

# Randolph Regulator.

GOVERNMENT WAS INSTITUTED FOR THE GOOD OF THE GOVERNED.

VOL. I.

ASHEBORO, NORTH CAROLINA, WEDNESDAY, MAY 10, 1876.

NUMBER 15.

## THE RANDOLPH REGULATOR.

PUBLISHED EVERY WEDNESDAY

BY

THE RANDOLPH PUBLISHING CO.

OFFICE—2 DOORS EAST OF THE

COURT HOUSE.

One Year, postage paid.....\$2 00

Six Months, postage paid.....1 00

RATES OF ADVERTISING.

One square, one insertion.....1 50

One square, two insertions.....2 00

One square, three insertions.....2 50

One square, four insertions.....3 00

One square, five insertions.....3 50

One square, six months.....8 00

One square, twelve months.....12 00

For larger advertisements liberal

contracts will be made. Twelve lines solid

block constitute one square.

All kinds of JOB WORK done at the

REGULATOR office, in the neatest

style, and on reasonable terms. Bills for

advertising considered due when pre-

sented.

## THE PLUNDERED BANK.

HOW THE NEGROES WERE ROB-  
BED—A TALE OF WASHING-  
TON RING RULE.

From the Baltimore Gazette.

WASHINGTON, April 24.

The bottom facts in the Freedman's Bank swindle have unquestionably been reached by the select committee of the House of Representatives. The chairman, Mr. Douglas, has exhibited not only great industry but superior capacity as an investigator. Two other members of the committee Messrs. Bradford of Alabama, and Stenger of Pennsylvania, have also given evidence of sound judgment and great industry in studying up the history of the bank and have materially assisted Mr. Douglas in the investigation.

The rapid sketch which I gave last night of the testimony published did not do justice to the developments which the committee have made. The testimony of Mr. Anson M. Sperry, the general inspector of the branch banks, shows clearly that from almost the very beginning there was both incompetency and rascality in the management of the principal bank here, as well as in the conduct of the majority of the branches in the South. Mr. Sperry did not become general inspector till 1870, but he almost immediately found on an examination of the bank here that there was a difference between the ledger and the general account of some eighty thousand dollars, and he never was able to have this reduced below \$40,000. The men who were employed as book-keeper and cashier, Boston and Wilson, were incompetent, and, as subsequently appeared, dishonest. Sperry called attention to the discrepancies in the accounts immediately, but it was a long time before he could get either the actuary or the trustees to take any efficient measures to remedy the deficits of the management. The principal object of one set of the managers seemed to be to induce the freedmen to deposit with the bank, and another set devoted all their ingenuity to profit by the use of the money. Alvord was the president and chief missionary in the South to work up the freedmen to deposit with the branch banks. The finance committee was constantly devising ways and means to absorb the deposits. They required all the money deposited with the branches to be drawn to Washington, which would have been the safest thing for the depositors if the managers here had only been honest. The finance committee was controlled by Cooke, Huntington and Clephane. These men could not have the swing they wanted as long as the charter of the bank required all loans to be made on United States securities. It was part of the scheme of the Washington ring to use the earnings of the poor freedmen to carry out their magnificent projects for enriching themselves by speculations in real estate and the improvement thereof. To make this possible they had to get the charter amended so as to enable them to loan money on real estate.

The pretext for this was that politicians in the Southern States wanted to get hold of the earnings of the freedmen, and were holding out to them greater inducements than the Freedman's Bank could, as long as it was restricted to loans on United States securities. They argued, of course, that

the freedmen would be at the mercy of unscrupulous speculators, unless the institution established especially for their benefit was enabled to take care of them. Accordingly Congress was induced to amend the charter so as to enable the bank to loan on real estate. The men who were immediately selected to act as the appraisers of the real estate were Kilbourne and Latta. The next thing was to establish the Seneca Sand Stone Company, and the money of the poor freedmen went into the sink hole. Next came the new District government, and the Metropolis and other paying companies. The capital to start these concerns came out of the Freedman's Bank, and was advanced in the stock of those companies into whose treasuries not a dollar had been paid by the stockholders. Kilbourne and Latta were the real estate agents of the bank and the trustees of the real estate pool. As the managers of the latter they bought up large quantities of land and paid but a small portion of the purchase money in cash, giving notes for the balance. These notes were largely purchased by the Freedman's Bank upon the recommendation of Kilbourne and Latta. And so it went. In a short time nearly a million and a quarter of the money had been loaned on real estate in the District of Columbia, and very frequently the property was encumbered with prior liens, and in not a few instances deeds of trust were given by men who had no sort of title to the property they mortgaged, and in almost every case the real estate was not worth the amount of the loan at a forced sale.

