injury and rain of many of their dealers. The wisdom of their choice I am not disposed to question. Most persons seemed to acquiee'e in its correctness. The few who did not, complained to cover their demands for the double interest, the penalty imposed on our Banks for refusing specie when demanded.

For political effect, they have been subjected to the constant fulmigntion of spleen and vituperation by certain partizin presses and orators, who hope to bolster up their falling fortunes by exciting popular prejudice, and diverting attention from their own misdeeds in the popular clamor. And the usefulness of these institutions have un doubt been considerably curtailed by these attacks. Surely they calculated greatly on the ignorance of the people, when they expected I ask, consists the Banks of this State? The State has put into the sock about one million fifty thousand dollars, and individuals, about two millions two hundred thousand dollars. This constitutes the Banking capital of North Carolina, and for every dollar actually paid in, two may be issued when prudent to do so, by the Banks in their notes. At this time their issues amount to about one half of their capitals. The interest they receive on loans is limited to six per cent. per annum. Should they refuse to pay specie when demanded, the holder of their notes is entitled to 12 per cent, interest Every six months they are required to pay to the stockholders what ever profit may have been made; and if the individual stockholders derive any unusual advantages, it should be recollected that the State-the people, pasticipate in about one third of the profits-that being the proportion of, her stock-and also a tax on the individual stock.

This is pretty much the sum and substance of these much abused institutions, which, like every sthing else under the management of imman heads and hands, are capable of doing good or evil, according to the influences which are made to operate on them. In a country like ours, of moral honesty, the keen eye of interest will, in all robability, insure their able and correct management in the selection of Directors of good character, skill and integrity. There are peran is whose opinions are entitled to the highest respect, who contend that we have a sufficiency of Bank capital. This I consider clearly e. The present stockholders might fear further competition in the money market, if all the natural capacities of the State had been improved, or if improvements were worthless. But the reverse is the fact, and an immense amount is required for that purpose, ind pend at of the deficiency for trade and commerce. Our most conrapient lands are cleured, worked, exhausted and deserted; our dwellings are mostly of a poor & temporary kind; our water power only occasionally occupied by small manufacturing establishments; our boundless mines and ores almost entirely neglected; and why are time things so? Because we have not in our State those facilities which Bunking Capital abaudantly affords elsewhere.

We need more, not only to develope the vast resources of our State but to keep off the notes of other States, and supply our entire circu-Liffins. I have been well situated to learn these facts. Many appliextions have been made to this office to borrow the funds of the Literary and Internal Improvement Boards. Those who contend that we have capital enough, I am pursuaded, must have confounded capatal with Bank issues, and were induced to say so because the Banks had suspended specie payments. I have ever understood that the more capital, either Bank or individual, a country possessed -the stronger and richer it was considered. If our Banks had more capital, I am satisfied they could the sooner resume specie payments and discounts. Can there be a question of a large floating debt in the country, subjected to the shaving process? In the place of paying six the restriction of the property of the propert sach au usurious sharing process, more banking capital would be v duable to the State. Our merchants, unable to obtain discounts at h var, to make their purchases in New York with each, are compelled to submit to credit, and if not paid when due, have to pay seven

A duff ulty is apprehended in obtaining subscribers, which may be so. Capitalists have had such good reason to be alarmed for the safety of their funds, by the constant senseless attacks on these institutious, and the instability of our laws, that they will part with the r money, doubtless, with some apprehension and reluctance. But I hope those acts of usurpation, violence and detraction, have passed never to return; and that confidence and liberality will again take their places, and that offering fair inducements, capital will be drawn to the State, and from its hiding places again to afford the poor, but honest and enterprising man, the means to bened nimself and his country. Whatever might be the result to the owner of capital, whether in the hands of individuals or stored away

per cent., making a loss to the State in the regulation of the balance

of trade of one per cent.

in Burks, its presence could not possibly do the country any injury The four years I have been in office the Banks, in Dividends and Tixes, have vielded to the state the sum of two hundred and fiftythree thousand two hundred and one dollars 87 cts; which has been paid into the public Treasury, the most conclusive proof of their value to the State, and during which period the receipts from all other sources of Taxation in the State amounts to three hundred and four thousand three hundred and 68 dollars 69 cts.; showing the advantages of a small active capital over heavy landed and personal property. That the stock in the present Bank is good, requires no better demonstration than that it continues at or above par, while all other property has been greatly reduced. Borrowers generally, so far as I have been enabled to discover, prefer an accommodation from Banks to any other source, and note holders find abundant indemnity in the penalty of 12 per cent, if specie is refused. I can then discover no s-usible reason to doubt their utility or to circumscribe their operations.

