# The Semi-Weekly Sentinel.

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## THE SENTINEL.

REMARKS OF

### W. H. S. SWEET, OF CRAVEN,

*Before the Senate, Friday, Jan. 28th, 1869 on the report of the Joint Select Committee on Bribery and Corruption.*

MR. PRESIDENT:—In one of his impassioned orations, exposing the arch conspirator against the liberties of his country, the great Roman orator paralyzed the Roman Senate with the exclamation, "*ubi sumus.*" Where in the world are we?

"Where in the world are we," and whither are we drifting, are interrogations which constantly obtrude themselves upon our attention.

I ask the indulgence of the Senate, for the purpose of imparting a brief history of this investigation, and the considerations suggesting it, in so far as it may have emanated from me. In doing so, I may appear to indulge in remarks that have little relevancy to the subject under consideration.

Their pertinency consists in the fact that they relate to important public measures of doubtful policy and wisdom, all of which have contributed to influence my action by magnifying, and individualizing, and quickening a sense of official duty and responsibility.

The public mind has, for some time, been deeply agitated with foreboding of financial ruin. There is a wide spread apprehension that our State credit, which once challenged the unbounded confidence and generous pride of every citizen—imperilled by its extravagant use—stands tottering upon the brink of its grave.

When the authority conferred by existing and maturing legislation to issue bonds is exhausted, our public debt will have become more than $43,000,000. This debt sustains to the aggregate property of the State the same relation that a debt of five hundred millions, would to the assessed valuation of property in the State of New York. When we consider the increased productive capacity of property in New York, the comparison is still more suggestive. In twelve months, authority has been given to add $30,000,000, to the indebtedness of North Carolina. In other words, during the year 1868, a year of profound public peace and tranquillity, the debt of the State has been increased more rapidly, in a relative sense, than the immense debt of the United States was increased during any equal period of our late terrible civil war—a war in which there were under arms and rallying around the flag of our country, more than one million patriots, who had to be supplied with Quartermasters stores, and Commissary stores, and artillery, and small arms, and horses, and all the paraphernalia of mobilized troops.

The very flood-gates of expenditure seemed to have been opened full and wide, yet the debt of North Carolina, in less time than the earth requires to traverse its orbit, has been made to constitute a larger proportion of the assessed valuation of property within her borders, than the national debt thus enlarged into proportions inconceivably great, does of the property within the United States.

To defray the expenses of this government and pay the interest—maturing during the repose of night, as well as the activities of day—will require ten thousand dollars every twenty-four hours. I know that honorable members of this General Assembly have advocated, in a conscientious way, the passage of bills which have produced this astounding result. There has been a wild enthusiasm upon the subject of internal improvements, which amounts to a species of monomania, and cannot but retard what it seeks to advance. A gentle and steady breeze, filling the well spread canvass of our argosy, will waft us onward much more safely and expeditiously than the destructive gale which comes up from the tropics.

There is an all pervasive feeling that our bonds have been distributed with so lavish a hand, that the redemption of our promises, if at all possible, will demand, for several generations, all the money that can be earned by the sweat of poor men's brows.

The uniformity of success attending the efforts of Railroad Companies to obtain our bonds, has created a wide-spread fear that, regardless of the wishes of our people, the escutcheon of North Carolina will be tarnished by inevitable and enforced repudiation.

In connection with most of her sons, I would avert such a direcalamity. If the night of repudiation ever settles upon our great commonwealth, it will be with our noble Ship of State as described in the ancient Scandinavian ballad of "the King of England's son."

"It was in south a piteous sight,
The ship broke up in bits that night."

May we never be overwhelmed in so great a disaster; but if it should come, the marble shaft erected at the tomb of our plighted faith, will have chiseled upon its face, the warning inscription

"The broad highway to poverty and need,
Is much to build, and many months to fill."

The facility with which the bonds of the State were secured, soon occasioned a large influx of appropriation bills. Railroad Companies with little, if any paid in capital stock, and some with only a paper existence, found as little difficulty in exchanging their bonds for those of the State, as did those companies whose roads were partially constructed and in operation such as the Wilmington, Charlotte & Rutherford R. R. Co. and the Western N. C. R. R. Co.

I believe these are the only two roads having sufficient merit, in the judgment of a majority of our people, to justify an enlargement of our debt to secure their early completion. Upon these two roads, the resources of the State should have been concentrated in order that our Seaboard and the Mississippi, and even the Pacific, might be wedded at the earliest possible moment, in bonds of iron never to be broken.

If the agricultural, commercial, manufacturing and mineral resources of North Carolina are ever aroused from their lethargy, and made to throb in an active and profitable existence, it will be by establishing an artery through which the youthful and vigorous States that are moving westward with an irresistible march, can pour into our sluggish system, their healthy and life giving blood. Recuperation and rejuvenation will then dethrone the desolation and darkness that now reigns supreme.

