To the Honorable, the General

Assembly of North Carolina : The periodical meeting of the representatives of the people, animated with a real for the public welfare, bringing to the Capitol a knowledge of the sentiments, wishes and wants of their constituents, as well as of the most recent experience of the action of the Government, in every region of the State, and clothed with powers more important, than have been granted to any other of our public agents, is habitually expected; as an occurrence of interest by every citizen. To none does it come with a more welcome satisfaction; than to that department of our system, which is charged with the administration of public affairs, and with watching over the public interest in the vacation of the Legislature.

Before presenting to your consideration, the matters of general concern demanding our joint counsels and mutual endeavors, for the well being of the State, I deem it meet to remind you, of our obli-gations of gratitude to the Supreme Ruler of the Universe, for the preservation of our Institutions, and the countless blessings of his Providence, which have been continued to us through another two years of our political existence. Though we have been afflicted by disease, to a greater and more fatal extent than has usually fallen to our lot, have suffered from drought, and consequent failure of crop, and from casualties by flood and fire, yet, have we abundant reason to rejoice, in what has been vouchsafed to us, rather than to repine, at what has been suffered or denied.

The Revenue and Finances of the State, always a subject of moment to the people, and to the Legislature, will derive additional importance at your present Session from the circumstances which now surround us. The Reports of the Public Treasurer, and Comptroller of Public Accounts, will make you sequainted with the transactions at that department since the last adjournment of the Legislature, and the demands which will fall upon it, before the next bieunial meeting. Our present political arrangement, comprising biennial Sessions of the Legislature, and seven Judges of the Superior Courts, besides the Judicial and Executive establishments formerly existing, has now continued for ten years. During this period, the average expenditure for the ordinary support of the Government (exclusive of Disbursements for re-building the Capitol, and the interest on a loan effected to pay the State's subscription for Stock in the present Bank of the State, in former years, and of payments on account of suretyships for Rail Road Companies, more recently.) may be stated with sufficient accuracy at about \$67,500 per aunum : or \$90,000 for the odd, and \$45,000 for the even year of the series-the difference being obviously occasioned by the Session of the Legislature in each alternate year. In the same time, the income from ordinary sources of Revenue has averaged \$83.-000, the excess of which, over and above the ordinary expenses has been devoted to the account of rebefore mentioned, until it was discharged, and of her of 21 and 45 years. There are found on our Muster liabilities for the Rail Road Companies. These ex- Rolls, the names of 76,568 men, compreheading those traordinary demands on the Treasury, by reason of between the ages of 18 and 45 generally, but the Rail Road liabilities, have so accumulated from not including numerous exempts under various Statthe failure of the Legislature, at either of the two utes. Making liberal deductions for those between last Sesions, to make timely provision to meet them, 18 and 21, and adding exempts from military daty. as to increase the difficulty of your task. But, it who are liable to taxation, and there must still reis believed, that this may be readily overcome by main more than 70,000 taxable white Polls, and conproper and energetic action now, without imposing sequently a total of 195,000 taxable Polls in the onerous or unjust burthens upon our constituents. For the Wilmington & Raleigh Rail Road Company, the State became surety by the act of 1840, * for the sum of \$300,000, payable in six annual instalments of \$50,000 each-beginning ou the 1st of January 1842, and ending the 1st of January 1847, The first of these instalments was paid by the Company. The second falling due the 1st of January 1843, while the General Assembly was in session. and being apprized that the Company was anable to discharge it, they directed the Literary Board to invest \$50,000 of its funds, by purchasing the bonds, which constituted the evidence of this debt. These bonds are still held as a part of the funds of that Board. But, for the instalment, payable the 1st of January 1844, no provision was made in the event of its falling on the State ; which contingency happening, it was taken up by the Treasurer, with the public funds, and that set of bonds is now held at the Treasury. By the Act of the Legislature, at the last Session, other bonds indorsed by the State were allowed to be issued, in lieu of those becoming due in 1845 & 1846, on which credits were extended to 1848 & 1849, the interest whereof has been kept down by the Company, as it has been also on those held by the Literary Board, and the Public Treasurer. A new mortgage on all the property of the Company, was taken to secure the State against this new indersement. I am not informed whether this Company is prepared to pay off the remaining instalment on the 1st of January next, but their income is un-doubtedly sufficient for the payment of all their interest on loans, and the gradual reduction of their principal debt. While this continues to be the case, there can be no objection to continuing the State's credit to them, to the extent of her present liabilities. It is not therefore anticipated, that any demand on the Treasury will, in future, arise from the affairs of the Company. By an act of the General Assembly in 1839 the State became, in like manner, surety to the Raleigh and Gaston Rail Road Company, for the sum of \$500,000, of which the interest was to be paid semiannually as it accrued, and the principal to be redeemed at the pleasure of the Legislature, at any time after the 1st of January 1860. A like suretyship for \$300,000 was undertaken for this Company by an Act, passed in 1841, the interest whereof was to be paid as on the former loan, and the onetenth of the principal to be re-paid on the 1st of January, in each year from 1845 to 1854 inclusive. Of this class of bonds, it is understood that \$13,000 was never used by the Company, and therefore, that the State, as an accommodation indorser, is not liable on them. This latter Company, having paid no part of its principal debt, and but a single instalment of interest, its whole liability has, for the present, fallen on the State, which has, thus far, kept down the interest on both descriptions of bonds, and discharged two instalments of principal, being \$30,000 each, and be-coming payable in the years 1845 and 1846 respectively. To accomplish this, however, some portion of the Literary Fund has been used and \$50,000 has been borrowed from the Bank of Cape Fear. The State, is, therefore, still bound for the interest semiannually, on the whole sum remaining, viz: \$727,-000, until paid, as also for \$30,000 per annum of principal, for the next eight years, and the residue of \$500,000 at such time after the 1st of January 1860, as the Legislature shall hereafter appoint. For her indemnity against these responsibilities, she has 1st, the proceeds of the sale of the Raleigh and Gaston Rail Road, if it shall be deemed expedient to make a re sale, or its income, over and above expenses, if retained. 2nd, the obligations of individual Stockholders, under the 14th section of the Act of 1839, and of the Stockholders and subscribers, who gave bond under the Act of 1841. Whether these resources cau be relied on, to indemnify the State ultimately, against her whole liability for this Compamy, admits of question ; but that they will afford the the Treasury, as before stated, and the scrupulous fidelity and honor, with which North Carolina has ever maintained her public engagements, require that ample means shall be provided in advance, to save the public faith in any contingency. While, therefore, your efforts will be directed to the most eligible mode of making this indemnity effectual, it is indispensable that measures shall be adopted for an increase of the Revenue. How this can be realized with the least hardship to the people, has employed my anxious reflections, and the result is offered with the deference due to the superior wisdom of the Legislature. Our income, at present, is derived chiefly from levies on lands and persons. These should not be augmented, until other sources of Revenue have been tried ; but the rates now laid should be faithfully paid. and punctually and fully exacted. And, independently of the pressing wants of the Treasury, I should have recommended a new assessment of Lands, with a view to greater accuracy in the fixation of value on each tract, and some provision for a more correct enlistment of Polls, as a measure of justice to the State and of equalizing effect among her citizens. Our Land tax for 25 years past, has been the moderate fate of six cents per annum on the one hundred dol-

