

which then prevailed, however, of the relative proportions of revenue which would be required by the General and State Governments, as shown by the early legislation of each, is fraught with important instruction. In 1783, an impost of five per cent. *valorem*, to provide means for the redemption of a debt of more than fifty millions, limited in the term of its continuance to twenty-five years, was proposed by North Carolina, and failed to obtain the concurrence of the confederacy. At the same session an impost of two per cent. and every species of direct tax which now prevails, was levied for the State Government. The act of Congress of 1790, before referred to, sets apart for the payment of the civil and contingent list of the United States the sum of six hundred thousand dollars. It is very clear that upon the part of this State no doubt was entertained that a comparatively small share of the taxes paid by her citizens, would be required by the Federal Government. Instead, however, of this expectation being realized, we now find that the revenue accruing to the Treasury of the United States from this State is, upon the lowest principle of computation, greater by twenty fold than the amount required to sustain the State Government; and that the expenses of the civil and contingent list, during the last year, exceeded the entire amount of State debts, the assumption of which in 1790 created universal alarm.

The predictions of able and patriotic statesmen in our Convention which rejected the Federal Constitution, that a system of heavy taxation and lavish expenditure would grow up under it, although derided at the time as chimerical by others, neither less wise nor patriotic than themselves, have been realized to an extent which the most fearful and far sighted did not apprehend. Whether these evils are not rather to be regarded as obviously resulting from the abuse of delegated power, than as effects which might reasonably have been anticipated from the instrument itself, it is not now proper to inquire. But he who does not perceive the constant tendency of the Federal Government to extend its powers, augment its resources, and multiply its expenditures, must be very inattentive to our past and present history.

Injurious as was the arrangement of the revolutionary claims to the interests of this State, and oppressive as the fiscal system of the General Government has been to all the southern States, we derive consolation from the reflection that we have out grown, in some degree, the effects of the first, and enjoy the prospect of relief from the last. We have arrived, too, at a period in our affairs, which authorizes the expectation that though an indemnity cannot be afforded, some reparation may be obtained for the injuries we have suffered. The perplexing questions connected with the tariff system have been adjusted for the present, and, it is hoped, will be finally settled on the expiration of the act of 1832. The national debt is extinguished, and the national domain is relieved from the pledge under which it was held for the benefit of the General Government.—The important question for the first time arises for consideration, what disposition shall be made of it? Louisiana and Florida were acquired by purchase, and, of course, under the Constitution of the United States, are the common property of the Union. All other portions of the public domain were ceded to the confederacy, or have, as in the instances of this State and Georgia, been conveyed to the United States since the adoption of the Constitution, "as a means as well of hastening the extinguishment of the debts as of establishing the harmony of the United States." All the deeds of cession contain a condition substantially the same with that to be found in the deed executed upon the part of this State, viz. that the lands ceded "shall be considered as a common fund, for the use and benefit of the United States of America, North Carolina inclusive, according to their respective and usual proportion in the general charge and expenditure, and shall be faithfully disposed of for that purpose, and for no other use or purpose whatever."

The "debt" to be extinguished was the debt created in the common defence anterior to the date of the instrument, and the fund, after the extinguishment of this debt, was to be applied to "the use and benefit of the United States, according to their respective and usual proportion in the general charge and expenditure." This would seem to be the obvious and fair construction of the deed; and it results, as a necessary consequence, that North Carolina, having been burthened, at the period when her citizens were least able to sustain it, with one-tenth of the whole amount of the public debt, is entitled to receive a like proportion of the fund which remains undisposed of.

Whatever conclusion you may come to on this subject, it seems to me that the proposition either to give the lands to the States within which they are situated, or to reduce the price at which they have hitherto been disposed of, is wholly inadmissible. Next to the operation of the revenue system, no other measure of the General Government has so seriously affected the interests of the old States as the low prices at which emigrants have been enabled to obtain the most fertile lands in the valley of the Mississippi. No one can have failed to perceive the diminution in the value of real property in this State already occasioned by it, or doubt a moment the ruinous

consequences which must result from a further reduction of the price of public lands. These lands were obtained by the blood and treasure of the old States, and while we should be disposed to continue the same liberal policy to the younger members of the confederacy, which has characterized all the proceedings of the General Government, it ought not to be expected of us to go farther. At all events, the southern States, having during nearly half a century exhausted their resources in the payment of bounties to the ingenuity of the eastern, must not be ruined, that adequate rewards may be provided for the enterprise of the western States.

