Gov. GRAILAM'S MESSAGE.

To'the Honorable, the General

To the Honorable, the General Assembly of North Corolina : The periodical meeting of the representatives of the people, animated with a zoal for the public wel-fare, bringing to the Capitol a knowledge of the sentiments, wishes and wints 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 sgents, is ally expected, as an occurrence of interest by every cilizen. To none does it come with a more welcome estimation, 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 vagation of the Legislature.

Before presenting to your consideration, the matternof general queers demanding our joint counsels and mutual endeavors, for the well being of the State, I deem it meet to remind you, of our oblientions of gratitade to the Supreme Ruler of the Universe, for the preservation of our Institutions, and the countiess blessings of his Previdence, which have been continued to us through another two years of our political existence. Though we have ufflicted by disease, to a greater and more fatal es-tent than any usingly fallen to our lot, have suffered from drought, and consequent failure of grop, and from casualties by flood and fire, yet, have we abundant reason to referee, in what has been vonchsafed to us, rather than to repine, at what has been suffered or denied. The Revenue and Finances of the State, alway

a subject of moment to the people, and to the Legis-lature, will derive additional importance at your pre-sent Session from the elecunistances which now sur-round us. The Reports of the Public Trensurer, and Comptender of Public Accounts, will make you acquainted with the transactions ht that department since the last adjournment of the Legislature, and the demands which will fall upon it, before the next the demants which will fail upon 0, before the next biennishmeeting. Our present political arra, ement, comprising biennial Sussians of the i egislature, and comprising distinual Sussions of the Legislature, and seven Judges of the Superior Courts, besides the Ju-dicial and Executive establishments formerly exist-ing, has now continued for ten years. During this period, the average expenditure for the ordinary period, the average expenditure for the ordinary support of the Government (exclusive of Disburse-ments for re-building the Capitel, and the interest ments for re-outleting the capitel, 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 Real Companies, more recently.) nay stated with sufficient accuracy at about 457,500 annum; or \$00,000 for the old, and \$15,000 for even year of the series-the difference being abit ously occasioned by the Session of the Legislature is each alternate year. In the sense time the income from ordinary sources of Revenue basis competition, 000, the excess of which, over and above the ordinary expenses, has been devoted to the sceount of rebuilding the Capitol, interest on the Status delt, as before mentioned, until it was discharged, and of her Indiffities for the R. il Reed Companies. These extraordinary demands on the Treasury, by reason of the Reil Reel liabilities, have so accumulated from the fillers of the Legislature, at either of the two Inst Sesions, to make timely provision, to uncer them, as to increase the difficulty of your task. But, it is believel, blut, this may be readily overcome by proper and energetic action now, without imposing nerous or unjust borthens aron our constituents. For the Wilmington & Baseigh Rait Road Com-

