

THE WISCONSIN VISITOR.

VOL. XXXVII—NO. 90.

FRIDAY EVENING, FEBRUARY 5, 1897.

\$4.00 PER YEAR.

MESSAGE ON THE LEASE

Governor Russell Submits Seaboard's Terms.

REFUSED THEIR BID

Hoffman Says the N. C. Directors Would not Give Them a Chance to Lease—Russell Says Courts Would Annul On Strength of This.

Governor Russell today transmitted a special message to the legislature relative to the lease of the North Carolina railroad and embodying correspondence with Seaboard officials.

The Message.

RALEIGH, N. C., Feb. 5. To the Senate and House of Representatives:

I have the honor to submit herewith the following correspondence concerning the lease of the North Carolina railroad:

SEABOARD AIR LINE SYSTEM. BALTIMORE, Jan. 20, '97.

To His Excellency, Hon. D. L. Russell, Governor of North Carolina, Raleigh, N. C.:

DEAR SIR—Understanding that it is probable that the North Carolina railroad's present lease may be annulled, and the road offered to fair competition, I desire to state on behalf of the Seaboard Air Line, as I stated to the President and Directors of the North Carolina railroad before the last lease was consummated, that if the road was in position to be handed over to the successful bidder, that the Seaboard Air Line would make an offer to lease the property at a higher rate than is named by the present agreement.

Yours very truly,
(Signed) R. C. HOFFMAN,
President.

Upon receiving the foregoing letter, I notified the representatives of the Seaboard system that I did not regard their offer as sufficiently definite to be satisfactory to the general assembly and thereupon addressed to them a letter and received the reply as follows:

STATE OF NORTH CAROLINA, EX. DEPT. RALEIGH, N. C., Jan. 20, '97.

R. C. Hoffman, Esq., President, of the Seaboard Air Line System, Baltimore, Md.

MY DEAR SIR—There is, in my opinion, a reasonable prospect that the lease of the North Carolina Railroad will be annulled through legislative or judicial action or by both. In that event I, as Executive of North Carolina, desire through the keenest competition to make the property bring the greatest amount possible. Therefore, I would be pleased to have from the companies you represent a proposition for leasing the same for the term of twenty years, and desire that you will state plainly and fully the terms upon which you would be willing to acquire the property and the amount that you would pay for the same.

Besides the franchise, rights and privileges of the said corporation, the lessee would acquire the use of the property embraced in the accompanying schedule.

I earnestly ask for an immediate answer. Yours respectfully,
DANIEL L. RUSSELL,
Governor.

SEABOARD AIR LINE SYSTEM, BALTIMORE, Feb. 2, 1897.

To His Excellency, the Hon. D. L. Russell, Raleigh, N. C.

SIR—I beg to acknowledge receipt of your esteemed favor of the 20th concerning the probable nullification of the existing lease of the North Carolina Railroad, and suggesting that in this event you would like our company to submit a bid for a twenty year lease of this line.

Permit me to say it is most gratifying to receive assurances from you of the likelihood of our being allowed to participate, upon an equal footing, with competing lines in submitting a bid for the operation of the State's property, a privilege not heretofore accorded us, although we have heretofore been, as we are today, prepared to submit a bid, which is an advance on the amount paid by its present lessees, and a figure more consistent with its value to the owners of the stock and the taxpayers of your State.

In the event of the present lease being annulled, I beg to say that our company would be willing to lease the property in its entirety upon a basis of the legislation now proposed, at an annual rental of four hundred thousand dollars which you will note

is equivalent to ten per cent upon a capital stock of four million dollars. I beg to say in this connection that under favorable conditions the North Carolina Railroad would prove a valuable adjunct to the Seaboard Air Line, not only resulting in accrued benefits to the latter company, but affording the people of North Carolina that competition which is most essential to the upbuilding of any state or community.

It has been the policy of our company to court legitimate competition, with other transportation companies, rather than to discourage it, feeling assured that if the same laws are enacted of one, as of the other, and the same privileges afforded, we can successfully maintain ourselves and at the same time satisfactorily serve the public as a common carrier. Should we acquire control of the North Carolina Railroad, there would be no hesitancy on our part in agreeing to handle the trains of our competitor, its present lessee, over such portions of the line as desired, upon payment of trackage charges not in excess of amounts paid out by them, to other lines, in this section for similar accommodations, or upon such terms as are usual in such cases.