The existing tariff of duties, which, happily for the country, has been satisfactorily arranged for the present at least, must produce a revenue entirely adequate to an economical administration of the Government, and additional resources will but tend to prodigality and corruption. There seems to be no good reason, therefore, why, the object having been accomplished for which the sinking fund was created, the national domain shall not be divided in the stipulated proportion among all the members of the Confederacy. To the State Governments it will afford the most important aid in the prosecution of schemes of internal improvements, and the diffusion of the means of education. All experience proves that, if the power could be rightfully exercised, the General Government is not competent to the accomplishment of these great purposes; and the heavy amount paid by this State indirectly into the Treasury of the United States, under the operation of the present revenue system, if this fund be denied us places the accumulation of the requisite means beyond our reach, within any reasonable period of time.

My opinions with respect to the necessity of a speedy and efficient prosecution by the State of a general system of internal improvements, were communicated at length in the report submitted to the General Assembly at the last session, by the Board for Internal Improvements. It is not proposed to discuss, at present, any one of the various topics which were then fully considered. The experience of another year affords conclusive proof that individual associations never will, and never can accomplish any plan commensurate with our necessities and resources. If the money alone, which has been expended by our legislative councils in the creation of corporations, that have existed only on paper, and are a most inconvenient encumbrance on the statute book, had been applied to the construction of some one work, at a proper point, we should have had before us an experiment, which would, at least, have afforded useful instruction. The continually increasing current of emigration, which is depriving us of many of our most intelligent and enterprising citizens, and a large portion of our wealth, particularly in the section of the State hitherto regarded as the most populous and opulent, impart to this subject a painful interest. If the evil admitted of no remedy, allusion to it would be both weak and idle. It is not, however, so considered. In the extent of her territory, the variety of her productions, the fertility of her soil, and salubrity of her climate, North Carolina will compare advantageously with the most prosperous members of the Confederacy. The obstructions to the navigation of our rivers, by the falls created by the ledge of granite which traverses the State from northeast to south-west, and the impossibility of entering either of the parts connected with these rivers, with ships of the largest class, are certainly great natural disadvantages. It is believed, however, that these difficulties may be obviated to an extent which will ensure us all the commercial facilities essential to a highly prosperous condition.—We have a wider extent of sea coast than any State in the Union, and the best inlet and harbor south of the Chesapeake. We have the power to connect this harbor with nearly all the navigable waters of the State, and thus bring the blessings of commerce not only to the doors of our own citizens, but afford a national highway to our sister States, of great importance in time of peace, and of inestimable value in war. Under such circumstances, to permit public prosperity either to decline or remain stationary, is as foreign from our duty as it is injurious to our interests and repugnant to our feelings. The period cannot be distant when other objects than the disbursement of sums smaller than the aggregate of legislative expenses shall be considered as falling within the legitimate range of your duties. The immediate representatives of the people, the highest and most responsible functionaries recognized by the theory of our Government, are selected and convened for the attainment of objects essential to the public weal, which cannot be effected by individual effort. I am satisfied myself that the course of legislation hitherto pursued, is to be ascribed to local divisions more than to any other cause, and the hope is fondly cherished that you will not separate without the adoption of such measures as shall make us a united people, as well in feeling as in interest.