This State participated less in speculations of the day than any oth er in the Union. We felt for a while the influence of the general prosperity of the country, from the Institutions and means of other States more than from our own. Bank capital has increased but litthe for many years, and except what hands were devoted to the construction of Hail Roads from the surplus, a small amount on loans and the credit of the State, the active capital has decreased by investments in the stocks of rail roads and manufacturing companies but surely furnishing a basis abundantly justifying its restoration and ingrease commensurately with our wants. And until some general arrangement can be made to put the State Banks of the country on higher ground, and capable of more solid and useful purposes, or the establishment of a National Bank, I would respectfully recommend the increase of the capital of the Banks of the State and Cape Fear. one million of dollars each, and that the State hand over to them equally, as her subscription of stock, all the t herokee bonds, and the bonds and notes belonging to the Boards of the Literary Fund of Sorth arolina, and Internal Improvements, convertible as collected, with such other funds as can be spared from other purposes; provided the Banks will loan to the Wilmington and Raleigh, and Raleigh and Gaston Rail Road Companies \$300,000 to \$400,000, on the bonds of said companies, guaranteed by the State, on the property of which companies the State being already secured by mortgage, at rate of interest not exceeding 6 per cent, per annum, for the period of ten years, unless these companies are enabled sooner to pay the

The higher the grounds upon which the State can place these Banks, by protection and strict supervision, the more she will inspire public confidence, fill the subscription, and enable them the sooner to esu na specie payments and extend their usefulness. For the recomm and stion of increasing the capital of our Banks and requiring their aid to the stail Roads, I would endeavor briefly to assign you my rea-

And although I have the pleasure of congratulating you on the of apletion of two Bail Roads in our State, which, for cheapness, length and rapidity of construction, are comparable to any in the world; yet it is attended with the regest of having to inform you that

suspend specie payments, or force the collection of their debts to the they are in debt, and turn to you for assistance; for there is no other source whence they can and should so rightfully seek it. No doubt they do so with reluctance, yet this but proves the urgency of their ment in the julis of the counties. necessities.

Whatever reports may be made now by their officers of the prospects of profits to the stockholders, the advantages to the State, to the tarmer, the land holder near them, to the mechanics and laborers, and their great utility for the diffusion of knowledge and for the concentration of troops in cases of emergency, cannot now be questioned Their destinies seem now more or less identified with the character and prosperity of the State. Many patriotic persons have nobly put their shoulders to the wheels, invested their money in the stocks of these works, and will for some timer eceive less compensation than they might have done by other inverments. If a few months operation of a Rail Road had given evidence of great profit and the Road needed immediate assistance, would it be the policy of the State to withhold it ! I should say not. Then how much more the neces sity of exerting this policy in granting assistance to establish these Roads on such a footing that they may freely and fully test their util

The advantage from such improvements, to the State, are of higher and loftier importance than can possibly accrue to her from any pecuniary profits, which her investment could yield. She is above all risk. But the Stockholders can derive or receive no other advantages but those arising from dividends, and while these are devoted to the payment of the debts and yielding no remuneration, cannot reasonably be expected to enlarge their investments.

It is generally admitted, and, I believe, cannot be denied, that one half at least of the travel has been arrested by the disastrous times brought upon the country, as I have endeavored to show, by the acts of the Federal Government. We may now trust that more prosperous times will, ere long, be restored, and the travel resumed.

On the "let us alone" principle, the recuperative powers of this new country would soon restore prosperity. But we may expect, in addition, the hearty co-operation of the fostering powers of the General Government in bringing about the highest state of national prosperity, rather assisting and relieving, than reviling and distressing all the institutions of the country. As the country becomes more thickly settled, travel must increase on the roads and enhance the income in proportion. In proof of this, I have seen no report of the operations of Rail Roads in this country or Europe, which does not how an increase of receipts; and their operations in our country will yield a greater increase on account of our disposition for travel.

