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

Before the Senate, Friday, Jan. 29th, 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 paralized 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 forebodings 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 peace and tranquility, 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 current expenses of 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 widespread 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 dire calamity. 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 sooth 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

"That broad highway to poverty and need,
Is much to build, and many mouths 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 welded 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 gypsian 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 avidity manifested to obtain possession of the bonds.

The popular alarm created by this unparalleled 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 non-conformity to the express and specific requirement of public law. A regard for the deeply involved interest of the State seemed to demand an investigation.

If there is a difference of opinion in regard to the wisdom of generous and munificent loans at a time when our State is in default on outstanding obligations, I believe there would be, and think there now is, unanimity of sentiment as to the importance of securing such an exercise of authority, conferred by these loan bills, as that, if securities taken by the State prove worthless, the worthlessness shall not result from informality of execution. Accordingly, I prepared and introduced into the Senate a resolution calling for a Select Committee of three Senators to "investigate the extent and the manner in which, if at all, authority to issue certain bonds had been exercised by the Treasurer."

The Senator from Rowan,—entirely ignorant, as he must have been, of my resolution, as I was of his, until within a few minutes of the introduction of mine, offered as a substitute a joint resolution, which was accepted as such, and, having passed the two Houses, created the Joint Select Committee, whose report is now under consideration.

These resolutions were more comprehensive than my own. They called for an investigation into rumors of bribery and corruption of members of this General Assembly. During the discussion provoked by these resolutions I promised to "locate" or "put my finger upon" the use of dollars and cents for the purpose indicated.

It will be observed, that this investigation had a two fold purpose, one relating to the exercise of powers conferred upon State Executive officers, and the other relating to rumors of bribery and corruption.

Your attention is now invited to so much of the evidence as relates to the first branch of this investigation.

The act to amend the charter of the Williamston & Tarboro' Railroad Co., 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 $300,000. 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 civil officer, which can only be obtained within a few months, the penalties of violated law, are remitted.

The United States Internal Revenue law requires that it should have upon it $300 of Revenue Stamps, and declares that the Company, for this evasion of the law, has incurred a penalty of two thousand dollars, and that the State, for receiving the mortgage unstamped, shall never be allowed to introduce it in evidence. It is therefore worth less 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 amount of stamps pending such opinion, does not save the State from the penalty of violated law. I desire to recur to the same question in connection with another Railroad Company.

The act to amend the Charter of the Chatham Railroad Company was ratified Aug. 18th, 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 loan to the Chatham Railroad Company on the evening of October 19th, 1868, or the morning of October 20th, 1868, while his letter to the Attorney General (see page 28, "*A. 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 register 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 prostitute his 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 believed the U. S. Revenue Law required the mortgage to be stamped by a provision as plain and explicit as can be expressed by language. If Senators refer to the law, section 154, act of 1864, they will find that it can receive no other interpretation until there is such a perversion of terms that a 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 31 of the report and marked "B. No. 2." It is as follows:

"*Sir:*—I 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 hundred dollars, 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 services, 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, malice, hate, or any of the baser passions of man to swerve him from his honest convictions of duty.

Now, this act to amend the charter of the Chatham Railroad Company, requires that before the $2,000,000.00 in State bonds are parted with the Treasurer shall have in his *possession* the mortgage of the Company for 2,000,000, upon all the property of the Company, between the junction of their Road with the Western Railroad and South Carolina State line.

Now the law of common sense would require that the Company should own at least some property between those points before 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 become void upon payment or performance." It is a full and complete conveyance of title, 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 all the property of the Chatham Railroad Company, between the points indicated, whereas, in truth, as appears from the testimony of its President (see page 13 of the report,) the Chatham Railroad Company does not own a single grain of sand between those points. In the language of their President, "the Road is not definitely located; we are now working on the fourth line of survey."