It might be out of place for me at this time to go into details as to the salutary effect the operation of the North Carolina Railroad by the Seaboard Air Line would have upon commerce throughout the section it traverses. I beg however to thank you for your communication, and hope that conditions will make it possible for you to give favorable consideration to the terms suggested above, the further details of which I shall be glad to discuss, by letter or otherwise, as may suit your convenience.

With great respect, I have the honor to subscribe myself,
Yours very sincerely,
(Signed) R. C. HOFFMAN,
President.

The assertion of the president of the Seaboard system that the companies which he represented were not allowed to participate with competing lines in submitting a bid for the North Carolina railroad and that this fact was known to the president and directors of the North Carolina railroad before the ninety-nine year lease was consummated, is startling. That there appeared in this transaction the indicia of undue haste and indefensible secrecy is well known to the public, but not until now, so far as I am aware, has it been alleged by responsible parties that the trustees of the state actually attempted to make what is substantially a sale of its property at a price less than was offered by responsible bidders. If this assertion be true, then the transaction is not only void in equity but fraudulent in law and morals. If this allegation be sustained by the proofs the courts of equity would nullify this ninety-nine year lease on the ground of palpable and flagrant fraud. Any director or other trustee who would sell or lease property belonging to his fiduciaries when he knew that he could get a better price would be rebuked and removed by the equity courts.

Your honorable bodies will now see that here is an offer for a twenty year lease which gives to the state a net gain over the ninety-nine year lease of about one hundred thousand dollars a year for twenty years and to the private stockholders a net gain of about thirty thousand dollars a year. On this bid the state would get for twenty years four per cent on two and one half millions of dollars and this a clear net gain over what it will get if this ninety-nine year lease is allowed to stand. Under this offer of the Seaboard system, the state would receive over and above what it would get for twenty years under the ninety-nine year lease about two millions dollars and at the end of the time have all this property as its own. If we advance in material development as we hope and believe we will, at the end of the twenty years the state will have in this railroad a property that may be of great value to its people in reducing taxation or in augmenting the school fund. There is good reason to believe that the Seaboard would pay not only the ten per cent, but also the organization expenses and the taxes, state, county and municipal of the North Carolina Railroad. Indeed, what reason is there to doubt that this bid of 10 per cent may be greatly increased by those who want this property and by those who not only want it but must have it, because it is indispensable to them, unless they are al-

lowed by our law—the highest independent of it?—and in said judgment of the State, entitled to the property of the deceased, Saturday the 18th, at 12 house door

to expose to your honorable bodies, entitled in act to prescribe the terms upon which foreign railroad corporations shall be allowed to operate railroads and transit business within the State of North Carolina, shall be enacted by you into law, not only will this 10 per cent be realized, but in my opinion, more than that will be obtained for your property. But this cannot be accomplished if the bill is to be amended by striking out any of its important features. The provisions of the bill as to requiring non-resident corporations to obtain a license after the first day of May, 1897, and denouncing criminal penalties for its violation, are essential for the State's protection. This license feature applies to the old lease as well as the new. The lessees have no right to complain of this action by the State, because they took the thirty year lease with notice of the reserved right of the State to exercise its sovereign power to prohibit them, as a foreign corporation, from operating a railroad in the State. They never had a lease from the State or any contract with the State. Their lease and their contract were with the Railroad Company. The North Carolina Railroad Company leased to them a foreign corporation, and they were permitted to take the lease under and by virtue of an unwritten law which said to them "You are authorized by the laws of Virginia to take this lease and not by any statute of North Carolina. North Carolina admits you here as a matter of hospitality and comity. This hospitality and comity she will withdraw at her pleasure." The provisions of the bill as to removals from our courts are just and fair and necessary to the enforcement of the rights of the State. The striking out of any provisions of the bill will probably be disastrous unless it be that which authorizes the sale of the State stock. If the General Assembly in its wisdom prefers not to authorize the sale in any event, that much can be stricken from the bill without weakening or impairing the efficiency of the bill. The county commissioners are necessary to get our property what it is worth. My own best judgment is that the stock should be sold unless better terms may be had by lease.

