the moral obligation of the State		Manufactures, 19.021.327	pay interest even on this percentage	quarter times, the amount which the	know the present depression result from a combination of causes, external	
	ing Laws of 1866 and 1868, whose ob-	to protect their rights and property. It	vided that in any compromise between	Total. \$99,000,000	should not occasion any trouble to the	committee, soggests shall be raised by	and interna, yet it is certain it will	
	jects were, first, to fund the interest	procured their money under laws of its	the State and its creditors, the bonds	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	State. Funded as proposed by the com-	the people of North Carolina.	never be reinedied as forty as the opp	2
1.1	which had accrued previous to and in-	own making, and upon the representa-	to be issued in settlement of the present	In the same year (187), the property of the State was estimated as follows :	mittee, the debt would represent only	Alabama will not compare either in	brium of an overdue and unsettled deta	
21 - P	clusive of the years named; and, second,	tion of its chosen officials. It also holds	debt, should pay interest at the rate of	Real Estate, \$83,322,012		climate, in situation, or in natural re-	shall be subject of criminations and re- proaches betw en the State and its cre i.	
1	to retire a portion of the ante-war	for its own protection, bonds and stocks	six per cent. per annum, the coupons	Personal "	000,000, or less than seven per cent. on	sources, with North Carolina. Yet.	itors. As nothin can somuckly portion	2
	bonds that had then matured. When	of the corporations in whose interest its	being made payable in January and	Horses 102, 763	the State Auditor's valuation of \$152	with a property assessed at \$160,000,000.	the general business and producting	
	the original bonds were placed on the market, the credit of the State_was	credit was given, the amount being,	July at New York and Raleigh, and to	Mules and Asses, 50,684		its true value being, perhaps, \$201.000,-	energies of the p ople so nothing can give the State so much ability to jay	1
		nominally, about equal in value to its	be receivable for taxes and all State	Milch Cows, 196,731 Working Oxen, 45,408	a conservative appraisement for pur-	000, and a population numbering, possi-	full intere t on the d bt as measures	1.0
	rated very high. Its bonds, at one	indebtedness. At the time it accepted	dues. The next resolution states that	Other Cattle, 279.023	poses of taxation would be \$160,000.000	bly, 1,050,000, it has to raise anamally	resolutely providing the means for ite	2
÷.	time, commanded a considerable pre-	these securities, it, doubtless, believed	a just and reasonable compromise, one	Sheep. 463,435	A tax on this sum of seven and one-half	more than would be necessary in North	payment. Prograstination but serves to	: e
	mium, and were regarded as a safe in-	them good. If, afterward, it found	that would be to the advantage of the	Swine, 1.015,215		Carolina, to meet current expenses and	deepen the existing depression, to swell the arrears of interest and lessen the	
	vestment by managers of trust funds,	they were not, then it had the power		Farming Utensils and Ma-		pay interest on a debt of \$10,000,000,	ability to pay. To begin paying renews	
	as well as by some of the wisest private	amply to protect itself. If it failed or	would be fifty per cent. of the principal	Other Personal Estate, \$25,062,643	which is ample to pay the interest at	The taxable value of the property of	confidence and converts improductive	
	capitalists. Many savings institutions	neglected to do so, should it or its cred-	and interest of the acknowledged debt.		six per cent, on a debt of \$10,073,003,	Louisiana is placed at about \$259,090,-	into producti e values, vives a fresh im	8 4 5
11 L	in the city of New York, and elsewhere	itors bear the consequences? But even	In the opinion of the committee,	Total, \$130,378,622		000. The p-pulation in 1870, was 725,-	pulse to all enterprises, and so increases	
1.54	in the Northern States, then became	if it held no security whatever, the	this proposition is as fair as the State	Estimated Worth, \$21,993,967			the ability to continue pavin r. If the requirements of honor did not override	-
	purchasers of these bonds and still hold	State has derived benefit from the in-	has any reason to expect, or should ex-	That this appraisement was made far	this tax could not possibly oppress the	at the present time. The receipts for	all other e-derations, and if it were	
<	them. It is also known to gentlemen	vestment of the capital of its creditors,	act from its creditors. Funded upon	below the true value of the property,	poorest person in the State, yet would	State purposes only, from taxes, licenses.	possible to excipative payment of any of	್ರಾಂ
64	of this committee, that many individ-	incalculably greater than the whole	this basis, the debt would, nominally,	appears on the face of it. A valuation	suffice to re-establish its credit and re-	&c., amounted, in 1873, to over \$4,000,-	our obligations, as it is not. the experi-	
1000	uals who invested in them the savings	amount of the acknowledged debt.	amount to \$10,704,691 50. It is	of the farming utensils and machinery,		000, and will, probably, reach at least	ment of repudiating even the least of them would entail losses upon the people many	
	of years, have been reduced to the		probable, however, that even more	for instance, at \$6,933,967 would be		\$3,000,000 for the current fiscal year.	times greater in amount than the entire	
	most straightened circumstances, some of	Upon these clear and explicit premises,	than the excess over \$10,000,000 would	clearly inadequate, yet this would place		This necessitates a tax of one and one	debt itself. Unquestionably, if expedi-	
	them almost to beggary, by the failure	the bondholders base their claim that	accrue to the State, because of the loss	the live stock, embracing 2,213,259 head			ency alone be consulted the cheapest	
e e e	of the State to pay the coupons as they	the State is bound, both legally and	or destruction of an equivalent amount	of all kinds, at the insignificant sum of	the second	subline reasons and the state of the state o	and easiest, as well as the only way to get rid of the delat, is to pay it off."	
2 B	came due, and to make some adequate	morally, to maintain the inviolability of	of the bonds heretofore issued. The	\$15,000,000, or \$6.80 per head. But,		cents per head of total population, which	Truer words were never attered by	>
1. 2. 3	provision for the settlement of the prin-	its pledges to those who have trusted it.	committee, therefore, deem it perfectly	conceding the correctness of the above	in the second second second second	is about thread and thread opention the	statesman and, in their application they	
1.5	cipal. The committee are in a position	This, they hold, is due them, and, also,	safe to say that the recognized debt,	values, it is clear that the rate of taxa-	part not part not real	and the second	are universal. To apply them to the	
	to state, that a large percentage of	the people of the State, the full and	funded as proposed, would not exceed	tion, in past years, has been out of all	and to reason in an unity eight cents		debt of North Carolina is manifestly not only the part of wisdom. but the clear-	
	these bonds is still in the hands of the	rapid development-of its resources being	\$10,000,000. Is the State able to pay the	proportion to even this low appraise-	The second	Carolina	est dictate of interest. Todafer a satie	1.10
1	original purchasers or holders.	retarded wholly by reason of the dis-	interest on this sum, and provide a sink-	ment of the property of the State.	raken together, the municipal, county		factory solution of all the questions no-	
	Having great faith in the future of	credit which so long has vitiated the	ing fund sufficient to cancel the princip-	The census of 1860 placed the taxable	and State taxes aggregated about one	Extravagance and utter disregard of	der discussion must be fraught with	
	the "old North State," many holders of	character of its bonds.	al within a period of thirty years? This	value of the real and personal property			disaster to the good name of the State and to the welfare of its people: while	
	the ante-war and funding bonds, also	In view, however, of the prevailing	question, the committee will endeavor	of the State at \$292,297,602, and the		m 1.1	to provide for the liquidation of the	
3	invested in the several issues made since	financial depression, and general	to answer by a careful analysis of the	true value at not less than \$360,000,000.	about eighty-five cents, and for State	T	public debt is, in the langua e of His	
Se	the war Without their assistance the	shrinkage in values, it is claimed that	to answer of a careful analysis of the	To 1070 the militation of stated above	uses but a trifle over twenty-five cents on	Louisiana, North Carolina, also, has	Excellency, Z. B. Vance, to restore its	

