Message of the Governor.

EXECUTIVE DEPARTMENT,

RALEIGH, November 17, 1868.

To the Honorable, the General Assembly of North Carolina:

GENTLEMEN:—It is proper that at your first regular session under the new Constitution, I should lay before you "information of the affairs of the State," and recommend to your consideration such measures as may be deemed expedient.

The people of the State have reconstructed their government on the basis of the equal rights of all. The State is quiet and tranquil. There is no ground for apprehending that secession will again be attempted, or that the peace of the country will be disturbed.

The year now closing has been richly crowned with harvests. The seasons have been propitious. A plentiful supply of bread has been produced for our whole population, so that want in this respect will not be felt during the coming year by any who will labor for a living. Products of all kinds have been gathered in abundance. The staples of cotton and tobacco are affording fair profits to those who have produced them, while from timber and naval stores a considerable portion of our people are realizing good returns, as in former years. Our commerce is increasing. Our mineral resources are once more in process of development. Our railroads are recovering from the depression under which they for many years laboured, and providing better returns than heretofore to the State and to the stockholders, while new lines of communication are being laid out, destined to penetrate and develop the great natural resources of portions of the State heretofore untouched by the hand of improvement. The State credit has been re-established on a sound basis, thus giving promise that at no distant day the bonds of the State will command as much in the market as those of the most favored and prosperous States.

We have great cause to be thankful to Almighty God for the manifold blessings which He is bestowing upon us, and we can confidently look forward, under His protection and guidance, for a condition of prosperity and happiness which we have not heretofore enjoyed.

STATE DEBT AND FINANCES.

The State debt and finances will doubtless receive the thoughtful and careful consideration of the General Assembly.

The amount of the State debt on the 1st of October, 1868, was [illegible] million two hundred and nine thousand nine hundred and forty-five dollars. ($19,209,945.) This includes estimated amount of past due interest to be funded under act of August 20, 1868, of two millions of dollars. ($2,000,000.) The above amount ($19,209,945.) is inclusive of bonds issued for internal improvement purposes since May 20, 1861, and prior to the year 1868. The amount of these bonds is one million one hundred and twenty-eight thousand dollars. ($1,128,000.) and the estimated interest thereon due and unpaid is one hundred and eighty thousand five hundred and ten dollars ($180,510.)

The amount of interest which has matured October 1st, 1868, and been paid in cash, is one hundred and twelve thousand one hundred and one dollars. ($112,101.) The interest maturing at subsequent dates during the present fiscal year is as follows: January 1st, 1869, three hundred and eight thousand one hundred and ninety-seven dollars.—($308,197.) April 1st, 1869, three hundred and four thousand one hundred and one dollars. ($304,101.) July 1st, 1869, three hundred and eight thousand one hundred and ninety-seven dollars. ($308,197.) Total for fiscal year ending September 30, 1869, one million thirty-two thousand five hundred and ninety-six dollars. ($1,032,596.) The amount of interest above stated as falling due April 1st, 1869, includes interest on bonds four millions five hundred thousand dollars. ($4,500,000.) yet to be issued, bearing date October 1st, 1868.

The balance remaining in the hands of the Public Treasurer October 1st, 1868, was one hundred and fifty thousand thirty-four dollars eighty-four cents. ($150,034 84.) The amount from taxes, including payments in October, is two hundred and twenty-six thousand seven hundred and six dollars forty-two cents. ($226,706 42.) The taxes from several counties remain unpaid, but we cannot expect more than seventy five thousand dollars ($75,000) from this source.

The estimated probable expenses of the State government during the present fiscal year will be, three hundred and seventy-five thousand two hundred and thirty dollars. ($375,230.) Add interest falling due during fiscal year, of one million thirty two thousand five hundred and ninety-six dollars. ($1,032,596.) will leave the amount to be provided for one million four hundred and seven thousand eight hundred and twenty-six dollars. ($1,408,826.) To meet this the Treasurer will have fifty thousand thirty-four dollars and eighty-four cents. ($150,034 84.) after paying one hundred thousand dollars ($100,000.) temporary loan; taxes received since October 1st, 1868, ninety-five thousand one hundred and ninety-six dollars and thirty-seven cents. ($95,196 37.) estimated taxes due, seventy-five thousand dollars; ($75,000.) proceeds of sales of North Carolina railroad bonds, one hundred and seventeen thousand six hundred dollars; ($117,600.) making a total of three hundred and thirty seven thousand eight hundred and thirty-one dollars and twenty-one cents; ($337,831. 21.) Leaving the amount of one million and sixty-nine thousand nine hundred and ninety-four dollars and seventy-nine cents, $1,069,994 79.) to be provided for by taxation during the present fiscal year.

