

## GOVERNOR'S MESSAGE.

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

You, the Representatives of the sovereign people, are again assembled in accordance with the requirements of the Constitution to legislate for the interest of our constituents, and it is my duty to give you such information and make such recommendations as may be deemed expedient.

It affords me the most sincere gratification to be congratulated the people of our State upon their greatly improved condition during the year, now rapidly drawing to a close. In that time an abundance of all the products of our soil have enhanced their labor, the prosperity and thrift are to be seen on every side, following close in the wake of industry and enterprise, and that a better time is everywhere manifested among our people, who are fast becoming reconciled one towards the other. For these and kindred blessings, let us devoutly thank the benevolent Giver of all good gifts, and strive to make ourselves, as a great State, worthy and deserving of them.

### OUR FEDERAL RELATIONS.

As preliminary to other recommendations, I deem it proper to call your attention to the relations of the State with the National Government; which, since the late war, have been in some respects changed by amendments to the Constitution of the United States, and have, in other respects, become more difficult than formerly, requiring deliberation and consideration in shaping general legislation upon a variety of subjects. The material interests of this country are greatly involved in this subject than is generally supposed. Until good order and quiet are restored and assured within our borders, the immigration, enterprise and capital, which are flowing into less favored regions, cannot be turned to us, and every branch of labor and business must continue to languish. Until the State and its people are amicably led to accord with the National Government, there will continue to exist apprehensions of political trouble, affecting the interest of capital, and produced a disinclination to invest in our section or to seek a residence among us. Without this it must be many years before we can hope to recover from the calamities through which we have passed, and be relieved from the embarrassments which now weigh so heavily upon the people. This generation may pass away before any valuable progress is made in the vast internal resources of our borders, which might be made to spread wealth and prosperity, where now there is only misery, gloom and desolation. It will not suffice to the cause in the past, nor animal exert upon the existing elements adverse to the practical exercise of that high order of statesmanship, which making due allowances for the passions and follies of men, looks only to the present and future good of the community, and aims at beneficent results to the whole, rather than the triumph of one class of ideas over all. But for as far as may be, the criminal and reprobates of the troubled times in which we ought now to emerge, may now be forgotten in a united effort to make the best of events, and conform to the requirements of accomplished facts. A new order of things is established. The means, and the conflicts of opinion, feeling and interest, through which it has been established, can no longer wisely come into question, or be allowed to influence the action of the chosen representatives of the people, in adopting measures for their relief and government, in leading and giving tone to the popular sentiment, upon which is based, whether all, the good order, character and welfare of the State. There is much to be forgotten on all sides—much of injustice to be forgiven—much sorrow for mistaken impulse, for the blindness of ambition, for the discredited state of our country. It will be happy for N. C. Carolina, if her newly chosen Legislators can, with determined purpose, turn their backs upon much of the past, and steadfastly deal with the situation in a practical, but honest and statesmanlike manner.

By the fourteenth amendment to the constitution of the United States, every citizen of North Carolina is expressly declared to be a citizen of the United States, and the national government is expressly invested with power to protect him in his rights as such. The State government cannot take those rights to him, nor sustain his protection, except by the authority of the national authority.

The State cannot deny to any citizen, or to any individual citizens, the equal protection of the laws, either by act of commission or omission, without subjecting itself to such supervisory, and remedial action of the National government, as must necessarily be imprudent and troublesome, and reflect more or less upon local interest and upon society. You will doubtless agree with me, that every interest, and every feeling of our people, point to an avoidance of all occasion for such interference, and that it is the highest duty of the legislature, candidly and in good faith, to shape legislation to this end. We cannot deny that a failure of the State authorities, in too many glaring instances, to protect citizens, mostly of a certain class, from systematic and organized outrage upon their persons and property, has furnished occasion for the interpretation of the National government to the effect that the State is guilty of aiding and abetting such acts of violence and injustice, and such interference.

It is no subject upon which any man could accomplish, so much, and inspire such immediate confidence, and attain such valuable results, as the management of the perplexing and difficult questions connected with the State debt.

The question should be dealt with, with our any relation to party politics, and totally independent of all party considera-

tions. All classes of citizens are equally interested in its proper solution.

The interest of capital and labor are alike involved. The property holder and the laborer bear to the same relations. The debt is a burthen, no less upon the laborer than upon the property of the State.

The taxes are paid from the products of labor, and enter an entire interest into all contracts between the owners of property, who occupy it, use it, or render it productive, by the sweat of the brow.

The honor and character of the State is like-wise the common property of all classes and conditions of its people.

In the management of financial questions, not only party considerations, but all jealousies between classes, all animosities engendered by political strife or the unfortunate events of civil war, and all else that may be calculated to per-

petuate wise and judicial action should be laid aside, or subordinated to the common interest and honor of the State.