Objection is made that the legislative action in this matter will lead to expensive litigation. I do not believe that the litigation would subject the state to serious expense. I know of no way to assert rights or correct wrongs except by litigation. It is of the highest importance that the North Carolina railroad from Greensboro to Charlotte shall not be paralleled until the state has disposed of its stock by lease or sale. To permit this is to seriously impair the value if it does not throw away the property.

No one railroad or line or system should be permitted to acquire by lease, purchase or otherwise any competitive railroad or line or system. I earnestly recommend that the measure relating to that subject which has passed the house of Representatives be enacted into law. The North Carolina railroad is hardly competitive to the Seaboard system but if it was the manifest interest of the state to make an exception in its policy as to it for the sake of realizing its value for the people.

The state has a large interest in the Atlantic and North Carolina railroad. It is entirely practicable to compel the lessees or purchasers of the North Carolina railroad to take the state's interests in the Atlantic railroad—provided the general assembly will authorize the lease or sale of the Atlantic and North Carolina railroad and pass the measures necessary to enable the state to get value for its property.

Sailed from Hampton Roads. By Telegraph to the Press-Visitor. WASHINGTON, Feb. 5.—Admiral Buncie's squadron sailed from Hampton Roads today to begin a new set of manoeuvres and drills, the most interesting feature of which will be a mock blockade of the port of Charleston, S. C. The vessels which followed the flagship New York out of the roads were the battleship Indiana, the armored cruiser Maine, the turret-ship Amphitrite, the cruiser Columbia and the dispatch-boat Fern.

Mr. C. A. Riddle is sick with pneumonia.

MUST HAVE STREETCARS

Drewry Would Give Electric Co. 60 Days Or

FORFEIT FRANCHISE.

Will Come Before Board of Aldermen's Evening-Street Committee's Report—Renewal of Lighting Contract Coming Up.

The Board of Aldermen meet in regular session tonight. The street committee will make a report on the Electric Company, unless the company does something in 60 days to restore the old plant.

Mr. J. C. Drewry, chairman of the street committee will make a motion to take the street railway franchise from the Electric Company, unless the company does something in 60 days to restore the old plant. The report of the street committee will be given herewith.

Our committee on streets submit the following report: Owing to the bad weather which has prevailed generally for the past 30 days we have been unable to push the work on the streets as rapidly as we desired. We have about completed the work on Hillsboro street, also the work in opening and extending West Morgan street to the city limits. It only remains now for the county commissioners to take up this work at the city limits and extend this street to Harrison Avenue, which will give us another inlet that will specially benefit a good many of our country people coming into the city. Morgan street bridge, so long talked of, and the opening of that street to the corporate limits of the city is now an accomplished reality. The city has done all it can do and we are now ready to start on new work. It is to be hoped that the county authorities will take some definite and speedy action concerning it.

Some months ago we recommended that the Southern Railroad Company be required to remove the wooden beams which supported their tracks here it crosses South street, and that they be required to span that street by means of iron girders so as not to obstruct the free passage of vehicles in any way. This recommendation was adopted and it is with much pleasure that we report to you that the railroad authorities cheerfully complied with our requirements, and they now have a good and substantial iron bridge over South street, and the old wooden structure has been cleared away, which adds very much to the appearance of that part of the city. As soon as the weather set in sufficiently, after finishing up the work on Hillsboro and Morgan streets, which will not take but a few more days, it is our purpose to transfer all our forces to South Fayetteville street, and grade and macadamize that street from Davie to Fayetteville.

In view of the fact that the contractor for the Raleigh street car company reports that the street car line shall be operated continuously and that this line has now been idle for more than thirty days, and no action has been taken by the company to re-establish this line, we recommend that legal notice be served on the company by the proper city authorities stating that unless work be commenced on the line within the next 60 days from date of notice, for the purpose of completing and operating the street car system, that steps will be taken by this board declaring their contract void and the franchise forfeited.

An excellent bridge has been built over Rocky Branch on the Asylum road leading out of the city. This bridge was built by the latest improved method and is a splendid piece of work. It was necessary to build a very strong bridge at this point, as one 15-ton steam roller will at times have to pass over it. It was completed at a total cost of only \$118.70, which we think is highly creditable to our street commissioner, Mr. W. Z. Blake, when the quality of the work is considered.