It thus appears, Mr. President, that, if this $2,000,000 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 voracity and pertinacity and indecent haste 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 FUND 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. 1st, or by said Board, to SELL for 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 therefor attached, principal and interest payable at such place in the city of New York as the Public Treasurer may designate, said bonds to be signed by the Governor, and countersigned by the Public Treasurer, and sealed with the Great Seal of the State.

The purchase *money* of said site and property shall be payable on the warrant of a majority of said Committee, approved by the Governor, and dues 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, and 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 requisitions? The authority, if any 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*, is $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 not a single requirement of sec. 10 in said act as to the disposition of the bonds, has been complied with, but also, that J. M. Heck and D. J. Pruyn each 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 1st, 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 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 ratification 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 Treasury 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 evidently saw a draft for $1200, made by Milton S. Littlefield, upon Soutter & 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 that the payer of the draft had a short time before filed his petition in bankruptcy, and I knew that a few weeks before, I had 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 25 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 moths, 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 had 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 *bona fide* 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 unswerving supporter of all appropriation bills the current session. Here then is the *effect* of the draft, and it constitutes another and a very strong link in the chain. The effect of the transaction whether it is regarded as a gift or 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 dispatch 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 *quasi* 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 satisfactorily shown the effect it had, and still has, 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 Messrs. Soutter & 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 Soutter & 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, if the $2,000,000 loan bill passed, for his (Littlefield's) services as an attorney in aiding 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. Is any one so credulous as to believe that this $60,000 draft is ever to be paid, or was ever intended to be paid?

Milton S. Littlefield is the gentleman who gave his draft 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. This draft 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.

Does any one 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 charge could be sustained. He gave me the name of the Senator from Rowan as 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, not 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 judgement, 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 extenuate,
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 perfection 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 been still 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 exchanges 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 old 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 unfurling 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 bounteous hand, conjointly with wisdom in the management of our finances, depend all the consolation that can attach to hope.

MARRIED:

At the Market Street Church, Petersburg, Va., on the 27th inst., by the Rev. W. E. Judkins, Mr. T. MORTIMER FLEMING and Miss DORIE ALLEY, both of Raleigh, N. C.

DIED:

At his residence, near Smithfield, on the 25th ult., Capt. H. B. WATSON, of the U. S. M. C.
☞ Norfolk papers please copy.

MISCELLANEOUS.

☞ A Bushel of Apples Sells for ☜
☞ more than a Bushel of Corn! ☜

WE ARE PREPARED TO SUPPLY
APPLE TREES,
in large or small quantity, upon short notice.
W. H. JONES & CO.,
Auction & Commission Merchants.
Raleigh, Jan 14-tf

VENI! VIDI!! VICI!!!

IT HAS NO EQUAL!

G. W. GAIL & AX'S
CELEBRATED
SCOTCH SNUFF,

IS PRONOUNCED BY ALL AMATEUR DIPPERS TO BE THE BEST SNUFF IN THE MARKET.

TRY IT! TRY IT!! TRY IT!!!
And be convinced of the Fact.

Ask for it and take no other, and see that it has our name on it.

For sale, in Raleigh, by
W. H. Jones & Co., G. T. Stronach,
W. C. Stronach & Co., R. F. Heathram & Bro.,
R. K. Ferrall, L. H. Adams,
Henry Fendt.

NOTICE.—The high reputation that our Snuff has attained has induced certain manufacturers to imitate our trade mark. The quality of our Snuff does not lay in the trade mark, but the superior quality of Tobacco that it is manufactured of.

G. W. GAIL & AX,
Jan. 8 3m. Baltimore.

Notice.

ON THE 18th day of February, A. D 1869, at the Bookstore of J. H. Ennis on the corner of Fayetteville and Morgan Streets, in the City of Raleigh, N. C. and in accordance with the provisions of a Deed in Trust executed to me by the North Carolina Publishing Company, on the 10th day of May, 1867, I shall proceed to *sell*, at public Auction, to the highest bidder, on a credit of six months, a very valuable lot of Sheet Stock, and unbound copies of the North Carolina Law Reports, viz: Taylor and Conference Law Repository and Term; Haywood, Martin, Devereux, Murphy, Hawks, Iredell, Jones and Busbee's Reports.