The stocks and bonds held by the State in corporations, and interest due from said corporations, is as follows: Stocks, eight million five hundred and thirty four thousand five hundred dollars. ($8,534,500.) Bonds, four million two hundred and thirty-four thousand dollars. ($4,234,000.) Interest, four hundred and seventy two thousand five hundred dollars. ($472,500.) Making a total of thirteen million two hundred and forty-one thousand dollars, ($23,241,000.)

I recommend that some mode be provided to ensure the payment of this interest, and of such interest as may be due the State in future from corporations.

The report of the Public Treasurer will contain full details of the public debt, with recommendations as to the best means for providing for interest. I have full confidence in that officer, and respectfully commend his statements and views to the consideration of the General Assembly.

The estimated value of all the property in the State, lands and their improvements included, is two hundred and fifty millions of dollars. ($250,000,000.) I do not regard this as an extravagant estimate, but assuming that it is, and putting it at two hundred millions, ($200,000,000.) it is clear that the people of the State are fully able to carry on their government and at the same time provide for the payment of the interest on their debt. An *ad valorem* tax of one per cent on two hundred millions would raise two millions. At a half per cent, it would be one million. A citizen worth five thousands dollars clear of debt, would pay twenty-five dollars to the State, in order to raise the million that will be necessary—and so on in proportion. The interest on the State debt should be met promptly and in good faith, and the taxes necessary to meet it should be levied. The Constitution which we have all sworn to support, provides that the public debt "shall never be questioned." If we hesitate to meet the interest of the debt, or if we fail from any cause to make due provision to meet it, we thereby "question" the debt, and do violence to our solemn obligation. I believe that the General Assembly will impose, and that the people of the State will cheerfully pay whatever amount may be necessary to meet the interest on the debt. I believe it will be popular to make such provision, but whether popular or not, it should be done. The great question for a statesman is, what is right?—what does duty require under the circumstances? If the answer is, that a certain thing ought to be done, let it be done, events, and a just public judgment to vindicate and sustain the doers.

INTERNAL IMPROVEMENTS.

The people of the State are so fully committed to internal improvements that I deem it necessary to say but little on the subject.—Since the close of the rebellion State aid has been extended to the Wilmington, Charlotte and Rutherford Road—to the Fayetteville and Western Road—to the Charlotte and Coalfields Road—to the Tarboro'ugh and Williamston Road, and to the Western North Carolina Road. The work on the latter Road is being vigorously prosecuted between Morganton and Asheville. A company has been organized, under an act of the General Assembly at its last session, for the Western Division of this Road, and it is expected that during the coming year, the routes will be surveyed, and much of the work put under contract. While I would properly estimate the importance of the other improvements referred to, I would not underrate the value of the extension West of the Blue Ridge. These Roads are to Lake Erie, and the other to Buncombe, will open to immigration and will greatly improve and benefit a region of the State which has heretofore been neglected, and which is equal to any in the world in natural resources. There is no work in which the people of the State are more fully committed, both by interest and inclination; and I have every confidence that it here holds that will press it to speedy completion.

TAXATION.

The Constitution provides that "there shall be established in the office of the Secretary of State, a Bureau of Statistics, Agriculture, and Immigration, under such regulations as the General Assembly may prescribe."