It would be idle, gentlemen, to talk to you relative to the many advantages resulting to the country from the establishment of Rail Roads. They have ceased to be experiments. Their facility in expedition afforded to travellers, in connection with Steam Boats and Steam Ships, will ensure their construction where the current of rade and travel require. They may be subject to mutations in profits, like all other property; but if correctly located, economically constructed, and well managed, they must be good property to the Stockholders; and if not, their utility to the other interests of the country cannot be questioned.

The attack of the President of the United States on Rail Roads, s exceedingly strange and najustifiable. In the transportation of the mails, diffusion of knowledge and intercommunication, the easy and quick conveyance of armies to points where the country may be assailed, must be decidedly important and necessary to the Government, and favorable to the liberty of the citizen.

Where, then, can be the sense or propriety of these attacks of spleen and enmity? I am satisfied your honorable body can enter-

It may be contended that our Rail Roads have been injudiciously located, too expensively constructed, and even hadly managed. But we should bear in mind, that they are our first experiments, and made at a period when the country was in more prosperous circumstances, and every thing of higher value: That both mistakes and innecessary expense are the usual results of new works; but it should also be held in remembrance that many individuals backed their favorable opinions of these enterprizes freely with their own money, and that they could not have practiced any intentional deception on the public, when it would fall so heavily on themselves.

Suppose we should admit the fact that our Roads have not, so far, met public expectation, or even of the individual stockholders to the full extent; yet should we shut our eyes to the cause? Should we not remember that the general prostration of all other branches of ousiness may have reached the works on the Roads; that few extengive works immediately prove profitable; and that they have been only few months in operation-certainly not long enough to test their worth to the stockholders? To all other interest their ntility can be of no doubt. We see every species of property greatv sunk in value; slaves, our most tangible and active property, depre ciated at least 50 per cent.; land yet more; and lots in our most fuyoured places, scarcely selling for the cost of improvements; very few farms yield legal interest, and, in the aggregate, probably not 2 per cent, on their value; yet who so bold as to say that we should abandon the farm or negl of to build houses and improve town lots?

What, it may be asked, is the cause of such a state of things? The President of the United States informed us, in his message at the exra session in 1837, that it was overtrading, sumptuous living, and the issue of too much Bank paper. But such reasons, however, apt for other places, are totally inapplicable to North Carolina. There has been no overtrading here, no extravagant living, and less Bank is sues than we had twenty years ugo; and although our Bank capi tal was increased a small amount four years since, we have about the same now we had 10 years ago, exclusive of the capital of the branch Bank of the United States, which was employed in this State; during which time our demand has certainly greatly increased. It is the want of Bank or other active capital which has been the cause of sacrificing real estate and every other large amount of property, when forced into market for cash. More is actually remired not only to save property already existing from changing hands at great and ruinous sacrifices, but to assist the manufacturer trader, mechanic and laborer, in the various branches of business.

and the improvement of the natural advantages of the State. Under a resolution of your honorable body, at its last session. ddressed a communication to the Governors of the several States requesting information on the subject of Penitentiaries, Lunatic and Orthan Asylums, and Houses of Refuge; from whom several interesting replies have been received, but not sufficient to enable me to give you much light on those subjects. I hand you herewith marked B, the information obtained, and submit the following general re marks: That all seem to concur in their usefulness; that by the establishment of a Penitentiary the punishment of crime may be more correctly graduated to its atrocity. Under our present code of criminal law, many punishments are fixed, and others left to the capri cious estimate of the Judge; and to many cases neither the one or the other appears so fitted as to give satisfaction to public feeling. The result is, that in almost every case, a petition for pardon is pre ferred to the Executive, with whom it is idle to say that the petition of many respectable persons should have no weight. Although he may be satisfied that petitions are generally drawn by partial or prendiced hands, in the absence of all information which no law provides for his guide, he is not enabled to act satisfactorily to himself or justly to the State or petioner; but where a doubt is raised, he ing it. feels impelled to act on the side of mercy.