Also, at the same time and place, and upon a like credit, an additional number of the said North Carolina Reports, not included in said Trust, will be sold by me as Administrator of H. D. Turner, deceased.

W. S. MASON,
Raleigh Jan 27-td Trustee, Adm'r, &c

Dr. and Mrs. Lacy's School for Young Ladies.

THE SIXTH SESSION of this School will commence on Wednesday, 10th February, 1869. Instruction given by competent Teachers in the Higher English Branches and Mathematics, Ancient Languages, French, Music and Drawing. Special attention paid to the smaller girls. SIX PUPILS can be received into the family as boarders.

Payment half in advance. Circulars sent on application. Jan. 2 3awtd

NEW ADVERTISEMENTS.

A YOUNG LADY OF PETERSBURG, Va., desires to obtain a situation as TEACHER, in a private family or in a School. In addition to the ordinary English branches, she teaches Latin, French, Mathematics and Music.

She refers by permission to Rev. Churchill J. Gibson, President W. T. Davis, S. A. Plummer, Esq. or to the undersigned, to whom application may be made

JOHN HERBERT CLAIBORNE.
Feb. 2-1w

The Franklin Brick Machine
THIUMPHANT OVER ALL OTHERS.

BUILDERS, MASONS AND BRICKMAKERS, Come and see it make the most and best Brick at the least expense of any machine ever made. Is worked by two horses or by steam power. Its equal as a pressed brick maker is not known. I defy competition. J. H. RENICK, No. 71 Broadway, Room No. 28, New York. feb 2-3taw

APPLICATION WILL BE MADE TO THE General Assembly of N C. now in session, for a charter of incorporation of the "Old North State Insurance Company." Feb. 2-tf

BANKING HOUSE OF JAMES DAWSON,
WILMINGTON N. C., Jan 28, '69.
WANTED.—Town of Wilmington past due Bonds and Coupons. More than market price paid.
ISAAC B. GRAINGER,
Feb 2-6t Cashier.

Notice.

THE LARGE NUMBER of orders we are receiving for SHELL LIME has caused unavoidable delay in filling many orders during the last two weeks. But with increased facilities, we will, after this week, be able to SHIP WITHOUT DELAY, ORDERS FOR ANY QUANTITY. Price $7,50 per ton of 2,000 lbs.
Cash orders solicited.
J. B HUNTER & CO.,
Gen. Com. Merchants,
Feb 2-3t&1tw Portsmouth, Va.

M. H. PINNIX,
ATTORNEY AT LAW,
LEXINGTON, N. C.

Will practice in the Courts of Davidson, Forsythe Guilford, Alamance and Randolph Counties. Also in the District and Supreme Courts and Courts of Bankruptcy.

Refers to Hon. R. M. Pearson, C. J. of N. C., Raleigh; Hon. E. G. Reade, R. P. Dick, and Thos. Settle, Associates S. Court; Hon. Bedford Brown, and John Kerr, Yanceyville; Hon. J. R. McLean, and Thos. Ruffin, Jr., Greensboro'.
Feb. 2-tf

VALUABLE REAL ESTATE FOR SALE.

On Tuesday, the 9th of March next, (being Court Week) I will sell to the highest bidder, for cash, in the Town of Troy, Montgomery Co., N. C., the following property, viz: The Hotel now occupied by T. C. Halton, known as the Troy Hotel and the offices and other buildings attached thereto, and several Town Lots. Also 300 acres of arable and mineral lands in the immediate vicinity.
C. H. RUSH,
Feb. 2-4t Rush's Mills, N. C.

To Printers.
A Half-Interest in the Daily and Tri-Weekly Times and Weekly News Office for Sale.