But, sir, dispersion, instead of concentration, of our limited resources, will, I fear, postpone this happy event. Several companies, transported with equine joy at the brilliancy of their success, cried out, like Oliver Twist, for "more," and "more" bonds were thrown into their lap. The eagerness to secure the passage of their bills, was surpassed only by the celerity manifested to [illegible]

The popular alarm created by this unprecedented enlargement of our public debt was soon aggravated by reports which speedily obtained circulation and credence, that our bonds to the amount of millions of dollars had been exchanged for Railroad bonds and mortgages which were informal, defective, invalid and worthless, because of omission of formality in the execution and registrement of public law. A reputable citizen [illegible] ly interested in the State sent me a letter [illegible] them and an investigation.

If there is a difference of opinion in regard to the wisdom of issuing bond and cent loans at a time when our State is in default on outstanding obligations, I believed there would be, and I think there now is, unanimity of sentiment as to the importance of securing such an examination as will be conferred by these investigations, that if securities taken by the State prove worthless, the worthlessness shall [illegible] formality of execution. Accordingly, I prepared and introduced in the Senate a resolution calling for a Select Committee of three Senators to investigate the extent and the manner in which, at a loss, to issue certain bonds had been exercised by the Treasurer."

The Senator from Rowan, so justly important, as he must have been aware of his position, as I was of his, in the closing minutes of the intensely important session, as a substitute, a joint resolution, which was accepted as such, and has passed both Houses, created the Joint Select Committee whose report is now under consideration.

These are little more than impotent expressions. They cannot do justice to investigations into frauds of bribery and corruption of members of this General Assembly. During the discussion prior to the adoption of these resolutions, I frequently heard of "putting the dagger upon the use of dollars and cents for the purpose embarrassed."

It will be charged, that the inquiry was had a two fold purpose [illegible] exercise of powers conferred upon the Executive officers, and the other relating to rumors of bribery and corruption.

Your attention is now invited to a portion of the evidence as relates to the [illegible] of this investigation.

The act to amend the charter of the Williamston & Tarboro Railroad Company, ratified Aug. 17th, 1868, authorized the Treasurer of the State, upon certain conditions, to exchange the bonds of the State for those of the Company, to the amount of $200,000. The bonds of the Company were required by said act to be secured by a mortgage upon all the property of the Company.

The Company has received the bonds of the State, but the State has not received the Company's mortgage, as required by the act.

The Treasurer has accepted what purports to be this mortgage, but what in law cannot be enforced.

It is absolutely worthless, unless, by permission of a United States revenue officer which can only be obtained within a few months, the penalties of violated law, remitted.

The United States Internal Revenue law requires that it should have upon it $400 of Revenue Stamps, and that as the Company, for this evasion of the law, has incurred a penalty of two thousand dollars, mortgage instamped, [illegible] worthless than the paper upon which it is written.

This unstamped mortgage was accepted by the Treasurer before he obtained the opinion of the Attorney General. The fact that he took the note of the company for the amount of stamps pending such opinion does not save the State from the penalties of violated law. I desire to refer to this same question in connection with another Railroad Company.

The act to amend the Charter of the Chatham Railroad Company was ratified Aug 13th, 1868. This act authorized and directed the Treasurer of the State, upon certain conditions, to exchange the bonds of the Company, to the amount of 2,000,000. As in the preceding act, so in this, the bonds were required to be secured by a mortgage upon the property of the Company. The Treasurer of the State has parted with the $2,000,000 in our bonds but he has not received an enforcible mortgage upon the property of the Company. The instrument purporting to be a mortgage upon the property of the Company, is rendered worthless by the United States Internal Revenue Law, because of the omission of stamps which should have been affixed to the amount of $2,000. The testimony of the Treasurer, (see page 6, of report) shows that he issued this $2,000,000 bond to the Chatham Railroad Company on the evening of October 19th, 1868, of the morning of October 20th, 1868, while his letter to the Attorney General (see page 28, vol. No. 1,") shows that he did not request the opinion of the Attorney General upon the question of stamps, until November 28th, 1868, or thirty nine days after he accepted the unstamped $2,000,000 mortgage.

That opinion will be found on page 29 marked "*A No. 1*." It is as remarkable as it is laconic. I request Senators to read it, and to reflect how summarily it disposes of a question in which the interests of the State are involved to the amount of millions of dollars.

Here it is, written on the very day the opinion was sought.