The finance committee was dishonest, and so was the actuary. The former used their positions to secure loans for themselves and the friends on inadequate securities, and the latter used his power to make money out of the commission allowed to brokers for negotiating loans. While this was going on here in Washington the managers of the branch banks were practicing like tricks for their own benefit. The inspector, Mr. Sperry, finding out the shortcomings of the branch managers, reported to the trustees at Washington, and they, indignant that any subordinates should steal what they alone had a right to steal, ordered all deposits to be forwarded regularly to the principal bank here. Of course while Henry T. Cooke, W. S. Huntington and Clephane were conspiring with Hallet Kilbourne and John O. Evans to enable the Seneca Stone Company to get \$50,000 on apparently good security, while a secret agreement provided that the bank should alone have the second mortgage bonds of the Seneca Company, in the event of the company's failure to pay the loan. Subordinates like the cashier and book-keeper could see no wrong in doing a little stealing on their own account. Accordingly Boston, the book keeper, forged the checks of a poor depositor named John Watkins, and Wilson, the cashier, handed over the depositor's money to Boston on the forged checks. Wilson was the father-in-law of Boston, and of course the stealing was on joint account, as Boston now insists. Col. Eaton, who was the first actuary, was both a hypocrite and a knave, as was also Alvord, the president. All the managers were conspicuously pious and philanthropic.

Alvord and Eaton were trustees of the Howard University along with Howard and Bullock, and were likewise members in good standing of the Congregational church. Eaton never lost an opportunity, as it would seem from the evidence, to make a good thing for himself, and Alvord followed suit. When the Howard University was to be built, Alvord, Eaton, Stickney, Howard, Bullock, et id omne genus, formed themselves into a joint stock company to manufacture baked bricks out of which to build the university building. They all realized enough to build themselves fine residences on ground which they got at a nominal price from the university. The university was short some \$75,000, and the money was borrowed from the Freedman's Bank and secured by a mortgage on the university property. In due time

a real estate firm, with a myterious connection with the managers of the university, bought a portion of the ground belonging to the university and started Le Droit park. The price paid was altogether inadequate, but the Freedman's Bank relieved the mortgage on the whole of the university property and took liens on the houses and lots of the De Droit Park Company as they were sold. Of course somebody profited by this crooked transaction, although the proof is not clear, yet the inference is strong that it was a co-partnership steal, and that the humanitarians so active in the management of Howard University and the Freedman's Bank should share and share alike in the profits. One of the most interesting transactions in which Stickney was engaged was that with one Juan Boyle, a real estate agent of this city. This fellow Boyle was one of the strikers and tools of the District ring. He was also a broker for Stickney, the actuary, and it was a common practice when persons, who had good security to give, made application for loans at the counter of the Freedman's Bank they would be referred to Juan Boyle. He would manage the negotiations and charge the concern a commission. In this way he drove quite a lucrative business. The finance committee were familiar with this practice, and countenanced it. Finally, when the panic of 1873 came, and the bank had to raise some ready cash, there was a lot of United States bonds in the vaults, and Stickney sent Boyle to Baltimore to sell some of them, and Alvord went to New York on a like mission. Baltimore was the last place on the continent almost that a sane man would have undertaken to sell bonds in large amounts at that time, but Boyle it seems, got rid of a hundred thousand dollars' worth. Shortly after this Boyle appeared to have \$21,000 of the bank's money. Stickney's attention was called to this, and he said the money had been loaned to Boyle, and shortly thereafter certain notes to secure the loan were given by Boyle. These notes, it appears, were good, but after a while these were withdrawn and Boyle's instituted therefor. To make them good he gave Stickney a deed for certain property on M street. This deed was absolute to Stickney, but with the understanding, as he alleged, that he was to hold it for the benefit of the bank.

The commissioners of the bank investigated the matter, and found that there were prior liens on the property to more than its value, and the improvements were not completed. They found also that if they undertook to advance the money to complete the buildings the cost would be more than they could ever realize therefrom and hence they let it go as a bad debt. The loans made to Vandenburg, the contractor, show the worst sort of management, if not criminal negligence on the part of the finance committee and the actuary, Stickney. On securities, the face value of which was less than ninety thousand dollars, this contractor obtained \$160,088 38. A large portion of this, as is proved, was obtained upon the assurance of Boss Shepherd that he would see it paid out of the appropriation made by Congress. But he did not keep his word, and the bank has no recourse on him of course. The present amount of Vandenburg's indebtedness to the bank, exclusive of interest, is \$124,240 93, and to secure it there is about \$80,000 worth of securities, real value. As a defense of himself Vandenburg sets up that Eaton was interested with him in some of his largest contracts, and he also claims that a portion of the collaterals he deposited with the bank have been sold and the proceeds not applied to the liquidation of his indebtedness.