GOV. GRAHAM'S MESSAGE. | lars value. The habitual negligence, which has prevailed in returning lands for taxation, and ascertain-ing their value, will be manifest from a few facts in the history of the Revenue. In the year 1815, the aggregate value of the lands of the State, assessed for taxation under the Law of Congress, was \$53,-521,513. But, in the year 1836, the whole quantity of land listed for taxation was valued at only \$39, 136,108. To correct this criminal delinquency in enlistment and valuation, the Act of 1836 directed a new assessment of Land and improvements, by means of which, the same subject of taxation in the next year was raised in value to \$51,021,317, and 6,000 more was added to the Revenue. This valuation, however, is obviously defective, since it falls two and a half millions of dollars below that of 1815, although more than a million and a half of acres had been patented in the mean time. It is reasonably estimated, that with an area of 50,000 square miles within our boundaries, there are 45,000 square miles, or near twenty-nine millions of acres of territory inhabited .--Making the utmost allowance for lands not yet granted, it can hardly be possible that less than twenty-five millions of acres are chargeable with taxes. But from a statement appended to the Report of the Comptroller, it seems that 23,267,472 acres comprise all, of which any returns have been received, and that of this, the average value for taxation is but \$2,281 per acre, against a like average of \$2 69 in 1815. The act of 1836 contains no direction for a new assessment at any subsequent time, and the val-