The attention of the General Assembly is especially invited to that portion of the report of the Secretary of State herewith transmitted, which refers to this subject. No State in the Union presents greater inducements than ours does to immigrants. I feel sure the General Assembly appears with me as to the importance of encouraging immigration; and I trust that body will adopt such measures as may be deemed practicable and effective in the premises. We have a salubrious climate, a varied and fertile soil, an abundance of the most valuable minerals, inexhaustible water power, fine grazing lands, vast forests of timber of all kinds, a long sweep of sea coast; and, to fine, everything, material and physical, which in a country in some respects almost new, can attract immigrants and fill the measure of their expectations. Our government is now settled on a solid basis.—The laws are over all alike, and are faithfully and honestly administered. Society is peaceable and tranquil. Immigrants, therefore, will not only welcomed by our people, but will be protected and respected, and a fair field will be opened to them, in common with those who are here, to improve their condition.

EDUCATION.

The attention of the General Assembly is respectfully invited to the report of the Superintendent of Public Instruction, herewith transmitted. That officer is diligently engaged in his duties. I am satisfied, from my knowledge of his character and qualifications, that he will be able to put in operation, at an early period, under the sanction of the General Assembly, a system of "schools and means of education" in all respects better and more extensive than any heretofore in existence in the State.

The University of the State is inseperably connected with the free public schools—Both should be fostered. Education in agriculture, mechanics, mining, engineering, and in all the useful arts and sciences, should be encouraged. Normal instruction should be provided for at more, that we may have well educated teachers of our own for our public schools.

Nearly all the State school fund, the proceeds for the most part of the funds deposited with this State by the general government in 1836, has been lost. It is unnecessary to show how it was lost, or to debate upon the advantages thus snatched from us. Regrets are vain for what is past. Let us improve the present, and address ourselves to the future. We must have free public schools for the all the children of the State at whatever cost. This is a duty which can neither be postponed nor evaded. So thoroughly am I impressed with this duty, and so earnestly am I committed to every feasible measure to render its full performance certain, that but for the assurance that it will be thus performed I would despair of free popular government in North Carolina. "Education is the cheap defence of nations," not only from without but within. It is that light which distinguishes refined and civilized from barbarian races. It forms and compacts the only society among men which is worthy of the name. It touches the earth, and it blossoms with luxuriance; its soil yields its choicest fruits, its mines open and pour out their varied treasures, and its rivers and seas are whitened with commerce, which carries with it not only exchangeable wealth, but ideas in government, literature, science and art. It is the only sure basis of good morals, for without it the Divine Word, the fountain of all truth, would be a sealed book. It is the strongest bulwark that can be erected to protect the rights of property. Property holders, are therefore, specially interested in promoting education.—Taxes for such a purpose should be cheerfully and promptly paid. The affluent and the enlightened can afford to care in this respect for the poor and the ignorant, since it is not merely their duty, but their highest interests are thus best subserved. Put little, if any of the money expended for education is sent out of the State. It remains with us, and while our people are thus enriched with knowledge, they are not rendered poorer even in money, as the latter is collected from the citizens by one hand of the State and immediately disbursed to them by the other.

The people of the State are anxious that industrious and worthy immigrants should come hither and settle among us. It is a primary question with all such imigrants whether in the communities or States in which they are invited to settle, there are facilities for educating their children. If we do not put in operation as good public schools as there are in other portions of the country, we cannot hope to attract to the State any considerable number of immigrants. They will continue to turn their steps towards other regions, not more inviting than ours, it is true, in climate, soil and material resources, but in which they can secure for their children, at the public charges, a system of schools to fit them to become intelligent and useful citizens.

The people of North Carolina have long been a unit in favor of education. From the days of Yancey, Murphrey, Stanly, Cameron, Gaston, Caldwell, and others, to the present, their enlightened statesmen of all parties have enjoined this as the first duty of the State.—I am persuaded that the purpose to educate the rising generation is as firmly fixed now as at any former period. This is a subject on which all can agree. A rivalry can exist in this respect which will be generous in its nature, which will violate no sacred rule of charity, and which, honoring those who may engage in it, will confer immeasurable benefits and blessings on this and future generations.

I recommend, in the most earnest terms, that the General Assembly during its present session provide for a general and uniform system of public schools. The schools for the white and colored children should be separate, but in other respects there should be no difference in the character of the schools, or in the provision used, to support them.