STATE OF NORTH CAROLINA,
ATTORNEY GENERAL'S OFFICE,
*Raleigh, N. C., Nov. 28, 1868.*

*Hon. D. A. Jenkins, Public Treasurer:*

SIR:—In my opinion, the bonds of the Chatham Railroad Company, delivered to the State, do not require stamps. Also, the mortgage to the State by said Road, does not require revenue stamps.

Respectfully,
WM. M. COLEMAN,
Attorney General.

This opinion was transmitted to the Secretary of State, with the request to replace the mortgage.

The act expressly required that the mortgage should be *registered*—not *delivered* for registration, but *registered*, in the office of the Secretary of State as one of the conditions precedent to the issue of our bonds to the Company. The Company has had possession of our bonds nearly four months, and the mortgage is not registered yet, unless it has been done very recently.

The Secretary of State evidently regarded it his duty to protect the interest of the State, and not to promote the high office for the benefit of voracious Railroad Companies. He refused to register the mortgage because it was unstamped. Notwithstanding the opinion of the Attorney General, he refused to register the U. S. Revenue Law required the mortgage to be stamped by a process as plain and explicit as can be expressed in language. If Senators refer to the law, they will see [illegible] it can be [illegible] there is such a perversion of terms [illegible] mortgage, executed by a public officer, on behalf of the State, means the same as a mortgage to a public officer.

The Secretary of State requested the opinion of Hon. E. A. Rollins, Commissioner of Internal Revenue, Washington, D. C., by letter, dated Jan. 7th, 1869. This letter will be found on page 31 of the report and marked "B. No. 2." The reply of the Commissioner is dated Treasury Department, Office of Internal Revenue, Washington, Jan. 11th 1869. It will be found on page 32 of the report and marked "B. No. 2. It is as follows:

"SIR:—In reply to your letter of the 6th inst., that the mortgage of the Chatham R. R. Co. securing a loan of State bonds, should be stamped at the usual rate of mortgage, being fifty cents for every five [illegible] or fractional part thereof secured. It does not come within the exemption of Sec. 154, Act of 1864, amended July 13th, 1866, as it is *not* issued by State officers.

"If the mortgage secures $2,000,000, it requires stamps to the amount of $2,000.—It would be illegal to record it unless duly stamped, either in the Register's office, or that of Secretary of State, as required by law. Very respectfully,

JOHN E. RISLEY,
Deputy Commissioner."

Mr. President, you will pardon a little digression. I cannot withhold a recognition of the patriotism and integrity which these transactions have evinced in the Secretary of State. North Carolina needs such disinterested officers, and her generous people will bestow upon him the plaudit, "well done good and faithful servant." He is to be admired who, having carefully and conscientiously determined his duty, does not allow personal abuse, vindictive attack, [illegible] any of the baser passions of man to deter him from his honest convictions of duty.

Now, this act to amend the charter of the Chatham Railroad Company, requires that for the $2,000,000.00 in State bonds so parted with by the Treasurer, shall have as a security the mortgage of the Company for 200,000,000, upon all the property of the company, between the junction of their Road with the Western Railroad and South Carolina State line.

Now a view of common sense would require that the Company should own at least some property between those points to be the execution of the mortgage. A mortgage is a "conveyance of property, upon condition, as security for the payment of a debt, or the performance of a duty, and to be void upon payment or performance." It is a full and complete conveyance, with a proviso, rendering it void upon certain conditions. It conveys a defeasible title. It has usually been considered necessary for a man to own property before he can convey it, either absolutely or conditionally, but in this instance, the Treasurer of the State has been persuaded to accept a mortgage literally upon air, the property of the Chatham Railroad Company between the points indicated, whereas, in truth, as appears from the testimony of the President (see page 13 of the report,) the Chatham Railroad Company does not own a single ground sand between those points, the Company's State President now working on the fourth line of survey."

It can appear, Mr. President, that if the [illegible] mortgage had been duly and sufficiently stamped and registered in the office of the Secretary of State, it would have been worthless, because purporting to convey by mortgage deed certain property which has no existence.

It is no answer to this objection, that the Company *intend* to purchase property between those points. I would not give a bagatelle for title in fee simple to any man's intention. Death, or a change of purpose may defeat intention.

The ownership of property between the points designated is required as a condition precedent to the mortgage, and the mortgage as a condition precedent to the possession of the State bonds, as well by a fair construction of the act, as by the law of common sense; but, were there room for any doubt, the old maxim "salus populi est suprema lex" should have required it.

The Treasurer ought to have given the *State*, not the *Company*, the benefit of any doubt he may have entertained. His doubts on the question of Internal Revenue Stamps should have induced him to say to the Chatham Railroad Company: "Gentlemen, having satisfied me that this mortgage covers what it purports to—property of your company—you must produce the best possible evidence that the Internal Revenue Law of the United States does not require it to be stamped, and that evidence is the opinion of the Commissioners of Internal Revenue, Washington D. C."