State never could have established its fine railway system, which has aided so largely in developing its resources, and which cannot fail, under intelligent supervision, to place it, ultimately, bath in wealth and general prosperity, among the greatest in the Union. Unfortunately, the State now rests under the cloud of virtual repudiation, even of its justly contracted and recognized indebtedness. With this incubus removed, and its finances re-established upon a sound basis, its credit would improve rapidly, fresh capital could be obtained upon reasonable terms, to complete old and inaugurate new improvements, both State, corporate and individual.

At present, however, the public lebt hangs over the State like a pall, crippling its industries, and reflecting discredit upon the individual citizen, as well as upon towns and cities, whose development is greatly retarded by their failure to secure, at fair rates of interest the assistance of outside capital. The city of Wilmington has a populadealings in the bonds of the State have tion of about fifteen thousand people, not, for several years past, averaged and real and personal property said to \$50,000 per month, and that the same

the war. Without their assistance, the shrinkage in values, it is claimed that the State can not now, nor for a long period to come, pay all its indebtedness Recognizing this fact, the bondholders very generally signify their readiness to accept a compromise which shall be fair and honorable for the State to tender them. In this connection, it is hardly necessary to suggest that the funding proposition, under the law passed by the General Assembly in the session of 1874-'5, was not such as the bondholders had reason to anticipate, nor such as they could legitimately accept. That this is true is evidenced by the fact, published by State Treasurer Jenkins in his last biennial report, that only \$506,400 of the entire debt was offered for adjustment. Possibly, this proposition of the State was based upon the extremely low prices at which its bonds appeared to be selling in New York. These quotations were merely nominal, and represented transactions of only a few thousand dollars, in many cases but a single bond. It is safe to say that the

