

Conservative Opposition ^[1]

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Railroads were expensive to build and operate, and the Civil War had resulted in the destruction of a great deal of track. After the war, North Carolina's railroads asked the state for help. Believing that the state needed better transportation, Republicans agreed. The trouble was the way the legislature helped the railroads.

The legislature issued state bonds and let the railroads sell the bonds themselves. A bond is a certificate sold by a government. The certificate states that the government (the issuer of the bond) will pay back the value of the bond, with interest, at some later date. Bonds can be bought and sold, and the bondholder is the person who holds the bond or certificate at any given time.

Essentially, then, the state was agreeing to pay back railroads' debts. In 1868, the state issued about \$28 million in bonds — a tremendous amount of money for the time. Taking on that much debt damaged the state's credit, and people doubted that the state could ever repay it. As the bonds were bought and sold, the price of the bonds dropped.

At this point, the state had to issue more bonds to pay off the first bonds. The constitution of 1868 prohibited that; it said that the state could not issue new bonds if the old ones were selling at less than face value (the original purchase price) unless a special tax was raised to pay the interest. The constitution was designed to protect the state's credit and reputation, and the Republican legislature ignored this provision.

Worse, some politicians and businessmen used the bonds as a way to make money for themselves. The money from the sale of bonds was supposed to be used only for building railroads, but complicated frauds channeled the bond money to individuals for private purposes. There's no reason to believe that most legislators and businessmen were involved in these schemes, but enough were that Conservatives succeeded in painting Republican rule as a period of wild spending, fraud, and corruption. In 1870, they regained control of the state legislature.

Below is an excerpt from an April 1969 edition of Daily Sentinel, a newspaper published in Raleigh.

The history of legislation in North Carolina would form one of the strangest books that has ever been published. It would reveal an amount of [fraud](#) ^[2], [venality](#) ^[3] and recklessness perfectly unparalleled, we venture to say, in the history of legislation in any age or country. If ever before there was a time demanding the most scrupulous and watchful economy, it is the present. If there was ever a time when the most careful reform and the most jealous retrenchment were imperatively necessary it is the present. And yet, in the face of wide-spread ruin and dismay; in the face of repeated failures in crops and a disorganized system of labor; with depression and anxiety in every house-hold, the members of the present Legislature have exhibited the utmost disregard of the actual condition of our people, and have [wantonly](#) ^[4] and wickedly and with [malice](#) ^[5] [premeditation](#) ^[6] concocted a system of taxation, that not only outrages public opinion, but fastens, it may be, for all time, burdens perfectly unbearable and destructive upon [the landed proprietors of the State](#)

These representatives of the people — these public servants "so called" — these incapable and indifferent legislators, met in Raleigh and deliberately set to work to [despoil](#) ^[7] the State and add ten fold distress to her people. They enter upon a plan of [spoliation](#) ^[8] as effective in its results as was the [bumming](#) of Sherman's [scoundrels](#) ^[9]. — They lend themselves to the wildest schemes, listen with itching ears to the [rapacious](#) ^[10] demands of [wild cat combinations](#), wink at corruption and [profligacy](#) ^[11], indulge in vice and immorality, and conspire to paralyze the best interests of the State, to drive away capital, to keep capital from coming into the State and to lay taxes that not only can not be borne, but which would require probably a sixth part of the actual wealth of the whole State to pay. Railroad schemes, without number — a continued waste of public funds, and taxes at once [oppressive](#) ^[12], and thoroughly ruinous are the results of their six months stay in Raleigh. They have done nothing but evil, and are an offense to every just and honest man. They deserve, and they will receive the hearty execration of a long suffering, industrious and frugal people...

We write not of those men in both Houses who had an eye single to the honor [prosperity](#) ^[13] and credit of the State — men who stood up defiantly and continually against fraud, [speculation](#) ^[14], corruption and bribery. There were such men and they deserve well of the people. They tried faithfully to [avert](#) ^[15] the wrong. Their recorded votes show that they were friends of the people, lovers of country, men of [fidelity](#) ^[16] and honor. But we refer to those harpies, some from Northland, but many "native and [to the manor born](#)," who preyed upon our people, and with [cormorant](#) ^[17] appetites essayed to suck the very life blood from the emaciated form of our old Mother. [Carpet-baggers](#) ^[18] who came unbidden and who have fairly battened upon the political garbage that has been thrown to them; obsequious time servers and [trimmers](#) who have played the sycophants for filthy lucre — these are the creatures who have wickedly conspired against the people of North Carolina, and have sought to ruin them by the most oppressive taxation — these are the creatures who amid the troubling of the political waters have been spawned in our Legislative halls, and who [ought to be denounced and shunned as you would a leper](#). They are political lepers and taint the whole political atmosphere.

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