criterion of our Land Revenue at present. Besides, very considerable quantities, since entered and patented, ten years have greatly enhanced the price of much of the Land in the State, in consequence of improvements and discoveries made within that period. The erection of Manufacturing Establishments, the Discovery of mines, the construction of 250 miles of Rail Road, the improvements on Real Estate in many of our Towns, and the rise in value of Forest lands, yielding Turpentine, will at once occur as illustrations of this truth, to say nothing of those deveted to ordinary culture. There may be occasional instances of a decline in value, but with the data before us, it can hardly admit of question, that upon a fair assessment of Land and improvements, the aggregate value will exceed sixty millions of dollars; and that from failure in duly exacting the present rate of Land tax, the State is annually deprived of seven or eight thousand dollars, at the least calculation. Surprising as this may appear, there seems to be a deficit of nearly an equal amount, in the payment of the Poll tax. The tabular Statement of the Comptroller, before referred to, exhibits for taxation the next year 62,795 black, and 54,226 white Polls, including all of whom there is any account, both listed and unlisted. The Slave population of the State, according to the Census of 1840, numbered 245,817. All of these, between the ages of 12 and 50, are subject to taxation ; and by estimates from reliable sources, this regulation renders taxable rather more than one-half on each Plantation. A full enumeration, therefore, of taxable Blacks, ought to embrace about 125,000. building the Capitol, interest on the State's debt, as Of Whites, all males are taxable between the ages State. Our Poll tax has been gradually increasing for the last few years, and, for the past year, appears to have been collected on 164,464 persons. That it has been negligently attended to, is manifest from variances of from four to five hundred dollars per annum, sometimes on one side and sometimes on the other of the account, in the amounts collected during the last four years. It is, therefore, an imperative duty of the Legislature, as well, in justice to those citizens whose Lands and Polls are fairly assessed and enlisted, and who are contributing accordingly into the Public Treasury, as to the State itself, to require a new assessment of Lands' and improvements, to be justly made, on inspection of the premises if necessary, and to provide for an accurate and full Census of all taxable persons. No valuation of Lands can continue to be a just criterion of worth for any considerable period, and a re-assessment should be provided for, once at least in five years if it be not annual. By adopting these measures of fairness and ustice, to collect what is now imposed, without any increase of taxes, it may be reasonably expected that the Public Revenue from present sources, now equal to about \$86,000, may be raised to \$100,000, per aanum. These regulations should be made to take effect immediately, that the Treasury may experience their benefit in the course of the next year. Further to augment the Revenue, it is proposed that a tax be imposed on Pleasure Carriages, and Gold Watches kept for use, and, if deemed expedient on any other articles of luxury, to go into operation at once, and continue in force until the expiration of the next Session of the General Assembly. It is submitted to your inquiry, in connection with the Revenue, whether the Bank of Cape Fear has paid to the State, and the Literary Fund, the full amount semi-annually due for Dividends-their custom, being to pay the tax on the Shares of Stock owned by individuals, out of the whole profits of the Bank, instead of the Dividends of profits allotted to individuals. This course is supposed by them, to be sanctioned by a decision of the Supreme Court, on the taxing clause of their old Charter ; but the renewed Charter of 1833 is in different language, and it could hardly have been the design of the Legislature to exact a less tax on the Stock of individuals in this Bank, than on that in similar institutions in the State. To aid the Treasury, until other means can be realized. I suggest that the Bonds, Notes and Judgments, held by the Literary Board, consisting chiefly of the unexpended balance appropriated to drain Swamp Lands, be turned over to the Public Treasurer, to be collected and applied according to our necessities; but, that the State be charged with the amount thereof, as a loan, the interest of which shall be faithfully paid as an annual part of the distribution for the support of Common Schools. The effectual security of the Principal, and the punctual payment of the interest, is all that is now desired from the Literary Fund. The proposed disposition of this part of it, while it supplies the present wants of the State, will relieve the School Fund from the expense incident to the present Loan Office in the Literary Board ; and the increased Revenue, in the mode already set forth, will afford ample means for the payment of the interest. It will simplify the Public Accounts, to direct the Bonds of the Wilmington and Raleigh Rail Road Company, now lying in the Treasury, and amounting to \$50,000 as before stated, to be transferred to the Literary Fund, and as an equivalent, that the Tavern and Auction Taxes be hereafter paid into the Public Treasury. To liquidate the State's responsibility for the Raleigh and Gaston Rail Road Company, as early as practicable, I recommend the creation of a sinking to agree in their discretion upon terms and price limfund, to be applied in buying and in cancelling both kinds of Bonds, when they can be purchased at, or d Company, under the 14th secnow pending against sundry obligors on the Bouds. 1841, who failed to renew their bonds biennially, as required by Law, and I regret that, no decision has, as yet, been rendered in the premises. It is contended on behalf of the State, that a failure to renew. is a breach of the condition of the Bond, inducing a forfeiture of the whole penalty. Since the foreclosure of the Mortgages, and the insufficiency of the real and personal estate of the Company, to indemnify the State in her securityship, it has become an interesting question to what extent can she claim to be indemnified by the individual Stockholders and Bondsmen, and at what time is her right therato to be asserted ? - By the 14th section of the Act of 1839, in the case which has happened, to wit, " of the insufficiency of the property of the Company, to pay off and satisfy the full amount of Bonds, then directed to be indorsed, including the principal and inter-est thercon" each and every Stockholder was to be

The Act of 1841, designed from its title, tained. further to secure the State against loss, as well as to grant further sid to the Company, provided amongst other things, for the execution and delivery of Bonds, in the aggregate penal sum of \$500,000, hy Stock-holders and Subscribers, covenanting to indemnify the State against any loss or damage, in conse quence of her suretyship in the premises, and " in sufficiency of the real and personal estate and property of said Company to discharge the same."-It would seem, therefore, to have been the intention of the Act of 1839, to hold the Stockholders individually responsible for " any loss to the State in the mortgaged property, to an equal amount with their subscriptions of stock. Nothing that I perceive, in the Act of 1841, changes that intention. The Bonde directed to be taken, appear to have been purposed, at the least, as cumulative security for the former liability, and to provide a more easy remedy in case of non-compliance. Whether the Bonds actually taken conform to this construction of the Statute, or whether it may be necessary to resort to a Court of the Bonds, is a matter for your mature deliberation. That the Act of 1839, section 14, obliged the Stockholders to save the State harmless, both as to principal and interest, cannot be doubted. Nor, will it be readily admitted, that the Act of 1841, in pari materia, was designed to abridge or surrender any security. Those Stockholders, who did not give Bouds, uation under it, loosely made ten years ago, is the seem to be responsible to the amount of their stock, under the Act of 1839, for both interest and principal. And it would be an anomaly in the subsequent proceeding, if they are under heavier obligations than their associates, who entered into bonds besides being Stockholders.