A church between two groghops in New York city was attacked last Sunday by a party of roughs with rocks. They hurled six volleys of stones through the window and scattered the congregation and tried their best to hit the preacher. Who says the devil isn't loose.

American husbands are the best trained in the world.—Berlin Saying.

## EX. DEPARTMENT, STATE OF NORTH CAROLINA,

Raleigh, April 17, 1876.

Rev. B. SEARS, Gen'l Agent Peabody Fund:

DEAR SIR:—I write to you to ascertain whether or not Stephen D. Pool, Superintendent of Public Instruction of North Carolina, has properly accounted to you for the money belonging to the Peabody school-fund, which was intrusted to his care to aid in educating the poor children of North Carolina.

From information in relation to this matter, I have reason to believe that Stephen D. Pool is a defaulter, and that he has taken a portion of the Peabody school-fund for his own private use and benefit, in violation of the public trust which he held.

I desire correct information upon this subject, as Col. Pool has occupied an important position, by virtue of which I presume he was elected as the custodian of the Peabody school-fund for this State. And if he has not discharged the duties of the trust with fidelity, the people ought to know it.

C. H. BRÖGDEN,

Gov. and ex officio President Board of Education.

## PEABODY EDUCATIONAL FUND

Staunton, Va., April 20, 1876.

His Excellency, Gov. Brogden:

DEAR SIR:—Supt. Pool has sent me a list of the schools which he has paid from the Peabody Educational Fund, and I have no reason to doubt its correctness. There are several other schools for which I forwarded funds which have not yet been paid, but which he says he will pay. There are certainly "irregularities." I hope, however, he will fulfil his promise to me and pay up soon.

His account of moneys received from me, and mine agree. I suppose he has vouchers for all he has paid.—I sent him my account, which, no doubt, he will show.

I have no doubt he has used for his own private convenience the money I paid him for all the schools not on his list, which should have been paid to those schools. The way to get at the exact truth would be to compare my list of checks given him, amounting to \$15,150, with his vouchers. My list is in his hands.

Very respectfully, yours,  
B. SEARS,  
General Agent.

P. S.—His list of payments, as reported to me, April 7, 1876, amounts to only \$12,600. He may have made some payments since.—Constitution.

## JUDGE FOWLE AND THE CONSTITUTIONAL AMENDMENTS.

Judge Fowle was recently interviewed by a reporter of the Raleigh Sentinel upon the amendments to the State Constitution. We call the attention of anti-convention men to his views:

Reporter—Judge, what do you think of the propriety of calling the late convention? I ask because I have heard that your views about a convention were much modified before the election last August.

Judge Fowle—You have been misinformed. The views expressed in my letter upon the subject have never been changed. I made several speeches in Wake and Wayne counties in favor of the Democratic candidates for the convention, and placed myself squarely and fairly upon the grounds stated in my letter. I believe a convention is but a legalized revolution, and should never be called without the express sanction of the people, at the ballot-box.

Reporter—Do you mean the amendments should be voted down?

Judge Fowle—By no means. I can see very well how a man who believed that the proper mode of amending the Constitution was by a convention called by the Legislature, could bring himself to vote against the amendments upon the ground that they did not go far enough, and because he might hope that another convention would be called to remedy the supposed omissions, in case the amendments were not adopted; but I cannot see

how an anti-convention man can fail to vote for the amendments. If these amendments are voted down, the question of convention or no convention will be agitated again before the lapse of five years, and I believe the agitation of the question will cause serious apprehension upon the part of many citizens, which should be avoided if possible. Most of the amendments are very great improvements, and if they are passed the question of convention is settled forever, because one of the amendments provides that the Legislature shall not call a convention without submitting the question to the people, and I believe the people will vote against any call of a convention, unless the necessity is very great. The amendment referred to by Judge Fowle is as follows:

Section 1. No convention of the people of this State shall ever be called by the General Assembly unless by the concurrence of two-thirds of all the members of each house of the General Assembly, except the proposition, convention or no convention, be first submitted to the qualified voters of the whole State, at the next general election, in a manner to be prescribed by law. And should a majority of the votes cast be in favor of said convention, it shall assemble on such day as may be prescribed by the General Assembly.