to answer by a careful analysis of the true value at not less than \$360,000,000. taxable value of the property and resources of the State. Heretofore, the railroads of the State have not borne their legitimate share of the taxes. Discrimination in their favor is unjust, first, to the people of the State who have already been called upon to contribute many millions of dollars toward their construction; and, second, to the creditors of the State, their money having gone to enrich these corporations. The committee, therefore, would respectfully suggest, that where no charter or other legal obstacles are in the way, the railroads be assessed in the same manner, and pay the same rate of tax, as the other real and personal property of the State. In this connection, the committee deem it advisable to refer to the bonds

and stocks of railroad and other corporations, now held by the State, as security for the assistance rendered them. These securities have been earning nothing, and, for a long time to come, are not likely to bring anything into the treasury of the State. In view of this, would it not be well to return them to the several

as stated above. In 1870, the valuation, was only \$130,378,622, a sum altogether too low, even after making generous alowance for the emancipation of the slaves, and the destruction of property by the war, or resulting from it. The State Auditor; in his report to the General Assembly, for the year ending September 30, 1874, raised the appraisement to \$139,953,361. That this was far below the real value is clearly demonstrated by an examination of the items composing the sum named. They are as follows : Land, (say 26,000,000 acres) \$74,489,707

Town property 16,414,319 Horses, mules, cattle, &c. 14,888,740 Money on hand or on deposit, solvent credits, 34, 160, 595 farming utensils, &c.

\$139,953,361 In this appraisement the lands, including between five and six million acres under cultivation and the improvements thereon, are valued at an average of only two dollars, eighty six and one half cents per acre. The live stock were rated on the same basis. The

\$100. This valuation may appear too suffered in this regard, but very lightly high, but impartial and well-informed indeed, in comparison with the other statisicians regard it as only about seven- States named. The committee can, and ty-three per cent. of the true value. What do, sympathize with the people of thes ever difference of opinion there may be States. Several members have had-to in this respect, there can be no room to share with them the losses entailed by doubt that the taxes. for many years corrupt legislation and dishonest offipast, paid by the people of North Caroli- cials. But, while they denounce both the na, have been lower than in any adjacent wrong and the wrongdoers, the Commit-State, or even in the Union. Nor is any tee are justified in directing attention argument necessary to prove their abil- to the fact, previously stated, that, comity to meet any, and all demands, in the pared with either of the States mentionmatter of taxation, which may be im- ed above, the people of North Carolina posed to pay the interest on the recog- have been singularly, if not unjustifianized debt of the State. bly, exempt from taxation, in view of

Has the State gained or lost, advanced the obligations resting upon them in the or retrograed during the past six years? matter of the public debt. Speaking Residents, many of them natives, and for themselves, and in behalf of the all tax-payers, admit a tendency to im- holders of the recognized bonds of the provemant, and great progress in the State, the committee show their apprehealthy re-establishment of all kinds of ciation of the circumstances of the peeindustry, and in the development of the ple, and sympathy for them, by volunnatural resources of the State. Its pro- tarily agreeing to accept in full settleductiveness has been greatly enhanced ment of their claims one-half of the since 1870; the people have gained in sum which the State admits is justly education and intelligence, but not ma- due them.

terially in prosperity by the failure of Is it, then, unreasonable to ask that the General Assembly to provide for the tax levy shall be increased by a rel-

credit to its ancient standard will also attract emigration toward the State whose domain is so grandly diversified and nich in hidden treasure .--Capital will a so seek the State, and, securing the purpose: of the investors n awarding them a sure and satisfactory return, will hasten the development of its natural industries. So long, however, as the present uncertainty exists regarding the status of the public debt; so long as special pleadings of poverty are indulged : so long as an honorable compromise with its creditors is delayed ; just so long will the depressing influences of the past and present rest upon the State.

The Committee, therefore, appeal to the members of the General Assembly in the hope and confidence that by united co-operation such a measure will be devised as shall be satisfactory both to the creditors and to the people of the State.

WILLIAM J. BEST, Chm'n., WILLIAM LUMMIS, Sec., GEORGE T. BONNER, ANDREW KEVAN, THOMAS FOULKE. WILLIAM G. CHITTICK. Committee. N. B .- Communications may be ad-

dressed to the Committee at the Office of Mechanics' and Traders' Savings Institution, New York Cit-.

Total,

average price per head was as follows ;