In the establishment of Penitentiaries and Laws for their government, punishments could be better graduated to the crime and leave less from for complaint and petition. As they are generally used in all christian countries, to avoid shedding human blood and the expocivilization and refinement, profit and loss should not be a matter of consideration in providing the means of saving human life and ob-

Bur's, ours as will as many others, were a second time compelled to their cost and extra expenses have exceeded their means. In short fraining a mode of punishment adapted to the crime. Regarding them, however, in an economical point of view, it would probably be less burthensome to the country than the present mode of countre-

As regards Lunatic and Orphan Asylums, I presume there can

be but one opinion. The returns of the Clerks and Sheriffs of thirty-six counties shew the number of Lunatics to be two hundred and forty-nine of poor, wretched creatures, most of whom call strongly on our charity and philanthrophy for shelter, food and nursing; and no doubt if the umber and condition of the orphans could be ascertained, the appeal to our sympaties would be equally strong.

The State is abundantly able to construct the necessary buildings, and it only requires the action of your body to establish the principle and place, upon which they shall be erected; the appointment of a competent superintendent to visit the various establishments of the kind and collect the necessary information, both of Penitentiaries, and Lunatic and Orphan Asylums, and to commence the work as soon as the plan should be approved by the Governor or a Board of Commissioners raised for that purpose and an appropriation to meet he expenditures, placed subject to the Governor's warrant. In the mean while the necessary code of Laws might be prepared under a commission granted by your honorable body for that purpose.

Most of the counties have adopted the common school system, and few have received the State's quota of money to aid them in this most estimable object. The want of School Masters is the only complaint which has reached me, and will, in all probability, be the most formidable obstacle to further success. By applying the proper corrective, that and all other difficulties, I hope, may be overcome. The several counties which refused the adoption of the system, no doubt acted on mistaken views, or wrong information; and their participation should, in justice, be provided for by law.

It is with the most unfeigned gratification that I congratulate the General Assembly on this work of their own, which has placed in reach of poor parents the opportunity of obtaining for their children what will so eminently improve their moral and mental condition, to make them better and more valuable citizens, and inspire them with grateful feelings to their country, which will never be forgotten in the hour of danger.

It is with great pleasure I have to inform you that, in obedience to the direction of the last session of your honorable body, a survey of Nag's Head has been procured. Under their resolution, directing a report to be made by some able and experienced Engineer, the Board of Internal Improvements appointed Major Walter Gwynn, who commenced operations in May last, and reported to the Board in June. This able and lucid report amply sustains the propriety and importance of your inviting the attention of Congress to the opening an Inlet at that point as a national work of the highest importance. The resolutions claiming the attention of our Representatives and Senators in Congress, were forwarded to them. The Representative from the first district, in which Neg's Head is situated, cave the subject his prompt and unremitting attention. A copy of the report and map of the survey were also forwarded to the representative from that district; but it reached him at too late a period of the session to be acted on.

Would it not be well again to urge this work on Congress? I am decidedly of the opinion that the enterprise is among the most important of any in the United States-in a national point of view, in the saving of lives and vessels, and the increase of the revenue; and to the State, in enhancing immensely the value of the lands and their products, and securing a mart to a large section of country, which has, now to seek one elsewhere at a greatly increased expense and the wants and ments of the work. in the United States, than opening an inlet at Nag's Head. If we turn to the estimates of the War Department for improvements, we

shall find many vastly inferior, under the patronage of the General Government. It is, then, due to the State, and particularly to that section, to urge the execution of this work on the Government? The very able report, on this subject, by Major Gwynn, will be

submitted by the Board of Internal Improvements; to which I beg to invite your especial attention. The work for draining the swamp lands has progressed considera-

bly. The Pungo Canal is finished, and the Alligator about half com-The lateral disches on Pungo Canal are now being cut, and some 15,000 acres nearly prepared for market. I see no reason to doubt the wisdom of this improvement.

I am very clearly of the opinion that opening an inlet at Nag's Head-reclaiming the swamp lands-improving the Neuse river as far as practicable, and thence the construction of a rail road to Raleigh and turnpike to the mountains and the construction of a rail road and turnpike, flanking Seath Carolina, from the head of tide water, on the Cape Fear, to the West-form the system of improvements alike demanded by the character and interest of the State, to be accomplished whenever her means will permit.