But whatever may be the extent of the liability of these Stockholders and bondsmen, or whatever may be the forum to enforce it. I apprehend that the event has happened on which it may be at once asserted. An opinion has prevailed, that the State; although obliged to pay interest in the mean time, and \$500-Q00.of principal in 1860, or thereafter, could have no redress on these obligations until after that distant period. The law, it is true, renders the debt irredeemable until that time, to give the capitalist assurance of a long loan and thereby to enhance the value of the stock. But after exhausting the remedy by mortgage, and it being demonstratively certain, that a large balance even of principal, must be paid by the State, I see nothing which requires delay in exacting any part of the indemnity stipulated. Should these suggestions meet your concurrence, you will of course give the corresponding directions to the Law officers of the State. How much may be realized, either from the income or re-sale of the Rail Road, or from the liabilities just referred to, is as yet uncertain. In advising, therefore, but a temporary provision for extra taxation, I am influenced by the consideration, that possibly it may not longer be required, rather than by the fear of any aversion of our constituents, to contribute whatever may be needed to redeem the public obligations, however incautionsly or unfortunately entered into. The odious doctrine that a State may refuse or postpone the fulfilment of contracts guaranteed by her public faith and sovereign honor, has no resting place in all our borders, and I am yet to hear of a single exception to the unanimity of our people upon this subject. Legal proceedings were instituted for the foreclosure of the Mortgages, on all the property of the Ra-leigh and Gaston Rail Road Company, at Spring

tice. It directs a sale of all the property and franchises of the Company in both States, by the Board of public works of Virginia; but provides that if at the sale, or at any time thereafter the State of North Carolini or any Company incorporated by her for purposes of later-nal improvement, should in any way become the owner of said Rail Road, "the General Assembly of Virginia reserves the right to revoke all the powers privileges and immunities conveyed by such sale, and to declare the same null and void." Now all this so far as relates to North Carolina, or to the known purposes of any of her citizens, is the mere effusion of a jealous and hostile spirit, without object or meanpayment of principal or interest," after applying the ing. She had neither manifested nor entertained any wish to become the proprietor of this Rail Road Her Board of Internal Improvement, it is true, stood in the situation of a creditor of the Company for monies lent, but were amply secured by a Mortgage, on a part of the Rail Road property, prior in lieu to any other. There is another provision in this act of more significance. It declares in a subsequent section, " that in case the authorities of the State of North whether it may be necessary to resort to a Court of Equity to assert the State's remedy in its full extent, erwise, deprive the Petersburg Rail Road Company on the ground of mistake or inadvertence in framing | of any of the privileges and advantages of its chafter, obtained from that State, for any act done, or omitted to be done, by the said Company, or by any means whatsoever, prevent the said Company from conducting their operations, on so much of their Rail Road as lies within the State of North Catolina, or any part thereof, by reason of any act heretofore done, or omitted to be done by said Company, then all the rights conferred by that act, on the purchasers of the Portsmouth and Roanoke Rail Roadshall cease | compensation. and be determined, until the State of North Carolina shall reinstate the Petersburg Rail Road Company in

