

# George William Swepson



The “town” of Swepsonville attracted my attention during our recent move to Burlington. I worked with R. A. Wiesner and edited his *The Men of Endor: Their Works and Their Times, 1861-1876* (Sanford: Railroad House Historical Association, 2007). George W. Swepson is a frequent name in it, and I quickly found a certain vagueness and unsavoriness about him when he was mentioned locally. Wiesner treats him at some length in Chapter 12—“The Chatham Railroad Capers.”

Like so many others in the Endor book, Swepson, who achieved social prominence, played a part in “railroad politics” in North Carolina. A Station Agent for the North Carolina Railroad at Haw River and a cotton manufacturer at Swepsonville, he married the daughter of Bartlett Yancey, Speaker of the State Senate for 10 terms. Swepson organized the First National Bank of North Carolina and was a Director and large stockholder (with his business associate, William Hawkins) in the Raleigh National Bank, possibly the only bank in North Carolina at that time. He was also a close friend of Governor William W. Holden and owned the Deep River Manufacturing Company with Jonathan Heck.

Swepson and three associates met in Raleigh (December 1867) to form what became an industrial empire controlling North Carolina’s railroads and involving banking, mining, iron-making, and rail-rolling. He was the master of the plan, which enabled railroads to form or extend with State funding. He imposed a lobbying fee upon the Presidents of the various railroads at a rate of 10 percent of the proceeds made available by the Legislature. His friend Hawkins was President of the Raleigh & Gaston Railroad. Augustus S. Merrimon, who had resigned from the State Supreme Court to avoid adjudicating under military rule, was Swepson’s lawyer and legal adviser. Col. Samuel M. Tate was military co-coordinator of railroads during the Civil War

and later President of the Eastern Division of the Western North Carolina Railroad.

By fall of the next year, Swepson was President of the Western Division of the Western North Carolina Railroad (and would later get Gen. Milton S. Littlefield into that role). He became infamous for exchanges with the leaders of several railroads, legislation to benefit railroads, and financial transactions in railroad stocks and bonds. The last relates to other owners of the Deep River Manufacturing Company, Lockville Mining & Manufacturing Company, and their associates. In October, 1868, State Treasurer David Jenkins received a scrip dividend of \$180,000 in State bonds from the North Carolina Railroad; by law, he had to use this in payment of interest for October on State-held North Carolina Railroad bonds. He sought buyers in North Carolina, but the bonds were not known on the New York Stock Exchange and had no market outside this state. For four weeks, Jenkins advertised their sale in two Raleigh newspapers. Tate told Swepson that the bonds were sound and that he wanted to buy some for the Eastern Division of the Western North Carolina Railroad. Heck urged Swepson to form a team, including John G. Williams and himself, to buy the bonds, but Swepson chose to work alone. The State received three bids. Western Rail Road President Jones won eight bonds; Swepson, the rest (\$176,000 worth), bidding 65 cents per dollar of the face value. He sold Tate 53 bonds for 69 cents on the dollar and 16 for 80 cents and Hawkins \$30,000 worth at cost—but bought them back at an increase to 80 cents. Hawkins paid no money and received no bonds, only their proceeds. The key to their success was the limited advertisement of the sale, arranged through State Treasurer Jenkins, who received \$600 for his role. Swepson arranged many such deals, and he and Hawkins perhaps meant to create the impression that the Chatham Railroad was paying huge lobbying fees.

To regain statehood, North Carolina had to void its Secession constitution and prepare a new one granting African-Americans the right to vote. Although the Constitutional Convention (1/14-3/17, 1868) barred reporters, it was known for incompetence and extravagance and, followed by two additional assemblies (an 1868 Special Session and the 1868-69 Regular Session of the General Assembly), nearly bankrupted the State. Representatives at the Constitutional Convention received \$8 per diem, which came in yearly at a bit less than the highest salaried businessmen were paid at that time.

The mileage rate for travel to and from a convention was \$0.20 per mile, and a Harnett County representative submitted a statement of 524 miles to Raleigh, though the distance was approximately 50 miles. Many representatives, finding the State slow to pay, obtained their funds at Raleigh National Bank through Swepson, into whose hands State Treasurer Kemp Battle may have played. The Convention authorized a loan of \$10,000 to pay the mileage and then passed an ordinance directing him to pay the per diem amounts from funds in his possession. Battle refused to recognize the Convention and declined to pay on the grounds that it had no legal status until its work establishing a new State Government was accomplished. He was ordered to do so as soon as the regular, forthcoming Legislature passed a tax bill to pay per diem and mileage. In the interim, Swepson advanced the first as loans without due dates to some Legislators, thus enmeshing them in obligations to him. Later, other Swepson loans ensnared several Legislators further.