The revenue system of this State is radically defective, and requires both revision and amendment. For some years past, the disbursements from the Public Treasury have exceeded the ordinary receipts, and we have been gradually consuming the principal of a productive fund which had been accumulated by the economy of preceding years. The investments which have

been made in the stock of the Bank of the State of North Carolina, leaves it no longer in our power to pursue this exhausting process, and we are compelled to provide other means to defray the expenses of the Government. This, it is believed, may be effected without any increase of the present rate of taxation, if provision is made to secure a fair valuation of real estate, and to ascertain the number of individuals legally liable to poll tax. The Government of the country should never hold out temptations to its citizens to do wrong. Such, however, is the manifest tendency of the most important principles of our fiscal system. In practice, whatever may have been the theoretical speculations of the law-giver, every owner of real estate assesses the value of his own freehold, and it follows as a necessary consequence, that the individual, who is honest under all circumstances, contributes his fair proportion to the maintenance of the Government; while he who is less conscientious receives a direct reward for his iniquity.

The same objections apply with still greater force to the regulations under which the poll tax is levied. All slaves over twelve and under fifty years of age, are subject to capitation tax. If every slave owner in the community were entirely disposed to do so, it is a very easy task to ascertain accurately the proportion of his slaves who are between twelve and fifty years of age. Records are rarely kept of the ages of those born upon our estates, and we have still greater difficulty in ascertaining the ages of such as have been acquired by purchase or inheritance. He, however, who is not scrupulously honest, may satisfy his conscience by very superficial inquiries, when they agree with his interest; and the individual who is entirely beyond the influence of moral coercion may commit fraud with impunity. Attempts to detect crimes of this character, are rarely made; and if they were more frequent, success, in the nature of things, is nearly impossible. A single example will suffice to establish the corrections of these remarks, and shew the extent to which the revenue is defrauded. The aggregate number of slaves in this State, in 1830, was 246,462. At least one half of these, by every authorized principle of computation, were between the ages of twelve and fifty years, and, at the rate of twenty cents each, should have contributed to the Public Treasury 24,646 dollars. The entire amount of poll tax derived in that year, from this source, and from the same rate of taxation imposed on every free male between the ages of twenty-one & forty-five, in a population of little less than half a million, was \$28,211 35, exclusive of the six per cent. commissions retained by the Sheriffs for collection. It is confidently believed that if a fair mode for the valuations of lands were provided, and a proper system of accountability devised with respect to the poll tax, that the amount of revenue derived from these sources would be increased one-fourth, and that this reform alone would enable the Public Treasurer to meet the ordinary expenditures from his department. With respect to the tax on slaves, a simple, easy and efficient remedy would arise from abolishing the discrimination of ages, and imposing a tax on each. In practice, it will be found no more burthensome, and the process more simple, to give in the whole number of slaves at ten cents, than to ascertain the number of those between twelve and fifty, who are subject to twenty cents; and those who now misrepresent the ages of their slaves, without the fear of detection, will find it much more difficult to conceal their number.

I have heretofore ventured to express the opinion, that too large a proportion of the public burthen is imposed upon those who are subject to a poll tax only, and that the range of taxation should be extended. Subsequent reflection has satisfied me entirely of the correctness of the position. The poll tax on the day laborer and the capitalist is precisely the same; and it sometimes happens that the latter, like the former, is subject to no other species of contribution. In the one case, it is an onerous imposition; in the other, a tax a thousand fold greater might occasion no sensible inconvenience. It seems at least to be worthy of consideration, whether pleasure carriages, and other articles of luxury, and especially collateral inheritances, should not be brought within the operation of our revenue laws.

The Report of the Public Treasurer will exhibit a detail statement of the receipts and expenditures of the Treasury Department, which will present all the information that can be desired upon the subject. His views with respect to our financial system, will command attention, and afford satisfactory evidence of the diligence and ability with which his duties have been discharged.

The Bank of the State of North Carolina, incorporated by an act of the last Legislature, has gone into operation at an earlier period, and under more favorable auspices, than was anticipated by its most sanguine friends. The entire amount of stock authorized to be subscribed by individuals (900,000 dollars) has been taken, and the payments made with more than ordinary punctuality. Of the stock reserved for the State, (600,000 dollars) but one-fourth has been subscribed and paid for by the Public Treasurer. The remaining three fourths must be secured within the period of two years from the first of January next, or the privilege reserved to the State will be forfeited. Your attention is thus early directed to the subject, that proper measures may

be adopted by a judicious revision of our revenue laws, by the sale of other public stocks, or by resorting to a loan, to attain one of the leading objects contemplated by the charter of this institution.