> be overlooked, that both the Petersburg and Portstheir respective Companies exercise and enjoy all their rights and privileges on this side of the line, under charters from her Legislature-that the last named Company were sued by a creditor, in an action at Law, and after judgment, an Execution was levied on that section of its Road, running through the county of Northampton, a sale and purchase took place by virtue thereof, and the Supreme Court affirmed the same, to the extent of conferring on the purchaser the legal title in the land and fixtures of the road but not the franchise of transporting thereon. In this condition, the acquisition was of so little value or utility, that the advantages of the Road would, in all probability have been continued to the public by the re-union of the estate and franchise, but for the action of the Petersburg Company. That Company transportation, over the section, of which the title was in him, with a stipulation that the later payments should cease, whenever that part of the Road should again be brought into use. In other words, the Petersburg Company, in effect, bought from him the disuse of the Portsmouth Road, and paid him a consideration for withholding from the public the conveniences for which the Legislature had authorized its construction. The right of the individual party to this agreement, thus to dispose of his interest, under decision of the Court, is not denied ; and had the other contracting party been a natural person, it would my view, a corporation, the mere creature of Law, must look to its charter, for privileges not for restrictions: what is not authorized to it, is denied : and by consequence, the Petersburg Rail Road Company, permitted by its charter only, to construct a Road from that Town to its Southern terminus, and cipate in the profits of transportation on the Portsmouth Road, or to suppress transportation thereon. Regarding this contract as designed for the ly required to be periodically done, by the Act of its creation, I directed the Attorney General to file an defendant. The opinion announcing this decision is termine whether any new process shall be instituted in the premises, or whether any new Legislation be It was while this Information was pending, that the General Assembly of Virginia, made their " enactment," in which it is plainly intimated that if contrary decision from that arrived at by the Court should be made, and this corporation should be de prived of any of its privileges, now enjoyed under our law, by reason of any neglect of duty, or by any transgression whatever, it should be retaliated with the loss of the Portsmouth Road also. This State had made herself no party in the rivalries of these Companies, but authorized the construction of both Roads, to procure the advantage of two highways for market and travel, expecting to her people, of course, the fruits of a fair emulation between them. But in the dispensation of her justice, whether among corporations or individuals, and in the exaction of the nomage due to her laws, in her own Territory, no in fuences from abroad can be permitted to interfere Not to remark on the departure from comity, implied public advertisement, that she should be excluded from the biddings, though part of it was in her limits and existed by her leave, while the same Statute appoints agents to attend and bid for Virginia ; and on the denunciation, that if, for violations of our law ascertained and adjudged by our highest Judicial Tribune, in a proceeding then before it, the Company owning the other Road should be deprived of any of the privileges and advantages granted to it by this State, then the use of both should be lost : This Act of the General Assembly of Virginia indicates a presumption on her part, of dependence by us, upon her for markets and the means of reaching them, which requires an examination of the relations between us In that point of view, it calls for a minute revision of the charters heretofore so liberally granted for the promotion of trade to her own town from this State. an investigation of the fulfilment of them by those to whom they have been granted, and, if necessary, the provision of new guards for the security of the advantages to us, which they were designed to procure. It also suggests the necessity of Improvements of our own, which shall break any such dependence, (where it may exist,) as far as possible, and place the State in a posture, at all times, to vindicate the public justice, (as must needs be done at any sacrifice.) without any apprehension of loss or inconvenience from privileges

our trading towns, while either would contribute largely to swell the stream of travel on the present Road, with which it may be joined. From the action of Congress at the last session, there seems to be no probability at present, of the re-opening of the inlet between Albeinarle Sound and the Atlantic, under their auspices. And I re-gretted to learn from the debates in that body, that the present had sufficient institution the last re-

now devolve on you, to give directions for the future disposal of it. Boats of light draught yet pass through it, and although the locks are decayed, I presume, for a reasonable expenditure, it may be made passable for sea-going vessels, sufficient in size for the coasting trade. Uniting as it does the best Harbor on the American coast, between the Capes of Vir-ginia and those of Florida, with our interior waters, I deem it preferable that it shall be kept and improved by the State. But if no appropriation be made for its improvement, let it be disposed of to a Company, or individual, with some stipulation on into market. The residue was directed "to remain the part of the purchaser, to keep it in order for subject to the disposition of a future Legislature, and