In other words, he should have acted just as a careful and prudent man would in reference to his own affairs. What sane man would loan money to his neighbor upon a mortgage executed by his neighbor upon the plantation of another neighbor. The attempt to enforce a lien thus sought to be created, would be as fruitless as an attempt to reap a whirlwind. Yet this is the present character of a $2,000,000 mortgage now on deposit in the Treasury.

Is it not time that the representatives of the people should interpose their authority to protect the interests of the State?

I acquit our Treasurer of any desire to act in these matters to the advantage of these companies and to the detriment of the State. I believe he is sinned against more than sinning. I believe it is all to be attributed to the tenacity and pertinacity and indigestible taste of parties to obtain possession of our bonds at the very earliest moment, and to evade the payment of a tax imposed by a law of the United States.—It is, however, no less our duty to discover and rectify errors and omissions, so fatal in their character, and involving the interests of a poor and tax burdened people, to the amount of millions of dollars.

The act to provide for the employment of convicts and the erection of a Penitentiary, was ratified, just as our first session was expiring. Sec. 10 of said act, reads as follows, viz: "Sec. 10. In order to provide a vote for the purchase of a site and property for the Penitentiary, and for the erection of the same, the Public Treasurer is authorized and required, when requested by the Committee named in Sec. 10, or by said Board, to issue bonds not less than par, bonds of the State, not exceeding in the aggregate two hundred thousand dollars ($200,000,) of the denomination of one thousand dollars each, ($1,000) dated 1st October, 1868, and payable thirty years thereafter, bearing six per cent. interest per annum, payable semi annually; with coupons thereto attached, which shall be signed by the Treasurer, and countersigned by the Public Comptroller, at such place in the city of New York as the Treasurer may select, and shall be delivered to the Board, upon their order, in such amounts as may be required for the purchase of said site and property, and for the erection of said Penitentiary, and the Treasurer is authorized and instructed to inform the Board, at their first meeting, of the place so selected for the payment of said bonds and coupons, and the Board shall have the same printed in such form as they may deem most advantageous to the interests of the State, and to be signed by the Governor, and countersigned by the Public Treasurer, and sealed with the Great Seal of the State.

The purchase money for said site and property shall be payable on the warrant of a majority of said committee, approved by the Governor, and issued to contractors for building the Penitentiary, shall be payable on the warrant of a majority of the said Board, approved by the Governor."

On November 10th, 1868 two requisitions were made upon the Treasurer by the Committee, one in favor of Col. J. M. Heck for $56,000 in State bonds, (at par) and the other in favor of D. J. Pruyn for $44,000 in State bonds, (at par (see page 9, of report.) The title to the property, for which the State has paid $100,000 in her bonds, comes from D. J. Pruyn, at this division of the consideration into $56,000 and $44,000 indicates that $56,000 was the amount Pruyn paid Col. J. M. Heck a few hours before transferring title to the State, and that $44,000 is the amount he made in this speculation.

Now, what authority had the Committee to make a requisition upon the Treasurer for those bonds, and what authority had the Treasurer to respond to such requisition? The authority, if anything there be, is conferred by section 10, of the act. But that section, as explicitly as language can do, requires the Treasurer—when requested by the Committee named in section 1, or by said Board—to *sell*, that is the word, to sell the bonds at not less than par for the purpose of creating a *fund*.

Now, if these $100,000 in our Penitentiary bonds were *sold*, they were not sold by the *Treasurer*, as the act requires, but by the Committee who had no right to sell them. They made their requisitions upon the Treasurer for *bonds* while the act expressly provides as follows: "The purchase *money* of said *site* and property shall be payable on the *warrant* of a majority of said Committee, approved by the Governor, etc."

Again, if *sold*, they were not sold at par as the act requires, but at sixty five cents on the dollar, for the consideration *expressed* in the *deed*, to $65,000, and this *fact* cannot be overcome, or the mandates of the act be evaded by the phraseology of a requisition.

The bonds were not only disposed of by an unauthorized party, at an unauthorized price, but, also, in an unauthorized manner. The language of the act is "*to sell* for not less than par." The verb "to sell," is of frequent occurrence in the business affairs of life. It has, in common parlance, but one meaning, and this meaning is the only one it has etymologically or technically—Our lexicographers define it as follows, viz.

"To deliver, part with or dispose of for some equivalent in money, to vend, correlative to barter, which implies an exchange of one commodity for another."

These bonds, then, were not *sold* but *bartered*. As showing that the term to sell was purposely and properly used, the act provides that these bonds shall be sold to "create a fund;" that is the word—and that out of this "fund," "money" shall be drawn by "warrant," for the purchase of said "site and property."