The Board of Education and Trustees of the University will doubtless make reports to the General Assembly at an early day as to the condition of the educational interests confided to them. Both these Boards are fully organized, and have transacted some important business.

CONTRACTS TO LABOR.

The Constitution provides that "The General Assembly shall provide, by proper legislation, for giving to mechanics and laborers an adequate lien on the subject matter of their labor."

In the conflict always going on between capital and labor, the latter is more likely to suffer at the former; first, because money or capital is power; and secondly, because capital is generally controlled by a greater degree of intelligence than that which shares to our labor. Labor cannot afford to combine against capital to enforce its rights, for the reason that it can not, like capital, retire within itself and await results. Both should be protected in such manner as to prevent either from encroaching on the rights of the other. Contracts in writing should be encouraged, and should be strictly enforced.—The mechanic or laborer should be required to perform his contract with scrupulous fidelity, and on the other hand, he ought equally should be afforded by the contractor or employer to evade payment when the contract has been performed. The life of labor is steady employment at compensating wages, with the certainty of payment. The life of capital is steady enterprise and investment, unmeasured by its fitness, hesitation, non-performance, or slack performance of contracts by their employees. I can perceive no difference, in a legal or moral point of view, between a contract broken by a mechanic or laborer, and an obligation unrequited by a capitalist or employer. The mechanic and the laborer should be protected but not to the detriment of the employer when the latter has fully complied with his obligation. The former should be assured, while laboring that the reward of his labor will be realized, and, to effect this, there should be a lien in every case until he is paid. The remedy should be plain, speedy and cheap. As a general rule the mechanic and laborer cannot afford to engage in suits at law and in equity.

This is a subject which excites a general interest among the people. Those especially who labor by their sides will continue to press the subject upon the attention of the General Assembly until suitable laws for their protection are enacted. A workingman myself, I feel a deep interest in whatever concerns the workingmen of the State. Our present and future prosperity must be laxed on labor. Labor should not only be honored, but it should be protected and promoted by every practicable means.

But while labor should be protected and honored, idleness should receive no countenance or favor. Every one should be required to pursue such honest calling for a living; and the presumption should be, as it fairly and justly is, that an habitual idler with no known or visible means of support, is in a condition to be tempted to the commission of crime. It is idlers and loungers who, for the most part, fill our jails and workhouses, as they will fill the penitentiary. There is work of some kind for all to do, and all should be employed.

STAY LAWS.

The law of creditor and debtor is of the first importance. The relations of these two classes should be plainly and carefully defined, and contracts should be promptly enforced. Our State government will not be in condition to operate until every impediment to the collection of debts is removed. Stay laws which give indulgence beyond the usual dilatory plea, or beyond the ordinary stay of execution on sufficient security, are, under any circumstances, of doubtful utility. The "evil day" of payment, as it is termed, is postponed in most cases to be felt with added force by the debtor. A sound and judicious credit system should not be discouraged, but should rather be fostered and maintained; but such a system is impaired, if not destroyed, by general laws which may be said to place the creditor for years in the hands of the debtor, with the certainty in many cases of the loss of the debt. The debtor may plead for indulgence and kelay as long as it is reasonable to do so, or as long as there is a well grounded assurance that he will be able to pay; but complaint may justly proceed from the creditor, who has certainly wronged no one by first extending credit for his property or goods, and by subsequent indulgence and forbearance. Stay laws of various kinds have been in operation in this State for years. I say nothing as to their constitutionality; but even when the unfortunate condition in which we have been placed during this period is considered, it cannot be assumed that the debtor will be harshly treated if now required to meet his obligations. The losses incurred by the rebellion are not confined to particular cases. They were general, affecting the whole people of the State in every walk of society. If a debtor cannot pay in the last resort, after reasonable indulgence has been extended to him, he is a bankrupt. What rendered him a bankrupt—whether the rebellion, or his own improvidence, or want of economy or foresight—is not material to the argument. We may lament his misfortunes and sympathize with him, but still the fact remains that he is still in possession of property which justly belongs to his creditors, some of whom may have been reduced to his condition by his failure to meet his obligations. The only refuge of such a person is to compromise with his creditors, or to enter a court of bankruptcy, or to make such an exhibit and disposition of his property and effects as will satisfy his creditors that he is fixed in an honest purpose to do them justice. I do not by any means concur in the opinion that an honest bankrupt has incurred any serious loss of character as a business man, or that he should be distructed or avoided. Such a man, on the contrary, has displayed honesty, moral courage and candor which entitle him to the respect and confidence of his neighbors; especially when we remember that we have just emerged from a condition in which nothing was solid, and in which nearly every one was involved in pecuniary disaster and distress. Failure in business or loss of property should but stimulate to renewed exertion. The honest, industrious and upright citizen, however reduced or depressed by misfortune, will always find friends to aid him in his efforts to improve his condition.