has long been in contemplation by the people in that

corporated for the improvement of the Navigation of mouth Rail Roads lie partly in North Carolina, and all the larger Rivers of the State, and an Engineer was employed, for a considerable time, in making Surveys, preparatory to a general system of Internal Improvement. Owing to causes not necessary to be now reviewed, scarcely any of the works then contemplated were completed, and all these chartered Companies, except in the instances of Roanoke and Cape Fear, have lost their privileges by non-user .--Of late, a disposition has been manifested by the peo- policy of fixing the population, and inducing them ple of those sections, to re-attempt the Navigation of Neuse and Yadkin Rivers. I entertain no doubt, those remaining lands in the possession of citizens, that by mercly removing the timbers which are imbedded in the channel of Neuse River, and the chase. branches of trees which overhang it, that it may be rendered navigable for Steamboats of the lighter kind, as high as Waynesborough, for two-thirds of the year, and that by the addition of locks and dams. entered into a covenant with the purchaser of the es- | this Navigation may be extended to a point within a tate, to pay in instalments \$60,000, for preventing dozen miles of Raleigh. A good Navigation has the popular vote is understood to have been against been effected, by this means, in the Kentucky River, and other streams discharging a less volume of water, and more subject to the annual influence of drought, than the Neuse. Were this accomplished from other States. in connexion with the passage of coasting vessels from Beaufort to Newbern, by enlarging the Canal before referred to, it could not fail to add much to the accommodation of the people, and to the wealth and commercial importance of the State. It is well ascertained, that there is no great impediment to the no remedy has been provided. It is hoped, that Navigation of the Yadkin River within our limits, above the narrows. The opening of that River, never have been questioned, however great might be therefore, from Wilkesborough to its intersection the inconvenience of the loss of the Road. But, in with the proposed Turnpike from Raleigh and Fayetteville, westward, and the completion of said Road, are works of great public importance, in which, if the State will not embark on her own account solely, she should not hesitate to second the patriotic efforts of the citizen. The survey of the routes for this Turnpike Road, according to the direction of the last General Assembly, has been completed, and the report of the Engineer may be expected at an early day. The bad condition of our Public Roads, has long been the subject of general, and I apprehend, just re-Company, was surchased by the State, on the bid of the Governor, at the sum of \$363,000, the amount authorized by the act aforesaid. Possession was ta-ken on the first of January, 1846, by the Board of Commissioners constituted by the Act in the event of such a purchase, and officers and agents were ap-pointed to manage and conduct the operations on the road, as the property of the State. A report of their been the subject of general, and I apprehend, just reto be denominated State roads, in the construction of which, the State will bear one moiety of the ex-pense, and the Counties through which they pass the other moiety; 2d, County roads to be made and kept up by the Counties, and 3d, private roads by the individuals benefitted by them. Without adopt-ing this plan in all its details, I am thoroughly per-suaded that no moderate amount of the public treas-ure could be more beneficially expended, than in em-ploying an Engineer for one, or at most, two years. Information against them in the Supreme Court, and the other moiety ; 2d, County roads to be made and require them to show cause why their charter should kept up by the Counties, and 3d, private roads by not be declared forfeited. At the last Term of that the individuals benefitted by them. Without adopt-Court, judgment was rendered in this case for the ing this plan in all its details, I am thoroughly per accessible to you, and to it, you are referred, to de- ure could be more beneficially expended, than in employing an Engineer for one, or at most, two years, whose duty it should be to examine routes for the needed, to prevent mischiefs in like cases for the future. chief market and mail roads of the State, under the direction of the Board of internal Improvement, and lay them off on the most favorable ground, with written estimates and directions for their construction and improvement. The County Courts might be authorized to make levies, in aid of the Statute labor within their limits, and at the most difficult points, assistance might be afforded from the fund for Internal Improvement. Whatever other improvements we may in time procure, good roads for ordinary transportation and travel can never cease to be useful to the great mass of the community. Whether or not you shall esteem it wise to adopt Whether or not you shall esteem it wise to adop Whether or not you shall esteem it wise to adopt any of these recommendations, I trust no considera-tion will induce a longer delay in directing an Agri-cultural, Geological and Mineralogical Survey of the State. Three-fourths of our sister States have now in progress, or have finished like examinations of their terfitory. And in every instance, it is believed that they have not only added to the treasures of Science, but have been attended with important and unclud discussion. Gott Silver Low Connect Conl useful discoveries. Gold, Silver, Iron, Copper, Coal, Plumbago, Marble and other Eimestones, the finest varieties of Stone for building, of Marl and other ma-terials for manuring, are already known to exist in various sections of the State; and a further exploration cannot fail to bring other resources to light, and greatly favor the pursuits of Mining and Manufac-turing—pursuits of infinite advantage to a people having so few facilities of transportation as our-selves. While a minute examination of our soils, by persons uniting science and practical skill in Ag-riculture, will be productive of improvement in that useful branch of industry, and must dignify and elevate it in the general esteem. Agreeably to the Act of the last Session, entitled "An act more effectually to secure the debts due for "An act more effectually to secure the debts due for Cherokee lands, and to facilitate the collection of the same," a Board of Commissioners was constituted to make enquiry as to the solvency of the obligors, who were principals in the bonds held by the State for purchases of Cherokee lands. The said Board re-ported to me as the result of a long and laborious inported to me as the result of a long and laborious in-vestigation, separate lists of those found solvent and insolvent accordingly. And those principal debtors who were reported insolvent, having surrendered the lands, for the purchase of which said bonds were executed, into the possession of the agent of the State, and having severally executed and delivered to me deeds of surrender and release, disclaiming all right under such purchases, and to the re-imbursement of any monies paid on account thereof, by virtue of the power vested in me by said act, I made gent of the State, residing in Macon Count

bonds as they became due, petitioned the Legisla-ture for relief. Hence, the act of the last Session allowing a re-scission of the bargain, by a surrender of the land and relinquishment of all claim to pur-chase money theretofore paid on the one side. and a cancellation of the bonds on the other; in all cases where it should be ascertained, that the purchaser could not discharge the debt himself without calling on his sureties as provided in said act.

gretted to teach from the last report in regard to it, by some member of the Engineer Corps of the United States. This report has not been seen by me, but will claim your examination, with a view to further action on the subject.
In conformity to the Resolution of the last Session, it he Mortgages held by the State, on the Clubfoot and Harlow's Creek Canal, connecting Neuse River with Beaufort Harbor, were foreclosed; and a sale being decreed, the Public Treasurer, at my request, attended and bid in the Canal for the State. It will home, it seems hardly just to expose them at an auc-tion sale, for cash. I therefore advise that, as to all the surrendered land, some mode be adopted; of affix: ing a fair valuation on each tract, by persons of competence and probity, and that the surrenderers be permitted to take them, on paying such valuation in cash by a given day thereafter; otherwise, that the land shall be sold at public sale.