We are now having a temporary bridge over the branch which crosses South Person street where we propose to open and extend that street from South street to Smithfield street. All of which is respectfully submitted. JOHN J. DREWRY, Chairman.

AFTER TAX EVADERS.

Physicians, Lawyers, etc., Reported by Auditor Ayer to Finance Committee.

Auditor Ayer is after people who evade taxes. He has addressed a letter to the Finance Committee in which he says: Your attention is respectfully invited to some matters herein mentioned with the hope that some means may be devised by which what now appears to be very irregularly may be made to come more accurately within the scope of regulations contemplated by law.

An examination of the report of the state treasurer will show that the reporting institutions of the state report bank stock to the amount of \$5,436,970.04. The treasurer receives from the institutions for the state the tax on this amount at the rate imposed by law.

A comparison of the reports of the treasurer and auditor shows a vast discrepancy in the amount of bank stock as reported by the banks to the treasurer, and as listed for taxation in the counties for stockholders and reported to the auditor. For while the banks report stock to the amount of \$5,436,970.04 to the treasurer, the amount reported to the counties and subject to county tax is only \$2,008,212.00. It thus appears that there is a difference of \$3,428,758.04 between the amount of bank stock on which state tax is paid and the amount on which county tax is paid. At the present rate of taxation the counties lose annually by this discrepancy in listing, the amount of \$18,898.

Another item which seems to require more attention than has heretofore been given is that of "deposits and money on hand." The aggregate amount of deposits reported by the banks in the state is \$10,064,476.00, for the year 1896. The total amount of "money on hand and on deposit" as reported from the counties to the auditor for 1896 is \$4,135,000. It appears, therefore, that there is a difference of \$5,929,476 between the banks, and the amount of deposits listed in the counties for taxation. At the present rate of taxation it appears from this discrepancy that the state loses annually from this source of revenue the amount of \$14,750, and that the counties lose annually the amount of \$25,450.

Another item to which attention may be directed as an instance of laxity on the part of certain sheriffs and tax collectors is this: The last auditors report shows that taxes were collected during 1896 from 1,879 lawyers, doctors and dentists. Brauns's N. C. Directory gives the names and addresses of 2,276 of these practitioners, and this cannot be the maximum number of these professions in the State, for the reports from some counties are incomplete. But if this were the whole number, I would show that there are 400 of these practitioners from which the annual State tax of \$10 was not collected, and this failure to collect entails upon the State a loss of \$4,000 for the year 1896.

These matters are respectfully submitted to your attention, and it may be suggested that this department might be able to present others upon your pleasure to hear them mentioned. Yours very truly,
H. W. AYER,
Auditor.

IT WAS ALL FIXED.

Jim Young Immediately Seated in the House today—Refused to Postpone. By Dockery (resolution) that it is expedient that some method be devised for the protection of the youth of the State against the blighting influence of the deadly cigarette and its trust, therefore the judiciary committee be instructed to prepare and present to the house for its consideration a bill to establish a general dispensary system for the State. The calendar was taken up. Bill to establish a uniform standard of time for the State was tabled. Bills passed raising a committee to consider the reduction of salaries to conform to the prices of farm products.

Bill to amend the divorce law so as to permit either party to a divorce under the act of 1895 to be allowed to remarry during the life-time of the other, was referred to the judiciary committee.

By leave Sutton introduced a bill providing that parents and guardians shall cause their children and wards to be duly vaccinated before they are two years old, except children certified by a physician to be unfit subjects; the penalty for failure to be \$5. On motion of Duffy the resolution

SHORT STATEMENTS

Minor Matters Manipulated for the Many.

AROUND THE CITY.

Port-Parrot of the News Pictured on Paper—Points and People Pertinently Picked and Pithily Put in Print.

Mr. H. M. Emerson, of the Atlantic Coast Line, is in the city. A telephone has been placed in the union depot. It is No. 270.

Rev. Edwin C. Glenn, pastor of Central church, is confined to his bed at the parsonage on Morgan street with a gripe. The engagement of Miss Staniford's company in Raleigh all next week will certainly prove to be the treat of the season in the theatrical line.