The testimony of the Treasurer shows not only that the State received no money for the bonds, but that J. M. Heck and D. J. Pruyn were paid $100,000 in the Penitentiary Bonds by requisition upon the Treasurer, dated Nov. 10th, 1868 (see page 9, of report,) while it was not until Dec. 3rd, 1868, some twenty three days thereafter, that the State obtained title, when lo and behold, instead of a deed with covenant of warranty, it was merely a quit claim deed, with description clauses, so vague and indefinite as to render it exceedingly difficult, if at all possible, to locate the 8000 acre tract.

I will not comment upon this transaction further than to observe, that outside influence has stamped its impress upon the whole affair, from inception to conclusion.

I deeply regret that honorable gentlemen, who ever have commanded my confidence, and who do now command my confidence, should have reposed so much faith in those who were working out these nefarious results in so bold and brazen a manner.

I now desire to present to the Senate the last subject embraced in the first branch of this investigation. The first session of this General Assembly commenced July 21st, 1868. It will be remembered that "the *per diem* and mileage of members and officers were not determined until after the middle of the session. Before the compensation of members and officers was determined, it will also be remembered that the Treasurer of the State kindly advanced money to members on account, and continued so to do until he announced an exhaustion of funds.—I then sought an interview with the Treasurer, for the purpose of ascertaining upon what terms he could negotiate a temporary loan. He informed me that he could borrow $100,000 for ninety days at the legal rate of interest. I immediately prepared and introduced into the Senate, the following joint resolution, which was ratified Aug. 3rd, 1868:

"*Resolved*, (the House of Representatives concurring) That the Treasurer of the State be authorized to negotiate a loan, not exceeding $100,000, for ninety days, at the legal rate of interest, to meet a temporary deficiency in the Treasury."

Several days *prior* to the ratification of this resolution, the Treasurer had stopped all payments to members, for the reason before stated. Several days *after* the ratification of this resolution, I ascertained that D. J. Pruyn—the gentleman who made $44,000 of our bonds in a few hours, in the Penitentiary transaction—had opened an office in an ante-room of the Senate gallery, and was quietly buying the warrants of members, at a discount of 5 per cent; of course a legitimate transaction, so far as Mr. Pruyn was concerned. Here was the inception of a promising speculation which, if carried out to its conclusion, would have abstracted from the pockets of members of this General Assembly little less than $5,000. Its success depended upon the conjunction of necessities of members and a depleted Treasury.

These circumstances, in connection with the delay to negotiate the aforesaid loan, after authority, which the Treasurer had informed me would suffice had been conferred upon him,—induced me to prepare and introduce into the Senate, the following joint resolution, viz:

WHEREAS, The Treasurer of the State was authorized, by a concurrent resolution, ratified Aug. 3rd, 1868, to negotiate a loan, not exceeding $100,000, for 90 days, at the legal rate of interest, to meet a temporary deficiency in the Treasury; therefore,

*Resolved*, the House of Representatives concurring, That the Treasurer of the State be requested, and instructed to inform the General Assembly, without delay, whether such loan has been negotiated, and if not negotiated, whether additional legislation is necessary to enable him to negotiate the loan authorized by the aforesaid concurrent resolution."

Immediately upon the ratification of this resolution, we were informed that the loan had been negotiated. The speculation of Mr. Pruyn, upon the necessities of members, was thus nipped in the bud. Now, what is the evidence relating to this transaction? It may be found upon page 8 of the report.

The Treasurer of the State testifies that Mr. Pruyn "talked to him about making some money. He did not remember the language, specially, at the time. He thought, though, that the spirit of the language *they* had was about certificates, as members were pretty hard up and would be willing to pay something to get."

He testifies moreover, that he cashed the warrants, that Mr. Pruyn discounted, *before* he negotiated the $100,000.00 loan, and in as much as members did not submit to the exactions of Mr. Pruyn until the Treasurer discontinued payment, the warrants which Mr. Pruyn discounted, must have been cashed while payment to members in person was refused. Payment to members in person, was resumed, immediately upon the satisfaction of the joint resolution of Aug. 13th, a resolution which indicated a purpose in the General Assembly to know the reason why Mr. Pruyn could draw money from the Treasurer upon members warrants purchased at a discount, while members, "in *propria persona*," could obtain no money from the Treasury. The Treasurer testifies that Mr. Pruyn, never proposed to divide the profits with him.

It is remarkable that Mr. Pruyn, or any other gentleman, should have been permitted to interpose himself between the representatives of the people and the Treasury Department, and discounting warrants of members at 5 per cent, step right into the Treasurer's office with them, and receive payment in full.

I now invite the attention of the Senate to the latter branch of this investigation—that relating to the bribery of members of this General Assembly.