I WILL SELL, to a practical Printer and experienced Newspaper man, a half-interest in the "Times" and "News" office. The Daily and Tri-Weekly are liberally sustained, and the "Weekly News" is prosperous and growing. A good JOB OFFICE attached. If well managed, in so prosperous and growing a city as Charlotte, the office will be very profitable. A small amount of cash will secure a half-interest.
R. P. WARING,
Feb. 2-tf Ed. and Pro.
☞ Our brethren of the Press will confer a favor by giving a few insertions.

W. H. & R. S. TUCKER & CO.

1869. 1869.

IMPORTANT TO THE
Wholesale and Retail Trade.

TO REDUCE THE REMAINDER OF OUR WINTER STOCK, we will sell Men's, Women's, Boys and Girls' Dry Goods, Shoes, Hats, &c., at a

GREAT REDUCTION.

All wool French Merino at $1; Cotton and wool DeLaines at 20c.; Prints, Bleached and Unbleached Domestics, a LARGE STOCK, bought in our THIRD PURCHASE in December, before the rise in Cotton, which will be sold in proportion to the prices THEN PAID.

The price of our goods in Raleigh, are as low as the same goods can now be purchased in New York.

Thousands are coming to Raleigh to buy goods now, who never bought here before, because Dry Goods Groceries, Hardware, &c., are sold lower in Raleigh than any other place. Then come to Raleigh to buy, and buy your Dry Goods, Hats, Shoes, &c., at
Feb 2-tf W. H. & R. S. TUCKER & CO.

THE CONNECTICUT MUTUAL LIFE INSURANCE CO.,
ACCUMULATED ASSETS OVER
$23,000,000.00.
ANNUAL INCOME,
$7,500,000.00.
Policies in Force Over 60,000.
FOR EVERY $100 OF LIABILITIES, IT HAS $154 OF ASSETS.

THIS COMPANY has proven to be the CHEAPEST, BEST AND MOST RELIABLE in the country, because it has the largest Income, largest number of Policy holders, largest surplus of Assets over Liabilities, its dividends to policy-holders have been larger than any other Company, and ratio of expenses less; therefore being the cheapest and best Company for the insured.

The great clamor against the assessment of premium notes or their deduction from the policy in case of death, does not apply to the Connecticut Mutual, for, judging the future by the past, the dividends will cancel the premium notes whether the party lives or dies.

The Connecticut Mutual Life Insurance, has been doing a safe and increasing business for the last twenty-two years. It does not deem it necessary to make GRAND PROMISES of what they INTEND DOING but will insure persons on any plan desired, and all its policies are non-forfeiting for a stated amount after two or three payments.

S. D. WAIT, General Agent,
Jan 16-d&wif Raleigh, N. C.

THE COTTAGE HOTEL.

THIS HOUSE IS NEAR THE CENTRAL DEPOT, RALEIGH, N. C.

It is now being refitted and furnished for the accommodation of the traveling public.

TERMS:
Good Board at $2 per day.
On longer time as per contract.

Do you wish to save the expense of Omnibus and Drays? Then come to the COTTAGE HOTEL.

Do you wish to save all anxiety of "being left" by the Train? Then come to the COTTAGE HOTEL.

Do you wish GOOD FARE, A CLEAN BED, and a QUIET PLACE? Then

Come to the 'COTTAGE HOTEL.'

Miss MONROE wishes simply to suggest that having been connected with the management of the EXCHANGE HOTEL, of this city, for a number of years, during the palmy days of its former prosperity, she flatters herself that she shall be able to give satisfaction to the patrons of THE COTTAGE HOTEL!
Jan 6-3t&1w

NOTICE IS HEREBY GIVEN, THAT APPLICATION will be made to the present General Assembly of North Carolina for a bill incorporating W. T. BAIN LODGE, A. Y. M., in the County of Wake. Jan. 21-3t