The box sheet for Nat Goodwin was placed on sale this morning at King's drugstore. A great many seats were sold. The sheet will remain open until the 17th when the king of comedians will fulfill his engagement at the Academy of Music. Nat Goodwin is the greatest artist Raleigh has ever had booked. In response to an invitation by the General Assembly, General Roy Stone, chief of United States Bureau of Road Enquiry in Washington, will deliver an address on public road improvement in North Carolina tonight at 7:30 o'clock, in the hall of the House of Representatives. And immediately following this address Prof. Holmes, of the Geological Survey, will give an exhibition of magic lantern views of North Carolina scenery and resources in relation to road building.

Mr. John W. Whitehead, lately with the Seaboard Air Line, has accepted the position of shipping clerk with Randolph & Clowes, of Waterbury, Conn., and has gone there to assume charge of his new duties. His many friends, while regretting his going away from Raleigh, congratulate him upon securing a position with superior inducements and wish him much success. Mr. Whitehead's family remain in the city for the present.

TODAY'S MARKETS.

NEW YORK, Feb. 5. Market quotations furnished by E. B. Cuthbert & Co., 30 Broad street, New York, and 305 Wilmington street, Raleigh, N. C., over their special wire.

MONTHS.	OPEN-ING.	HIGH-EST.	LOW-EST.	CLOS-ING.
January	100	100	100	100
February	100	100	100	100
March	100	100	100	100
April	100	100	100	100
May	100	100	100	100
June	100	100	100	100
July	100	100	100	100
August	100	100	100	100
September	100	100	100	100
October	100	100	100	100
November	100	100	100	100
December	100	100	100	100

Closed quiet and steady. Sales 57,200 bales.

The following were the closing quotations on the New York Stock Exchange today:

New York Stock Market.

Sugar	113
American Tobacco	74
Burlington and Quincy	74
Chicago Gas	76
American Spirits	13
General Electric	50
Louisville and Nashville	50
Manhattan	89
Rock Island	27
Southern Preferred	67
St. Paul	26
Tennessee Coal and Iron	29
Western Union	76

Chicago Grain and Provision Market.

The following were the closing quotations on the Chicago Grain and Provision market today:

Wheat—May	70 1/2
July	71 1/2
Sept	72 1/2
Nov	73 1/2
Jan	74 1/2
Mar	75 1/2
May	76 1/2
July	77 1/2
Sept	78 1/2
Nov	79 1/2
Jan	80 1/2
Mar	81 1/2
May	82 1/2
July	83 1/2
Sept	84 1/2
Nov	85 1/2
Jan	86 1/2
Mar	87 1/2
May	88 1/2
July	89 1/2
Sept	90 1/2
Nov	91 1/2
Jan	92 1/2
Mar	93 1/2
May	94 1/2
July	95 1/2
Sept	96 1/2
Nov	97 1/2
Jan	98 1/2
Mar	99 1/2
May	100 1/2
July	101 1/2
Sept	102 1/2
Nov	103 1/2
Jan	104 1/2
Mar	105 1/2
May	106 1/2
July	107 1/2
Sept	108 1/2
Nov	109 1/2
Jan	110 1/2
Mar	111 1/2
May	112 1/2
July	113 1/2
Sept	114 1/2
Nov	115 1/2
Jan	116 1/2
Mar	117 1/2
May	118 1/2
July	119 1/2
Sept	120 1/2
Nov	121 1/2
Jan	122 1/2
Mar	123 1/2
May	124 1/2
July	125 1/2
Sept	126 1/2
Nov	127 1/2
Jan	128 1/2
Mar	129 1/2
May	130 1/2
July	131 1/2
Sept	132 1/2
Nov	133 1/2
Jan	134 1/2
Mar	135 1/2
May	136 1/2
July	137 1/2
Sept	138 1/2
Nov	139 1/2
Jan	140 1/2
Mar	141 1/2
May	142 1/2
July	143 1/2
Sept	144 1/2
Nov	145 1/2
Jan	146 1/2
Mar	147 1/2
May	148 1/2
July	149 1/2
Sept	150 1/2
Nov	151 1/2
Jan	152 1/2
Mar	153 1/2
May	154 1/2
July	155 1/2
Sept	156 1/2
Nov	157 1/2
Jan	158 1/2
Mar	159 1/2
May	160 1/2
July	161 1/2
Sept	162 1/2
Nov	163 1/2
Jan	164 1/2
Mar	165 1/2
May	166 1/2
July	167 1/2
Sept	168 1/2
Nov	169 1/2
Jan	170 1/2
Mar	171 1/2
May	172 1/2
July	173 1/2
Sept	174 1/2
Nov	175 1/2
Jan	176 1/2
Mar	177 1/2
May	178 1/2
July	179 1/2
Sept	180 1/2
Nov	181 1/2
Jan	182 1/2
Mar	183 1/2
May	184 1/2
July	185 1/2
Sept	186 1/2
Nov	187 1/2
Jan	188 1/2
Mar	189 1/2
May	190 1/2
July	191 1/2
Sept	192 1/2
Nov	193 1/2
Jan	194 1/2
Mar	195 1/2
May	196 1/2
July	197 1/2
Sept	198 1/2
Nov	199 1/2
Jan	200 1/2