The bonds of the State, representing the old debt, as well as those representing the obligations incurred since the war, are of various classes, each bearing a different market value, at present. The bondholders of one class may not feel that their interest is identical with that of the holders of another. Legislation, not well considered, or inequitable, might seriously damage the present relative value of the classes, and further complicate and embitter the whole question. Too great care cannot be observed in the initiatory steps that may be taken, should it be deemed to take any action at all upon the subject.

Those and other troubles are in the way of the suggestion that new bonds be authorized and offered. It is not likely that such a proposition, coming from the State, would meet with any success at all.

Besides, the State, by some means, is a greater or less debtor, the old order of things.

Political parties have been, and are still engaged in the unwise and unprofitable contest for power under the auspices of such feelings and impressions of fact, false, and erroneous, that will be followed by the heartfelt regrets of a

life time. Political leaders have participated in such feelings and hopes of gain and success, and used them for their own purposes. Thus for seven years has our State been distressed, and diverted from its true interests; society has been lowered in tone; individuals demoralized, and personal bitterness between neighbors and former friends engendered by recent strife, pride of caste, a humiliating sense of lost power, and an ill-founded hope of restoring, by some means, to a greater or less degree, the old order of things.

Political parties have been, and are still

engaged in grave legal questions, involving, if not the entire amount of their debts, certainly the amount that the State is under any moral obligation to pay. In some cases, the question of delivery, and or

fraud has arisen. In some, the amount advanced by the State, and the circumstances attending their sale, are important considerations for consideration. Some are supposed to be prohibited by what amounts to a lien on Stock in the North Carolina Railroad. Some are supposed to be affected by the date of their issue, and others by the consideration upon which they are based. Persons holding only one class are not likely to take the same view as persons holding, more or less of several classes. The bondholders are many, and are engaged in different branches of business, and in many instances reside in widely separated localities. Some of the bonds are held by saving institutions; some by private persons and intended as permanent investments; some by speculators in stocks and securities, and some by heavy capitalists and operators. Some are held in Europe and some in this State. I might mention other circumstances still, and even to the last. The Legislature with the necessity of avoiding any ill-judged precipitate action of a *particular* or *total* character. I have endeavored to get all the information possible on the subject, deeply feeling its imminent and controlling importance, and its delicate character. I have sought suggestions and counsel from many sources, and am now more than ever anxious to do my duty. But it is necessary at present only to direct attention to this view.

The entire debt upon its face, with interest accrued, amounts at this time, to nearly thirty-seven millions. No one supposes that the State is bound in equity or good conscience to pay the entire sum. As to many of the bonds, the holders, by the manner in which they become in possession of them, are no more than mere trustees, for the benefit of the State or of the corporations from whose agents they obtained them. Still, in justice, a certain amount is due them from the State. This amount could be ascertained and equitably adjusted, it would materially reduce what now appears to be the amount of the State debt. But it is, and has been, hardly possible to undertake this through the courts or otherwise, because of the ruined condition of the State credit, and the difficulty in raising the funds required for any adjustment. It would, however, be a simple task to do this in November, as for the election. I charged by both of the respective political parties that bonds were committed to an executive, if true, that imperatively demands very considerable improvements in the election law of the State. The time for me to present the law invite your special attention:

First.—It requires the ballots to be on white paper, and with ink, and that the voter should be made, I have been unable to conceive, to do much towards controlling or influencing voters. There have been many suggestions as to details, which seem to me to show that many of the difficulties can be avoided or overcome, by wise and careful management; and which lead me to believe that it is possible to effect a complete adjustment of the whole debt, to the entire satisfaction and interest of all parties. It will take some time, and may require some steps save.

I recommend that the Governor, by authority of resolution to appoint an agent, or agents, to confer, under his directions, with the holders of the State bonds or their representatives, to advise, and to report any proposal that such holders may desire to make. Such agent would have to be selected by the Legislature in reference to the date.

How much it would reduce the present apparent indebtedness could be approximately ascertained by an investigation that would not involve serious expense or trouble. But the time required might be too great for information to be furnished to the present session of the General Assembly, unless it should be protracted beyond the usual length of session. In my last message, I recommended a committee to inquire into this matter and ascertain the facts. It may be that some other course, more comprehensive and definite in its character, may be considered preferable, under other circumstances.

It has often been suggested that some compromise might be effected with the creditors, by which the whole debt could be reduced to an amount within the capacity of the State to pay. But in the present depression of the public credit, there are no means at command other than the creation of new debts, of a uniform character and value, to the public. How much it would reduce the present apparent indebtedness could be approximately ascertained by an investigation that would not involve serious expense or trouble. But the time required might be too great for information to be furnished to the present session of the General Assembly, unless it should be protracted beyond the usual length of session. In my last message, I recommended a committee to inquire into this matter and ascertain the facts. It may be that some other course, more comprehensive and definite in its character, may be considered preferable, under other circumstances.

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