I recommend that the stay laws be repealed, and that creditor and debtor be placed on a footing similar to that which they occupied previously to the rebellion.

The homestead exemption provided in the Constitution, even if not good against former debts, will nevertheless operate beneficially in the future. It will secure a home for the family in any event; and it will have a salutary effect to a certain extent in checking extravagance in the credit system.

THE MILITIA.

Attention is invited to the Report of the Adjutant General, herewith submitted. The views and suggestions of the Adjutant General have my entire approval. The opinion of WASHINGTON, uttered in 1790, that a "free people ought not only to be armed, but disciplined," and that a well-organized militia "is certainly an object of primary importance, whether views in reference to the national security, to the satisfaction of the community, or to the preservation of order," is not less weighty or important now than it was then.

The expenditure incurred thus far on account of the militia is quite small. I did not deem it expedient or necessary to avail myself of the power conferred upon me to put down crime. A considerable quantity of arms, with necessary equipments and ammunition, has been procured without cost, save for transportation. It is important that the militia should be embodied, but it is not deemed essential that the entire body should be disciplined or drilled. The recommendations of the Adjutant General on this subject seem to me to be such as should meet, as I trust they will, the approval of the General Assembly.

It is estimated that the expenses of the Adjutant General's office for the ensuing year, including his salary, will not exceed five thousand dollars ($5,000). I recommend an appropriation sufficient to cover that amount.

ECONOMY IN PUBLIC EXPENDITURES.

I can not too earnestly commend to the attention of the General Assembly the importance of enforcing economy in the public expenditures. Public officers who disburse the public moneys should be required to be as careful and economical as they would be as individuals in their business transactions.—The State is in debt, the people are for the most part poor, and it is, therefore, especially important that economy should be observed. I recommend that the duties of the State Auditor be clearly and fully defined, and that it be made his duty to examine rigidly every account or claim against the State, of whatever character, before the Governor is required by law to issue his warrant for the same.

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Attention is respectfully invited to the fact that the duties of Secretary of State, Auditor, Treasurer, Superintendent of Public Works, Superintendent of Public Instruction, and of the Attorney General, have not been defined by law. It is important that the duties of these officers be at once prescribed.

It is also recommended that just and reasonable salaries be allowed these and all other public officers. A competent man should be expected to devote his whole time to public duty, and he should be well paid for his services. A government which pays its officers not salaries enough to induce competent men to accept office, and which compels its officers to depend on fees, perquisites, or other sources of revenue for a living, does not have living in an efficient manner that duty which should be performed by its officers, who, in addition to their official duties, are called upon to give bond and security, and are liable at any moment to be sued for official delinquencies. Such a system does not secure the best talent for the public service, and it does not afford the best security against official delinquencies. It is false in principle, and it does not work well in practice. A public officer who is honest, capable and faithful, should be paid a fair and reasonable compensation for his services, and he should be required to devote his whole time to the duties of his office. If he be not honest, capable and faithful, he should be made so by the stringent provisions of the law, and by the fear of the penalties which he incurs by his official misconduct. Such a system would, I believe, be found cheaper in its results than that which now exists, while it would be more in accordance with the principles of justice and with the spirit of the age. I do not mean that duties not now required of public officers should be imposed on them without compensation, but I do mean that those who are now paid by fees, perquisites, or other sources of revenue than a salary, should be paid a fair and reasonable salary, and be required to devote their whole time to the duties of their respective offices