It may not be remembered by you, that only such of these lands, as were estimated at and above twenty cents per acre in 1836, were surveyed and brought the part of the purchaser, to keep it in order for Navigation, and to allow its use to the public for fair compensation. A Canal from Lumber River to Cape Fear River, been directed of these lands, except that, the bounty all the privileges granted them, in the several acts passed for their Benefit by the said State, or until the Legislature of Virginia shall otherwise direct." To More than thirty years ago, Companies were inin land for building Iron Works, has been extended these unsurveyed lands, and it is therefore suggest ed, that they be either sold at auction for cash, or subjected to entry and grant at some fixed rate per acre. The County of Cherokee now pays a land tax of but a few dollars, there being but a small quantity of patented land, exclusive of the Iron Works grants within it. The increase, therefore, of the revenue, the necessity of having free holders for Jn. rors, and other services under the Government, the who shall be proprietors in fee, at a fair rate of pur-

Such information, in respect to the Penitentiary system, as it was in my power to procure, was pubished in the Newspapers of the State, previous to the late election, in accordance with the Act on that subject, of the last Legislature. As the decision of the establishment of such an Institution here, it i deemed unnecessary to lay before you, the plans of buildings for such prisons, that have been obtained

The present requirement of Law, that the Au-tumn Terms of the Superior Courts in the lower section of the State, shall be held at a season, when sickness generally prevails in that region; is a griev-ance which has been long acknowledged, but hitherto your present session may number among other acts of public beneficence, a change so obviously just and needful. Not only are the lives, health, and comfort of the Judges, deeply concerned in the measure,

term, 1845, of the Court of Equity of Wake County, as directed by the Act of the last Session. But owing to the resistance made by the Company and the decision of the Superior Court in their favor, an appeal was rendered necessary to the Supreme Court, and the decree of foreclosure was postponed until the Autumn term of that year. A sale under this to transport on the same, had no right either to partidecree was made on the 29th of December following and the Rail Road, and all other property of the Company, was gurchased by the State, on the bid of action thus far, will be laid before you by the Board in a few days, embracing the statements of the President and the Treasurer ; and the journal of the Commissioners, as well as all the vouchers and books of account of these officers will be at any time open to your inspection. Upon the construction given to the Law by the Executive, no part of the former earnings of the Rail Road secured to the State, by a decree of sequestration against the Com-pany, could go into the hands of the Commissioners; and the sum of \$2,600 accruing from that source has been therefore paid into the Public Treasury. It will thus be perceived, that to support the operations of the Road in all its departments, there was to be no other reliance than on its own receipts, from and after the first of January last.

The experiment to this time, removes all doubt of the ability of the Road to sustain itself, if well conducted, so that its advantages will still be continued to the people of the State, and encourages the belief, that after all necessary outlays for repairs and expenses, even at the present rate of income, it will afford some returns to the Treasury as profits on its cost. The current year has not been regarded as quite so favorable to the business of the road, as may be expected in general, by reason of diminished freights, from the shortness of the crop of Tobacco, less accommodation in Stage travelling in connexion with the Rail Road, and other causes. Notwithstanding these disadvantages, however, the amount of earnings of the establishment for ten months, has of earnings of the establishment for ten months, has in gratuitously assuming, that North Carolina desired been near \$51,678 00, and the disbursements in the to possess one of their Roads, and proclaiming by same time, for expenses, including the purchase in October, of an additional Locomotive, about \$36,000. The Officers of the Road have been instructed, that while they observed all prudence and economy in expenditure, no needful repairs were to be neglected; and its condition is believed to be now equal to. if not better than, at the time of sale. On the 1st of July last, the sum of \$7,200 was paid out of its pro-fits into the Public Treasury, to defray the interest on \$240,000 of Rail Roads Bonds, then falling due, for which the State was bound, as already shown and on the 31st of October, there had accumulated a balance of about \$8,300 more.

The importance of this public work to the Agriculture and Merchandize of the country, will be apparent from the exhibit of 25,500 00 dollars of the above earnings, for freight on transportation of property. What disposition shall now be made of the Rail Road, is an enquiry of much consequence. It was not thought expedient to offer it for sale, under the powers conferred on me by the Act of Assembly ; and no tenders have been made for purchase. I recommend that it be placed under the control of the Board of Internal Improvement, or other Commissioners specially appointed for that purpose, with ample powers to make sale in whole or in part, and ited only by the amount at which it was purchased by the State as a minimum. But in the meantime,

