

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 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 25 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 of taxation is but \$2.28 3/4 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 valuation under it, loosely made ten years ago, is the 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 devoted 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. Of whites, all males are taxable between the ages of 21 and 45 years.—There are found on our muster rolls, the names of 76,568 men, comprehending those between the ages of 18 and 45 generally, but not including numerous exemptions under various Statutes. Making liberal deductions for those between 18 and 21, and adding exemptions from military duty, who are liable to taxation, and there must still remain more than 70,000 taxable white polls, and consequently a total of 195,000 taxable polls in the State. Our poll tax has been gradually increasing for the last few years, and for the past year appears to have been collected on 164,434 persons. That it has been negligently attended to, is manifest from various of them 4 00 per ann., 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 these citizens whose lands and polls are fully assessed and entered, 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 justice, to collect what is now imposed, without any increase of taxes, it may reasonably be expected that the public revenue from present sources, now equal to about \$86,000, may be raised to \$100,000 per annum. 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 pro-

posed that a tax be imposed on Pleasure Carriages, and Gold Watches kept for use, and it deemed expedient on any other articles of luxury, to go into operation at once, and continue in force until 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 fund, to be applied in buying and in cancelling both kinds of bonds, when they can be purchased at, or below par, to consist, 1st, of any Surplus which may be in the Treasury, after defraying customary expenses and specific appropriations. 2d. Any income derived from said Rail Road if retained, or its proceeds if sold. 3d. Any recoveries effected against the Stockholders in said Company, under the 14th section of the Act of 1839, or against the Stockholders and subscribers under the Act of 1841. Suits are now pending against sundry obligors on the Bonds, given for the State's indemnity under the Act of 1841, who refuse 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 thereto 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 interest 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 ascertained.—The Act of 1841, designed from its title, further to secure the State against loss, as well as to grant further aid to the Company, provided amongst other things, for the execution and delivery of Bonds, in the aggregate penal sum of \$500,000, by Stockholders and subscribers, covenanting to indemnify the State against any loss or damage, in consequence of her securityship in the premises, and "insufficiency 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 payment of principal or interest," after applying the mortgaged property, to an amount with their

subscriptions of stock. Nothing that I perceive, in the Act of 1841, changes that intention. The Bonds 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 Equity to assert the State's remedy in its full extent, on the ground of inadvertence in framing 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 Bonds, 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 \$500,000 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 the income or resale 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 inauspiciously or unfortunately entered into. The odious doctrine that a State may refuse or postpone the fulfillment 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 Raleigh and Gaston Rail Road Company, at Spring 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 Supreme Court, and the decree of foreclosure was postponed until the Autumn term of that year. A sale under this decree was made on the 29th of December following and the Rail Road, and all other property of the Company, was purchased by the State, on the bid of the Governor, at the sum of \$263,000 the amount authorized by the act aforesaid. Possession was taken 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 appointed to manage and conduct the operations on the road, as the property of the State. A report of their 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 Company, 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 been near \$51,678 00, and the disbursements in the 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 needless repairs were to be neglected; and its condition is believed to be now equal to, if

not better than, at the time of the sale.—On the 1st of July last, the sum of \$7,200 was paid out of its profits into the Public Treasury, to defray the interest on \$240,000 of Rail Road 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 to agree in their discretion upon terms and price limited only by the amount at which it was purchased by the State as a minimum.—But in the meantime, that a Committee of your body shall make a thorough examination of the *entire* concern, receive any offers of purchase that may be made, and give instructions to such Commissioners in so far as may be deemed advisable. Such works are more likely to be advantageously carried on under the keen eye of individual interest, than with the supervision of public agents only. And it is therefore desirable, that at least half of the property in this Road be sold, that it may pass under the control of a directory having an interest in the adventure. This course is also made acceptable from the consideration, that any sums falling into the Treasury, from the sale of the Road, will, by so much, relieve it from the involvements contracted on its account.

The yearly Report of the Wilmington and Raleigh Rail Road Company has not yet been received, but will be submitted to you along with the Report of the Board of Internal Improvement. In November last they exhibited a reduction of 30,000 dollars in principal of their debt, besides the payment of interest 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.

The Act of your last Session for the re-organization of the Portsmouth and Roanoke Rail Road Company, by a sale of its property under the authority of both States, was not acceded to by the Legislature of Virginia. That body, however, has made a separate enactment upon the same subject matter, so novel in some of its provisions as to call for a moment's notice. 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 by the sale, or at any time thereafter the State of North Carolina or any Company incorporated by her for purposes of Internal 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 meaning. 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 lien 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 Carolina, shall at any time, by legal process or otherwise, deprive the Petersburg Rail Road Company of any of the privileges and advantages of its charter, 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 Carolina, 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 Road shall cease and be determined; until the State of North Carolina shall reinstate the Petersburg Rail Road Company in 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 apprehend the full meaning of this clause, it must not be overlooked, that both the Petersburg and Portsmouth Rail Roads lie partly in North Carolina, and their 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 judgement, 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 conclusion, 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 entered into a covenant with the purchaser of the estate, to pay in

instalments \$60,000, for preventing transportation, over the section, of which the title was in him, with a stipulation that the latter 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 never have been questioned, however great might be the inconvenience of the loss of the Road. But, to my view, a corporation, the mere creature of the 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 to transport on the same, had no right either to participate in the profits of transportation on the Portsmouth Road, or to suppress transportation thereon. Regarding this contract as designed for the destruction of the Portsmouth Road, to the end that the other might have a monopoly of the business done by both, and as such a public injury and transgression of its own corporate rights by the Petersburg Company, and perceiving that that Company had made no reports to the Legislature of this State, of its operations within our limits, as was expressly required to be periodically done, by the Act of its creation, I directed the Attorney General to file an Information against them in the Supreme Court, and require them to show cause why their charter should not be declared forfeited. At the last Term of that Court, judgement was rendered in this case for the defendant. The opinion announcing this decision is accessible to you, and to it, you are referred, to determine whether any new process shall be instituted in the premises, or whether any new Legislation be needed to prevent mischiefs in like cases for the future.

It was while this Information was pending, that the General Assembly of Virginia, made their "enactment," in which it is plainly intimated that if a contrary decision from that arrived at by the Court should be made, and this corporation should be deprived of any of its privileges, now enjoyed under our law, by reason 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, when the wrong corporations or individuals, and in the exaction of the homage due to her laws, in her own Territory, no influences from abroad can be permitted to interfere. Not to remark on the departure from comity, implied in gratuitously assuming, that North Carolina desired to possess one of their Roads, and proclaiming by public advertisement that she should be excluded from the bidding, 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 Tribunal, 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 fulfillment 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 most needs be done at any sacrifice,) without any apprehension of loss or inconvenience from privileges granted, being withdrawn by a neighboring State.

[Conclusion next week.]

**Cruel Swiss Custom.**—I stood, then, by the side, to be exact, of one of twenty women of the mountains, all occupied in tearing the skin off the living frogs, that the purchasers might try them alive. They had each a bag at hand that might have contained two bushels of frogs, and ever and anon, as the purchasers stood and held their plates to receive them and were occupied in keeping them from crawling away, the vender thrust her hand into the bag, and took out one at a time, and, after cutting off the point of the nose, by a dexterous twitch, left the animal in an instant entirely without his skin; and in this manner, plates after plates were filled with the *blayed* living creatures, ready to be placed over the red hot coals, that Christians might the better relish their hateful meal.