In response to public outrage at the rumors of corruption, the Senate appointed (January, 1870) the Bragg Commission. Of the 25 witnesses it called, 22 appeared. George Swepson did not answer his summons. He returned to Raleigh for the examination but, after meeting with Governor Holden for some three hours, left a note that his wife was sick and took a special train provided by the North Carolina Railroad for Haw River. She met him at the depot.

Approximately a year later came The Shipp Commission. Gov. Holden sent this telegram (6/24/1869) to Swepson in Baltimore two days before its inquiry opened: “The case will be

tried, but the opinion of the Court reserved until your return; this is all I can effect.” Swepson (with Hawkins and others who had managerial connections to Lockville Mining & Manufacturing or the Deep River Manufacturing Company) appeared before the Shipp Commission, whose approach was mainly asking non-hostile questions with very little cross-examination. He was one of the three main culprits, but most of the serious discoveries were not pursued. A financial settlement was arranged with him to account for bonds issued by the State to the Western North Carolina Railroad that were required to be returned under the Act of March 8, 1870. Most of the funds were never collected.

In March, 1883, Jonathan Heck, Alexander B. Andrews, and Thomas C. Fuller (a law partner of Augustus Merrimon), were pallbearers at the burial of Swepson in Oakwood Cemetery. He owned it with Heck, Hawkins, and Battle.

Robert J. Wyllie (NCPEDIA, 1994) points out that Swepson became known as “Our Boss Tweed,” with swepsonize referring to the current evil.

As I indicated in an earlier column [“Edward Dickson Pearsall, William Theophilus Dortch, et al.” 12.9 (November, 2014): 4], Littlefield left North Carolina forever before the Shipp Commission sat. Several attempts to extradite him from New Jersey failed. An effort authorized by the Governor to kidnap him and return him for questioning about the Swepson schemes and other railroad matters also miscarried.

Governor Holden was removed from office following a Senate trial on eight articles. The House adopted, 74 to 9, a ninth article of impeachment related to his alleged conspiracy with Swepson in connection with the bonds for the Western Division of the Western North Carolina Railroad, but it disappeared and was never mentioned again. The focus of the impeachment became his actions in quelling the activities of the Ku Klux Klan in Alamance County.

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# TOGETHER WE’LL GROW.



## THE ECONOMIC IMPACT OF THE CHATHAM PARK DEVELOPMENT



Dr. Michael L. Walden, Project Director  
North Carolina State University  
December 2014



Another in an ongoing series of updates on what’s happening at Chatham Park.

Chatham Park is laying the groundwork for smart, sustained growth and enhanced economic opportunities for everyone in our area. But don’t just take our word for it; check out the highlights from a new North Carolina State University study.

### THE FUTURE LOOKS BRIGHT

The independent research, commissioned by the Chatham Economic Development Corporation, looked at the impact Chatham Park will have on our

economy over the next 40 years. The short answer? Wow.

For this task, they selected the economist, Dr. Michael Walden, who is well-known in this arena and has conducted hundreds of similar studies. He summed up the findings: “Prior to conducting the study, I knew that ... Chatham Park will have a significant impact on the local, regional, and state economies, and after calculating the numbers, the impact is truly impressive.”

### THE FUTURE IS HERE

The study is full of numbers. But we’re even more excited about what the results mean for residents in Chatham County.

For starters: good-paying jobs. From ongoing residential and commercial construction, to emerging retail, dining and service hubs, to research centers and office parks, all kinds of skill sets

are going to be in high demand. And these will be local jobs – the kinds that allow residents to have steady work and build careers without long commutes.

In addition, a broader tax base (supported by new residents and businesses) will generate more public resources for our schools, parks and art programs – and ensure that our

quality of life remains the envy of the Triangle.

### THE FUTURE STARTS NOW

This isn’t all coming at us at once. Development of Chatham Park is being handled in a phased, orderly manner, with an emphasis on sustainable growth and harmonious integration with our neighbors. But the results will begin to be felt in the near future, as more jobs open up, more customers come to our stores and restaurants – and more opportunities become available for our children.



### DID YOU KNOW?

Chatham Park’s Impact On Chatham County Over 40 Years:



**61,000**

Permanent Jobs

Beginning with the construction underway on a 25,000 square foot medical office building.

**\$80 BILLION**

Additional Spending

**\$3.2 BILLION**

In Additional Tax Revenue Doubling the Tax Base

The study relied on IMPLAN software for projections. Utilized by both the Federal Reserve Bank and the N.C. Department of Commerce, it is the most widely used economic impact model in the U.S.

You can see the full study at: <http://bit.ly/chathamparkstudy>