Some legislation is necessary with respect to the publication and distribution of the Acts of Assembly. The transmission of a single copy to the Executive of each State, is at present authorized, while we receive from nearly all the States a copy for the Executive Department, and one for each branch of the Legislature. It is the duty of the Secretary of State to deliver to the Public Printer, at an early period after the adjournment of the General Assembly, copies of all acts which have been passed. But it is not made the duty of any one to arrange the order of publication, to prepare indexes and margined notes, and to revise the proof sheets. This evil has been increased by the anxiety which prevails at the close of the session to expedite business, by the employment of inexperienced engraving clerks. Mistakes which last winter escaped the vigilance of the examining committees, have not only deformed the statute book, but have materially affected the construction of some of the most important enactments of the session.

The death of James Grant, Esquire, late Comptroller of Public Accounts, has deprived the State of the services of a faithful and vigilant officer. This event occurred at too late a period to admit of my assembling the Executive Council with a view to a temporary appointment, and the office is, therefore, vacant. The duties of the Comptroller have devolved upon the Treasury Department at the busiest season of the year, and it is desirable that this vacancy should be supplied at as early a day as practicable.

Perhaps a fairer occasion may never be presented for suggesting that the practice which has prevailed of late years, of selecting Counsellors from remote sections of the State, is a virtual infraction of the Constitution. For a long period subsequent to the establishment of our Government, the members of the Council were chosen from the immediate vicinity of the Governor. He was thus enabled, almost without expense to the public, and without any delay, to consult his constitutional advisers on all subjects of importance. Even applications for pardon, in capital cases, were invariably submitted to this body, which was, in fact as well as in name, a branch of the Executive Department. The inconvenience of this innovation may, at no distant day, operate most injuriously. If the late Comptroller had died a few weeks earlier, it would have been impossible to have supplied his place in time for the settlements which the Sheriffs are required to complete by the first of October in each year. So nearly has this portion of Executive power been annihilated by modern practice, that those who are presumed to exercise it have not been convened at any period during my administration.

I have received within the last few days the proceedings of a meeting of the citizens of Wilmington, called to consider "the outrage recently committed on American citizens at Nassau, New Providence, by certain officers of that island. The resolutions adopted on the occasion, are laid before you at the request of the meeting. They will doubtless receive the consideration due to the importance of the subject, and the respectable source from which they emanate. Besides the adoption of such measures as you may deem advisable with respect to this affair, I regret to state that some legislation seems to be necessary to protect the rights of our citizens to their slaves from domestic aggression. The combinations which exist in some of the eastern cities, to prevent, by the expense incident to protracted litigation, the recaption of fugitive slaves, have rendered it the interest of the owner, in many instances, to abandon his title to such property. An individual of this city, in a contest of this character, where the proof adduced was more clearly made out than would, perhaps, be possible in one out of a hundred cases, found it necessary to expend, in the progress of a suit finally decided by the Supreme Court of New York, a much larger sum than the value of the slaves. The evil might find its appropriate remedy in the levy of a tax on slave owners to defray the expenses of similar litigation in future. The knowledge that such a fund existed, would doubtless obviate the necessity of frequent expenditures.

It affords me pleasure to state, that the Attorney General, who has been charged with the duty of pressing our claims for expenditures during the late war with Great Britain upon the consideration of the War Department, entertains confident hopes of a speedy and equitable settlement.—His correspondence upon this subject will be transmitted to you in the progress of the session.

The act passed at the last session of the General Assembly, directing the Governor to appoint three commissioners, whose duty it should be to revise and digest the public statute laws of this State, has been complied with. The trust was, at an early period after the adjournment of the Legislature, confided to William H. Battle, Gavin Hogg and James Iredell, Esquires, who entered upon the immediate discharge of their duties. The severe indisposition of one of these gentlemen has greatly impeded the progress of the work, though it is believed it may be completed within the period limited by law. A re-