The depressed state of the pecuniary affairs of the country at home, and its impaired credit abroad, would not justify undertaking, at present, improvements of very great extent and magnitude; but as far as the means which the State can command will go, there never was a more appropriate period. The disbursements in the construction would benefit every branch of business in its vicinity, by giving employment to laborers, mechanics, and a market to the farmer; and the work could be executed more readily, and at less cost, than in more prosperous times. In what could the surplus money and credit of the State be better employed, than by relieving the distresses of her people, and the improvement of her natural advantages?

As an improvement particularly called for by the wants of the State, entirely within her means, and important as the connecting links between her existing rail roads, the seaboard and the interior. I would call your attention to the improvement of the Neuse river from Newbern as far up as practicable and useful: thence by rail road from the Wilmington and Raleigh Rail Road to this place, for which the country and material are best adapted; and thence to the monntains by turnpike, as best suited to the use and material of construc-This chain of improved communication and tion of the country. intercourse, is due to the State, and especially to the northern tier of counties, the trade of which has been diverted from our own markets to one in a neighboring State. This improvement would place at the pleasure of the farmer one or many markets, in or out of the State. with equal facility, and regain their lost, relative position; and as it may be presumed that most would prefer these in the State, it would and Ward. secure the profits which might otherwise accrue to our neighboring States, and assist in obtaining the balance of trade in our favor. At least, a fair competition would be afforded. The advantages to be derived in the purchase of West India produce in Wilmington and Newbern, and their better facility for shipping, will more than equal any advantages their competitors abroad can offer.

It is probable the stock would be readily taken by individuals, if companies should be incorporated for that purpose, for the two-fifths or one half of the amount, with proper privileges of payment.

The rail roads in our State have not had, as yet, sufficient opportunity to test the value of such stock; and as for investments in turnpikes, we have but lew data on which to base an estimate. The Buncombe road yields a handsome profit, and it appears to me that a turnpike from this place to the west would be still more profitable, if the value of the stock were the only object of the State in construct

The Board of Internal Improvements, agreeably to law, caused books to be opened, under the superintendence of active agents, to obtain the pre-requisite subscriptions before the Fayetteville and Western Rail Road Compa ny could receive the State's subscription and organize, and, I regret to inform you, without success. This appeared to be the favorite scheme of the State, sure of punishments, in obedience to the more advanced state of which the greater part of the road would pass, and the depression of the and I was anxious to see it executed. To the poverty of the country through monetary affairs of the country, may this failure be attributed, See next page.

Legislature of North Carolina Wednesday, Nov. 18, 1840.

SENATE.

Mr. Spanill moved that a message he sent the House of Commons, proposing to raise a join elect committee of five on the part of ear House, to prepare and report lotal Rules of Or ter; which was agreed to, and Mosers, M. Ward, Puryeer, Stean and Bond appointed the part of the Senate.

Mr. Reid, from the committee appointed to the purpose, reported Rules of Order and Deep um for the government of the Senate the per-The halance of the day's sitting was spent in neffectual ballotings for one engrossing c.esk

HOUSE OF COMMONS.

On motion of Mr. H. C. Jones, a message wa sent to the Senate, proposing the appointments a joint select committee of three from ear House, to examine the apartments of the Cap-tol, and assign to the State officers and commitees of the Legislature their several rooms, &c. The proposition of the Senate, to appoint oint select e-inmittee to prepare Joint Rules

was agreed to, and Meases. Adams, Hoke, Hill Battinger, and R. B. Gilliam appointed sail committee on the part of the Commons, The message from the Senate, transmitting the communication of Wm. Hill, Esq. Secretary of State, on the subject of the public printing was referred to a committee consisting of Means

H. C. Jones, Mills, Rand, McCleese and Haw Received from Gov. Dudley, by his Private Secretary, Mr. Battle, his annual message tothe Legislature, which was read and ordered to be sent to the Senate. Mr. Hill moved that it be transmitted with a message proposing that it be printed ten copies for each member, which was pegative 55 to 52. Mr. Boyden moved that the professition to the Senate be to print fivee-

pies for each member; which was agreed to The Speaker laid before the House the Tress arer's Report. Undered to be sent to the Sente with a proposition to print.

Thursday, Nov. 13. SENATE.

Mr. Shepard presented a resolution direct the Commissioner of Public Buildings to p a stove in some convenient place in the Se chamber. Laid on the table.