About the time this investigation was inaugurated, a Senator, in whom I have great confidence, informed me that he could prove that a Senator had received money for his services as a Senator. He did not give me his name, neither did I request it, because I was fearful that a knowledge of the name might affect the discharge of what impressed itself upon me as a high public duty. About the same time, I accidentally saw a draft for $1200, made by Milton S. Littlefield, upon Sautter & Co., 53 William Street, New York City, dated Aug 20th, 1868, and payable to the order of A. W. Stevens. None but the kindest relations ever existed between Mr. Stevens and myself, and those personal considerations had to be overcome by a controlling sense of duty to the State.

I knew the activity displayed by the maker of the draft in favor of Railroad appropriation bills; an activity which secured for him the facetious sobriquet of the "Chairman of the Third House." I knew the maker of the draft had known Mr. Stevens but a few weeks before, I knew he endorsed his note to enable him to borrow $50 and I knew that the draft was dated just at a time when Railroad bills were under consideration, and I knew that the maker of the draft had known Mr. Stevens but a few weeks. I was as well satisfied that it was given in consideration for influence as a member of the General Assembly, as if Mr. Stevens had frankly confessed that it was thus given. The charges which I made were based upon these two cases.

I propose to analize the case of Mr. A. W. Stevens. The analysis is designed to develope the intent of the parties to the $1,200 draft.

The testimony of Mr. Seymour (see page 95 of report) shows that Mr. Stevens has not such credit as would enable him to borrow money on his own paper, without endorsement, as a commercial transaction. This militates against the assumption that it was an ordinary business transaction, which Stevens, himself, testifies it was.

In our capacity as jurors, we must determine the degree of credibility to which each witness is entitled, and as circumstantial evidence is sometimes stronger than direct and positive, so circumstantial evidence is frequently strong enough to overcome direct and positive statements made under oath. Mr. Stevens testifies that he gave his note for six months, at the time he received the draft.

The extent to which Mr. Stevens is interested as a person charged with a serious offense, is to be kept constantly in view. I anticipated that an attempt would be made to give the transaction a business phase, but I reflected that the most glaring case of corruption could be treated in the same way.

I presume that several Senators, shortly after this investigation was inaugurated, were told, at least, I was, that Stevens had paid the money borrowed Stevens now testifies that he gave his note for six months, at the time.

Since the report was made, a gentleman of the Committee informed me that while Stevens was testifying to this effect, he paid to avert his face, for he believed, and, his belief was founded upon his own personal knowledge, that Stevens swore to a falsehood. His regard for a friend induced him to withhold his information until the report was made.

Another circumstance tending to disprove the assumption that it was a *bonafide* loan, is the fact that it was not paid, by the parties in New York, upon whom it was made, but by Littlefield himself, in Raleigh, in three installments, viz: one in September, one in October and the third in November. This draft was dated Aug. 20, 1868. The Journal of the House of Representatives for the first session, shows that the *only* Railroad appropriation bill for which A. W. Stevens voted during that session, was the act entitled an act to amend an ordinance to incorporate the North Western N. C. R. R. Company." This act appropriated about $400,000.00 of our bonds.—Stevens voted for it; it passed Aug. 19, 1868, and the next day Stevens got the draft for $1200.00 on New York, from the Chairman of the "third House." The Journal of the House of Representatives for this session, shows that Stevens has been an unswervering supporter of all appropriation bills the current session. Here then is the *effect* of the draft, and it consists another and a very strong link in the chain. The effect of the transaction whether it is regarded as a gift of a loan, is such as would make it constitute bribery. A member can be bribed as well by a loan of money, as by a gift of money.

It is a remarkable fact, that the eminent historian Bancroft, while representing the United States at the Court of St. James, having been allowed access to several public offices in London for the purpose of historic research, found the original manuscript of an official Message of Arthur Dobbs, Governor of North Carolina, dated December, 1757. In this dispatch to the home government is a curious record of (in the language of Gov. Dobbs) "Mr. Starky, the Treasurer, who governs many in the Assembly by loaning them money." Thus it appears that bribing members by loans, either gift loans or genuine, is not of recent origin in North Carolina.

It is of very little importance whether the $1,200 draft was a loan or a gift. The all important question is, was Mr. Stevens bribed by the transaction? I think I have as lucidly shown the effect it had, and shall rest upon his legislative course.

Now, who is the maker of this draft?—Milton S. Littlefield. Stevens testifies (see page 18 of Report,) that he presented the draft for payment at the banking house of Vose & Sautter & Co., and payment was refused on the ground that, although Mr. Littlefield did his banking business through them, he then had no funds there.