## FROM THE RALEIGH SENTINEL. THE SECRET SERVICE FUND IN NORTH CAROLINA.

A Washington telegram to the New York World, dated April 25, in regard to the use by President Grant of the secret fund, says:

The disbursement of the secret service fund for election purposes in New York under Attorney-General Akerman has been traced as straight to the President's hands as it was by the evidence of Attorney-General Williams. If the use of this secret service money in this way was as proper and lawful as the republican press claim, it is strange that two Attorney-Generals, the highest law offices of the government, should in different instances and at periods of one and two years apart require the positive order of the President before they sent a dollar of it through the chief of the treasury detectives to an unscrupulous partisan official for political campaign work, and if the money was used properly under the enforcement act, as is also claimed by the republicans, why has it not been accounted for in detail, as required by the last section of that law? Ex-Attorney-General Akerman testified 6-day that he first disbursed a part of the fund through Detective Whitley to Davenport on a letter which he received from General Horace Porter from Long Branch, written by his private secretary at the request of the President. Mr. Akerman regarded this information as important and confidential and submitted it to the committee under protest. He did not think that he ought to be required to make it public, as it was an official act, performed at the private request of the President. The committee hope to get full information regarding the amount of money sent into North Carolina in August, 1872, when the first state election of the Grant and Greeley campaign came off, the importance of which will be easily recalled. The fact is already known that \$135,000 of government funds were sent into that state to aid the republican ticket against Merrimon, the democratic candidate for Governor and now United State Senator. There is no pretense of fraudulent registration or Tweed rings to defend this theft of public money. It is suggested that the Caulfield committee visit New York before concluding the investigation into the expenditures of public money there for election purposes. It costs in the neighborhood of \$50 to bring a witness from New York to Washington and return and pay his expenses while waiting the pleasure of the committee. There are hundreds of witnesses in New York who will swear as to the way in which Johnny Davenport spent the money illegally given him

by order of the President. The expense of bringing these witnesses to Washington would be much greater than the expense of the committee in visiting New York.

That a large amount of this stolen money was used to carry this state republican in 1872 there is not the slightest doubt. Republicans, and prominent ones at that, after the election laughed at the astonishment of democrats at the apparent result, and said that they had had too much money to spend to be whipped. This was openly said and boasted of. Everybody knew that a corruption fund was being used and that it came from Washington, but the exact department of government from whence it was drawn was known to none but the initiated. It is to be hoped that this whole thing will be probed to the bottom. We give the editorial comment of the World:

North Carolina was carried for Grant in 1872 by fraud, and the administration victory in that state prevented the defection of many wavering republicans from the ranks or the party. It was the initial and most important success of the campaign. In our Washington specials will be found an intimation as to how that state was carried. It appears that \$135,000 of government funds was thrown into it on the eve of the contest. We wait with interest to hear under what forms of law and on what pretense this money was expended to re-elect the President. Words are not strong enough nor bitter enough to express the detestation which this appropriation of the public funds to party purposes deserves.

## TRINITY COLLEGE.

During the recent Centennial of Methodism in Raleigh, President Craven presented a very remarkable statistical history of Trinity College. We copy from the Christian Advocate.

Trinity began in 1838 as an ordinary school, became an Academy in 1839; was made a Normal College in 1851; had its first relation with the North Carolina Conference in 1851, and fully and finally severed from the State, and transferred to the Conference in 1859, at which time the name was changed to Trinity, and all Normal features were annulled.

From 1842 to 1850, while the Institution was an Academy, the annual income varied from \$200 to \$1800, giving an average of \$1200; the average annual matriculations were 105; annual average losses by bad debts \$140; during this whole time there were eight expulsions, four deaths, and three hundred conversions. From 1853 to 1859, while the institution was Normal College, average matriculations 187; average income \$5,000; average annual losses \$223; gratuitous tuition per annum \$450.

From 1859 to 1862, annual average, matriculations 304; income \$7,500 losses \$380; gratuitous tuition \$830.—During the whole time, expulsions 5; deaths 3; conversions 165. From 1866 to 1876, annual averages, matriculations 156; income \$6000; losses \$350; gratuitous tuition \$620. During the whole time, deaths 4; expulsions 4; conversions 336: During the thirty four years the institution has existed as Academy and College, there have been 184 graduates; of these, 34 lawyers, physicians 13, professors and teachers 24, preachers 28. Of the whole number of graduates, 21 have died, 13 of whom were killed during the war; 15 are members of the Conference; and 36 members of Conference being nearly one fourth of the whole number, were educated in part or whole at Trinity. The College now owns property worth \$45,000 has received from all sources \$4,974; and has earned and paid for \$35,000 worth of property; has supported a competent Faculty, lost \$6000 by bad debts, and has given \$11,300 gratuitous tuitions, chiefly to sons of the preachers. In all from the first, there have been 1157 conversions at the College.—Masonic Journal.

Brigham Young recently had a relapse. No danger, however—he is sure to revive.