The proposition of the Commons, to mise joint select committee of three on the part of each House for the purpose of examining the partments of the capitol, and assigning the State officers, &c. their several rooms, was agreed to, and Messrs, Spruill, Arrington and Hellen apcointed said committee on the part of the Senate.

Mr. Montgomery, from the committee to me perintend the election of one engrassing clerk reported that Mr. Rose was duly elected.

HOUSE OF COMMONS,

On motion of Mr. Siler, ordered that a mes age be sent to the Senate, proposing to raise a joint select committee or Cherokee Lands, con sisting of five members on the part of this House, and four on the part of the Senate.

Mr. E. Miller presented a petition from eith of a new county, by the name of Caldwell Re of the second

sage be sent to the Senate, proposing to raise a joint select committee of two on the part of set House, to investigate the title of the State tolle swamp lands, which are directed to be drived, under the direction of the Literary Board. Mr. Guthrie presented a bill a tering and pre-scribing the time at which certain elections shall

hereafter be held in this State. Read first time and passed. The Speaker laid before the House the report of the Commissioners for rebuilding the capital

which was sent to the Senate with a proposition to print. On Claims .- Messrs. Wilson, McClees,

Dickson, J. M. Covington, Killian, Poindexter, Massey, Brogden, Biggs, Hawkins, McClem-On Propositions & Grievances .- Messrs. Grandy, Allen, J. T. Miller, Reid, Graves, Holland

J. P. Caldwell, B. F. Moore, Hyman, Patter son, R. Jones, Brummell, W. J. Miller. On Agriculture .- Messis, J. B. Jones, Baket, J. W. Lane, Murchison, Doak, Morrow, McMillan, Jacobs, Davis, Howerton, Rand, Clegs,

On Internal Improvements. - Messrs. Paine, L. O'K. Williams, Hill, Winston, Withers, Barringer, Bryan, Thompson, Whitehurst, Robards Holt, H C. Jones and Miller. On Education. - Mesers. Smith, Joiner, Beerman, McLaurin, Mendeuhall, J. Walley

Boyden, J. R. Gilliam, Wadsworth, Eaton, mes. Beall, E. P. Miller. On Privileges and Elections .- Messrs. Tito

tor, Foreman, Sullivan, J. W. Covington Caldwell, G. W. Caldwell, Young, Spraff Huggins, Russell, King, Wm. D. Lane and

Friday. Nov. 20. SENATE. The following Standing Committees

pointed: On Propositions & Grievances-Messre, Most aison, Orr, Cooper, Parks, Spiers, Houlder, On Privileges and Elections-Mesers, Sp. Vontgemery, Kerr, Hynum, Hargrave, Whi and Exum.

On Claims-Messra Dackrey, Whitfield, Melhor. Puryear, Bond, Williams, Sloan, On the Judiciary-Measrs. Morehead, Edwards

Mitchell, Guither, Bynum, Wilson and Hill. On Internal Improvements-Meeses St lingman, Hawkins, McDiarmid, Hellen, Ribelin and Pasteur. On Education and the Literary Fund-Meun

Mangum. Arrington, Shepard, Worth, Reid, Myers On Cherokee Lands (on the part of the Senate)

Messra. Clingmon, Ward, Gaither and Wilson On the title of the State to Swamp Lands Mesers Hellen and Bynum. Mr. Mitchell presented a resolution directing the

committee on Internal Laprovements to inquire to to the expediency of constructing a turnpike read from Raleigh to the Tennessee line; which was read and, on motion of Mr. Gaither, amended and idonted. Mr. Moore, from the committe, reported Join

oint Rules, which we e adopted. The message of the Governor was received, read and the proposition of the Commons, to print five copies for each member, adopted.

Mr. Spruil presented a resolution to send a sage to the Commons proposing to raise a joint se-lect committee on the Public Buildings and rebuilding the Capitol; and that said committee ! part whether the amount of money already appropriated for rebuilding the Capital has been jud iously expended, and what amount will be need

ary for its complition. Read and adopted.

Mr. Gaither presented a hill fluing the sum here
after to be paid for vacant lands to the State. Real first time and passed.

HOUSE OF COMMONS. presented the petition of citizens Moore, Chatham and Wake, praying Comberland, (See next page.)