And yet, about the time that Littlefield's draft upon Sautter & Co. was dishonored, he gave his draft for ninety days for $60,000 to the President of the Chatham R. R. Company, as the President testifies (see page 14 of Report) for $100,000 of State bonds, which he agreed to sell him at the $2,000,000 loan bill passed, for his (Littlefield's) services as an attorney in effecting the passage of said bill.

The President of the Chatham R. R. Co. testified that he could not say whether he had known Mr. Littlefield one or two years; yet he takes Littlefield's draft at ninety days for $60,000, and without endorsement, in any one, so credulous as to believe that the $60,000 draft is ever to be paid, or was ever intended to be paid?

Milton S. Littlefield is the gentleman who gave bond and security for $3,000 to the proprietor of a saloon for keeping the small room in the Capitol, now occupied by the keeper of the capitol, well supplied with cigars, wines and liquors, while Railroad appropriation bills were under consideration last session. It is doubtful was paid by the holder of it, to Cavanaugh, of New York city, for billiard tables, and by him presented to the payer. Payment was refused, whereupon the draft was remitted to this city and sold to a capitalist here at a heavy discount.

Do any people believe that the $60,000 is to be paid, or that anybody will be disappointed because of its non-payment? The facts I have stated in regard to the $2,000 draft are not in evidence, because I have been informed of them since the report was made. My informant is a gentleman who is cognizant of the facts.

It now remains for me to advert to the case of the Senator from Rowan: On the Saturday before the Committee reported, I called upon the gentleman who had assured me that he could prove that a Senator had received money from an individual for his services in the Senate, and informed him that I was ready to investigate the charge, and desired to know the name of the Senator, and the name of the witness by whom the person implicated, and the Senator from Caswell as the witness by whom the charge could be sustained. Although several Senators seem to have previously heard of these names in connection with this charge, this was the first time I had heard these names in this connection.

On the following Monday the Senator from Rowan arose in Committee and expressed a desire to make a personal explanation. I had not yet summoned Senator Stevens, and I do not think the Senator from Rowan knew of my intention. The Senator stated, substantially, what he repeated in the presence of the Senate subsequently. He confessed that he at first intended to prevaricate in reference to it, because, while he did not accept the $20 from the Senator from Caswell for his vote on the Senator's resolution for *per diem* and mileage, nor as a bribe, yet it was improper for him to have taken it and his motive could be easily misconstrued. Upon reflection he had concluded to voluntarily relate all the facts and circumstances.

The Senator has frankly admitted that it was wrong for him to have taken it for any services as Senator. The degree of culpability is the only question for the Senate to determine, and, I submit it to you with the belief that you will exercise such a spirit of forbearance as the mitigating circumstances, in your judgment, seem to justify.

I will not weary the Senate by detailing the extent to which my questions were not allowed, by a majority of the Committee, to be answered, or the unprecedented refusal to allow me the exercise of the undoubted right, to make such questions a matter of record. In order that the General Assembly might judge of the propriety of not allowing such questions to be answered.

I have no doubt but that that majority discharged their onerous and unpleasant duties as conscientiously as did the minority. In conclusion, I have only to say, that from the inception to the completion of this investigation, it has been my earnest desire to preserve the honor and maintain the good name of North Carolina! I have endeavored to

——"Nothing extenuat,
Nor set down aught in malice."

For those who have sought to heap reproach upon me, through the press or otherwise, I have only a reference to the evidence, and the protection of silent contempt. It has afforded me an opportunity of determining by personal experience the extent to which a man is made strong by the consciousness of right. "Thrice is he armed, that has his quarrel just." The labors of the Committee have been protracted and arduous, and would have terminated more satisfactorily if all the witnesses summoned, had been obtainable.

The investigation into the manner of exchanging bonds with Railroad Companies cannot but largely conduce to the welfare of the State, in view of the fact, that existing and maturing legislation authorizes the exchange to the enormous extent of more than twenty five millions of dollars.

To this unparalleled enlargement of our public debt, I have continuously entered my solemn protest; but if it is decreed by the powers that be, the interests of the State should be shielded by all the protection which can be extracted from our legislation.

Because of this expansion of our debt, I believe, and I say so with reluctance and regret, that the good ship of State is in the breakers. She is striking heavily upon the rocks, if she is kept afloat and safely rescued from the perils which encompass her, it will not be by magnifying her cargo and enlarging her canvass to the gale, but through the mercy and kindness of Him who painted the wings of the butterfly and instilled the fragrance of the rose.

Upon an unbroken succession of rich harvests from His bounteful hand, conjointly with wisdom in the management of our finances, depend all the consolation that can attach to hope.

## TELEGRAPHIC.

### FROM WASHINGTON.

WASHINGTON, Jan. 30, M.

Gen. Canby writes officially, from Texas, in effect that the scheme for dividing the State is about abandoned, and predicting that the Convention will soon complete the Constitution.