granted, being withdrawn by a neighboring State. A Rail Road from Raleigh to Fayetteville would be an important work in such a system of Improvebelow par, to consist, 1st, of any Surplus which may that a Committee of your body shall make a thorough be in the Treasury, after defraying customary expen- examination of the entire concern, receive any offers ment. It would at once render available the existny, admits of question ; but that they will afford the means of indemnity to a very considerable extent, is not doubted. These means, however, will not be in if sold. 3rd. Any recoveries effected against the if sold. 3rd. Any recoveries effected against the advisable. Such works are more likely to be advanses and specific appropriations. 2nd Any income of purchase that may be made, and give instructions ing 87 miles of road in concentrating the trade of zeously carried on under the keen eye of individgood market should be found there, and render us tion of the Act of 1839, or against the Stockholders | ual interest, than with the supervision of public aindependent of that less liberal spirit and policy on cancellation. This order dated the 3d of April last, and Subscribers under the Act of 1841. Suits are gents only. And it is therefore desirable, that at the part of Virginia, which pervades the Statute on least half of the property in this Road be sold, that | which I have been commenting. It is therefore regiven for the State's indemnity under the Act of it may pass under the control of a directory having commended that this Road be encouraged, by the grant of a liberal charter, and by any other aid that an interest in the adventure. This course is also made acceptable from the consideration, that any sums the Legislature may deem expedient. There has been much discussion recently in refalling into the Treasury, from the sale of the Road. will, by so much, relieve it from the involvements gard to an extension of both of the existing Rail contracted on its account. Roads of this State, to a junction with those of South The yearly Report of the Wilmington and Raleigh Carolina. I would greatly prefer a Road from Fay-Rail Road Company has not yet been received, but etteville to Salisbury or Charlotte, and thence penewill be submitted to you along with the Report of the Board of Internal Improvement. In November trating South Carolina towards Camden, to either of the connexions proposed. But since the State is not last they exhibited a reduction of 30,000 dollars in in possession of means for the construction of such a work, and the individuals who may be disposed to principal of their debt, besides the payment of interpatronize it prefer the more direct lines, so as rather est on all loans in the preceding twelve months ; and it is supposed that the present has been a year of still greater prosperity to that Rail Road. to compete for travel, than to afford facilities for commerce and agriculture, I perceive no objection to The Act of your last Session for the re-organizagranting charters to the patrons of the projected gent and the bonds for rent are in his hands. tion, of the Portsmouth and Roanoke Rail Road Comworks, both from Wilmington and Fayetteville to South Carolina; leaving to individual enterprize to ties, to direct a further disposition of these lands, pany, by a sale of its property, under the authority of est thereon" each and every Stockholder was to be bound, to pay towards making up such deficiency, an amount corresponding with his Stock held therein, at the time when such deficiency should be aster. The time should be ast

but the suitors, witnesses, and jurors, being also subject to the diseases of the climate and season, the ad-ministration of justice is impeded and delayed, for want of this salutary alteration.

In conjunction with this, it is commended to your enquiry whether all jurisdiction of Pleas in the most, two years from their commencement, instead of being, as they often are, transmitted from father to son, loaded with costs far exceeding the value of the original subject of contest, it would be a reform of the greatest importance. The small number of causes on most of the dockets, makes the present a favorable period for the introduction of this system, which has been adopted and highly approved after trial, in other States of the Union

By a resolution of the General Assembly in 1940. regretted to learn, that by the occurrence of an er-tensive fire in the town of Fayetteville, in June 1845, eighty-one copies of that work, which had been sent there for sale as the property of the State, were con-sumed. And no others remaining at the disposal of the Executive, I have been unable to furnish copies to sundry applicants under the Resolution. As the to sundry applicants under the Resolution. As the only edition of this book that has ever been pub-lished, is now exhausted, and the County officers in several new Counties have not been supplied, be-sides the demand for Justices of the Peace, a new edition seems to be required. There having now been added to this code the enactments of ten more years, and defects having been discovered in the original, it is suggested that a Commissioner be ap-pointed to arrange the addenda under the appropri-ate heads in the body of the work, or to re-cast the chapters to which amendments have been made; and propose to the next Legislature any correction of in-accuracies or defects, to the end that our Statute haw may be rendered as brief, simple and intelligi-ble as possible. ble as possible. The Commissioners of the Literary Fund will

submit their report of operations for the last two persons, who may be Deaf and Dumb, has been es-tablished by the Board in the City of Raleigh—the advantages of which are also open to pupils who may be able to pay at reasonable charges. Twenty State beneficiaries and two paying Scholars are now in-structed in this institution. And it will doubtless be an agreeable part of your duty, to examine the progress made by these children of misfortune in their course of mental education, as well as in some of the useful arts. A like school for the Blind has class of afflicted persons, the fewness of those offer-ing themselves as pupils, and the difficulties en-countered in employing a teacher, having all the qualifications needed to begin such an enterprize. and conduct it to a successful issue, have occasioned a postponement of that work of benevolence for the present For the support of Common Schools, there has been distributed from this fund for the year, ending September 1st, 1945, the sum of \$97,852 44, and on the like day in 1846, the sum of \$95,578 65. Official information has been received of the adoption of the Common School system by the popular vote at the late election in the Counties of Edgecomb and Rowan. Its advantages are therefore now to be extended to every County in the State. It would be gratifying to me to be able to announce to you, that these advantages were now commensurate with the munificence of the Legislature, in providing this fund, and the expectations of the public, in advancing education among the rising generation. It is apprehended however, that much less good is ef-fected at present, from the actual operation of the

embraces a list of bonds amounting in the aggregate to the sum of \$152,312 38. In consideration of which, the State became re-invested with title and possession of the lands surrendered as before sta-ted. As a full year was to elapse between the time when the State's agent was put in possession of these lands, and the rise of the Legislature, it was considered best for the public interest, as well as for the persons surrendering, that they should be restored to possession of the lands as tenants of the State.--The agent of Cherokee Lands was, therefore, instructed to class the several tracts and their improvements for twelve months, taking care to give a preference to the late owners, and requiring only mode-rate amounts for the rent, but with a stipulation for returning the premises in as good repair as they were in that time. This was attended to by the a-It will be an important part of your present du