Mckinley's Private Secretary.

By Telegraph to the Press-Visitor. WASHINGTON, Feb. 5.—Representative Henry, of Connecticut, received a telegram this morning from J. Addison Porter, of Hartford, Conn., announcing that he had been offered, and had accepted, the position of Private Secretary to President-elect McKinley.

SHORT STATEMENTS

Minor Matters Manipulated for the Many.

AROUND THE CITY.

Port-Parrot of the News Pictured on Paper—Points and People Pertinently Picked and Pithily Put in Print.

Mr. H. M. Emerson, of the Atlantic Coast Line, is in the city. A telephone has been placed in the union depot. It is No. 270.

Rev. Edwin C. Glenn, pastor of Central church, is confined to his bed at the parsonage on Morgan street with a gripe. The engagement of Miss Staniford's company in Raleigh all next week will certainly prove to be the treat of the season in the theatrical line.

The box sheet for Nat Goodwin was placed on sale this morning at King's drugstore. A great many seats were sold. The sheet will remain open until the 17th when the king of comedians will fulfill his engagement at the Academy of Music. Nat Goodwin is the greatest artist Raleigh has ever had booked. In response to an invitation by the General Assembly, General Roy Stone, chief of United States Bureau of Road Enquiry in Washington, will deliver an address on public road improvement in North Carolina tonight at 7:30 o'clock, in the hall of the House of Representatives. And immediately following this address Prof. Holmes, of the Geological Survey, will give an exhibition of magic lantern views of North Carolina scenery and resources in relation to road building.

Mr. John W. Whitehead, lately with the Seaboard Air Line, has accepted the position of shipping clerk with Randolph & Clowes, of Waterbury, Conn., and has gone there to assume charge of his new duties. His many friends, while regretting his going away from Raleigh, congratulate him upon securing a position with superior inducements and wish him much success. Mr. Whitehead's family remain in the city for the present.

KICKING ON THE PEN.

A Division of Officers as Will be Submitted to the Caucuses. There was a re-parcelling of pie last night by the conference committees of the republicans and populist minority. Only two changes were made in the previous arrangement. The populists swapped the Eastern Asylum of Goldsboro for the eastern judgeship. The exchange of the judgeship was effected for Mr. Walter Henry's committee. The populist minority is determined that Mr. Henry shall have the eastern judgeship, and so they gave up the Goldsboro Asylum for it.

The agreement of the two committees as to the division of offices will now go before the caucuses for ratification. Two of the members of the populist committee, Messrs. Barker and Abernethy voted against the report as adopted by the committees. Both gentlemen insist that the populists should have the penitentiary. The penitentiary promises to give the otherwise loving and harmonious Pritchard admirers a deal of trouble.

The report of the two committees, recommended the following division of offices. Populists: Agricultural Department, Judgeship, Raleigh Insane Asylum, Labor Statistician, Librarian, Shell Fish Commission and Keeper of the Capitol. Republicans—Penitentiary, Railroad Commission, Goldsboro Asylum, Western Asylum at Morganton and Atlantic Railroad.

Sale Opens Tomorrow. From all indications there will be a rush for seats when the sale opens tomorrow for Monday night's performance of the Staniford company in "A Soldier's Sweetheart."

Ralph Bingham this evening. Ralph Bingham, the finest platform entertainer in America, appears at Metropolitan Hall this evening