### CONGRESS.

WASHINGTON, Jan. 30, M.

SENATE—Stewart, of Nevada, made a personal explanation denying the charges of doubtful practices on his part regarding the McGehearan case.

House—The Suffrage amendment is up.

### FROM RICHMOND.

RICHMOND, Jan. 30, M.

Heavy rain and thunder storm this morning at 2 o'clock. The lightning struck in two or three places, in the city.

The total number of bankrupt cases in Virginia, up to date, is 4,298.

### FROM WASHINGTON.

WASHINGTON, Jan. 30, P. M.

The Reconstruction Committee heard witnesses regarding Mississippi.

Reports regarding Virginia, Mississippi, and Georgia, are expected next week.

### CONGRESS.

WASHINGTON, Jan. 30, P. M.

SENATE.—Stewart's Constitutional amendment came up but was pushed aside for appropriations for a Military Academy, Naval and Invalid. Appropriations with Senate amendments reducing the amount to four millions passed. The Senate then adjourned.

House.—A bill allowing Deputy Collectors and Assessors to full pay while acting as Chiefs passed.

A joint resolution, amending the Constitution, was adopted: yeas 150, nays 42.

The House then went into a Committee of the Whole.

A resolution was introduced, reducing the time for naturalization to one year.

The House then adjourned.

### FROM GEORGIA.

SAVANNA, Jan. 30, P. M.

Forty-one of the Ogeechee prisoners have been committed for trial, on charge of the insurrection. Thirty-one were discharged.

### CONGRESS.

WASHINGTON, Feb. 1, M.

SENATE—The bill referring the claim of the Kentucky University damages, during the war, was tabled.

Several petitions from Georgia, for relief from rebel oppression, were presented.

House—A Bill allowing government clerks ten [illegible]

WASHINGTON, Feb. 1, M.

The Supreme Court is delivering opinions.—None affecting the South, as yet, propounded.

### FROM WASHINGTON.

WASHINGTON, Feb. 1, P. M.

The Peruvian Monitors will leave Pensacola this week.

Several Indian bills strengthens the belief that the Committee favor the erecting of the Bureau into a Department.

The Reconstruction Committee named Payne, Norris and Buck as a sub-committee to consider the report on applications for the removal of political disabilities.

The Supreme Court has decided that it is the duty of Assessors to reduce coin returns to currency and person or company making coin returns are liable to tax on the amount thus reduced to currency, and that income tax is not a direct tax by a duty or excise and as such obligatory and valid.

### CONGRESS.

WASHINGTON, Feb. 1, P. M.

House—The following bills was introduced and referred:

Regulations for the sale of bonds and bullion; preventing States from collecting illegal imposts, including tax on Railroad passengers; making the President's salary one hundred thousand; paying Lincoln's widow and children seventy-five thousand; giving the Greek Government possession and title of two Monitors, *Miantonom* and *Agnadaw*; granting aid to the San Diago Railroad; construction of the Southern Atlantic, Gulf and Pacific railway.

The bill allowing Clerks ten per cent additional was tabled by a vote of 79 to 74.

A resolution admitting the Dominican Republic as a Territory of the Union was tabled by a vote of 110 to 9.

A resolution was adopted ordering the arrest of S. C. Ariel, for refusing to appear before the Election Fraud Committee.

A resolution suspending the payment from alleged irregularly employed Revenue officers in Philadelphia, passed.

A motion for evening sessions, to consider the tariff, was carried.

The House then adjourned.

SENATE.—More female suffrage petitions were presented.

Numerous business men of New York, protest against foreign vessels carrying U. S. Mails.

The Committee on Indian affairs reported in favor of the indefinite postponement of the bill transferring the Indian Bureau to the War Department.

A bill authorizing the Secretary of Interior to fit up a store room for preserving the models in the Patent Office was, after some discussion, passed. It authorizes the Secretary of the Interior to rent a building for storage, and the destruction of models older than seventeen years, which have not been patented.

The Senate then adjourned.

### FIRE.

WILMINGTON, Feb. 1, P. M.

The Livery Stables owned by R. H. Grant, and occupied by Sutherland and Stegall was burned to-night. In tearing down the shed the following persons were injured: John Banken, left leg and several ribs broken; Geo. Hooper, leg broken and internal injuries; C. Havel, thigh broken; Sol Hose, arm broken. Edward Story and Col. Jno. J. Hedrick received slight injuries; Archibald McCallum, internal injuries. All are well known citizens, and all members of the Hook and Ladder Company, except McCallum.—It is hoped that none are fatally injured.

The flames still progressing, the absence of the wind will probably enable the Firemen to confine it to the stable and a few adjoining buildings.