pany, the State became surety by the set of 1840, for the sum of \$300,000, payable in size annual instalments of \$50,000 each-beginning on the 1st of January 1842, and ending the 1st of January 1847, The first of these instalments was puid by the Comwhile the General Assembly was in mession. and being apprized that the Cempany was usable to discharge it, they directed the Literary Board to inused are still held as part of the funds of that Board. But, for the instalment, payable the lat of January 1844, no provision was made in the event of its falling on the State t which contingency happening, it was taken up by the Treasurer, with the public finds, and that set of bonds is now held at the Treasury. By the Act of the Legislature, at the last Session, other bouils indersed by the State were allowed to be issued, in field of these becoming due in 1845 & 1816, on which credits were extended to 1848 & 1849, the interest whereof has been kept dawn by the Campuny, as it hus been also on those held by the Literary Roard, and the Public Treasurer. A ansum. These regulations should be made to take effect immediately, that the Treasury may experinew mortgage an all the property of the Company, was taken to secure the State against this new incuca their benefit in the course of the next year. dassement. I am not informed whether this Com-pany is prepared to pay off the remaining instalment pany is prepared to pay off the remaining instalment on the last of January next, but their income is an-doubtedly sufficient for the payment of all their in-terest on hears, and the gradual reduction of their principal dobt. 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 re-deemed at the pleasure of the Legislature, at any time after the 1st of January 1860. A like suretythin for \$300,000 was undertaken for this Compa my by an Act, passed in 1841, the interest whereof was to be paid as on the fermer loan, and the onetenth of the principal to be re-paid on the 1st of Jan-uary, in each year from 1845 to 1851 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 inte-test on both descriptions of bonds, and discharged two instalments of principal, being \$30,000 each, and becoming payable in the years 1845 and 1846 respec-To accomplish this, however, some partion tively of the Literary Fund has been used and \$50,000 has seen borrowed from the Bank of Cape Fear. The State, is, therefore, still bound for the interest semiannually, on the whole som remaining, viz: \$727,-000, antil paid, as also for \$30,000 pat anour o principal, for the next eight years, and the residue of \$500,000 at such time after the lat 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 Gasthe proceeds of the sule of the Raleign and Gas-ton Rail Road, if it shall be deemed expedient to make a re sale, or its income, over and above expen-ses, if retained. and, 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 esources can be relied on, to indemnify the State nl-imately, against her whole liability for this Compaby, admits of question; but that they will afford the means of indemnity take very considerable extent, is not doubted. These means, however, will not be im hand, in seaton to meet the more immediate calls or the Treasary, as before stated, and the scrapidom fidelity and honor, with which North Carolina has Idelify and honor, with which North Caraba has ever maintained her public engagements, require that supple 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 i demnity effectual, it is indisponsable that measures als I be adopted for an increase of the Revenue. How this can be realized with the least handship to the people, has employed my anxious re-flections, and the result is offered with the deference due to the superior windom of the Legislature. Our income, at present, is derived chiefly from inview on lands and persons. These should not be angnented, until other sources of Revenue have been ried ; but the rates now laid should be faithfully paid, tried; but the rates not have a sected. And, independent-is of the pressing wants of the Treasury, I should have recommended a new streament of Lands, with a view to greater accuracy in the fixation of value on each tract, and some provision for a more correct ea-listment of Polls, as a measure of justice to the State and of consisting great among her citizens. Our Land inx for 25 years past, has been the moderate moust corresponding with his Stock held therein, at the fine whon such deficiency should be ascer-

vailed in returning funds for taxation, and accerting their value, will be manifest from a few fuch the history of the Revenue. In the year 1815, the argregate value of the lands of the Slate, assessed for taxation under the Law of Congress, was \$13,-521,513 But, in the year 1836, the whole quantize of land interd for taxation was yalued at only 339. of 1md inted for faxation was valued at only 333. 136,108. To correct this crimical delinquency in an-listment and valuation, the Act of 1836 directed a new assessment of Land and inprovements, by means of which, the same subject of taxation in the next year was taised in value to \$51,021,317, and 6,000 mere added in the same subject of taxation in the next year was taised in value to \$51,021,317, and 6,000 mere added in the same subject of taxation in the next year was taised in value to \$51,021,317, and 6,000 mere added in the same subject of taxation in the next year was taised in value to \$51,021,317, and 6,000 mere added in the same subject of taxation in the store taxation in taxation taxation in the store taxation in taxation taxation in taxation in taxation more was added to the Revenue. This valuation, however, is obviously defective, since it falls two and a half millions of doltars below that of 1815, although more than a million and a half of acres had been pa-tended in the mean time. It is reasonably estimated

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that with an area of 50,000 square miles within our boundaries, there are 45,000 square miles, or near ted, it can hardly be possible that less than twentyfive 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 \$3,227 per acre, against a like average of \$2 69 in 1815. The act of 1836 contains no direction for a 1815. The act of 1836 contains no direction for a new assessment at any subsequent time, and the valnation under it, loosely made ten years ago, is the criterion of our Land Revenue at present. Resides, very considerable quantities, since entered and patouted, ten years have greatly enhanced the price of much of the Land in the State, in consequence of

improvements and discoveries made within that pe-The creation 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 aLonce occur as il-lustrations of this truth, to say nothing of these 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 hat 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 culculation. Sureight thousand dollars, at the least culculated. Sur-praing as this may appear, there seems to be a deficit of nearly an equal amount, in the payment of the Poll tax. The tabillar Statement of the Comptroller, before referred to, exhibits for taxation the next year 62,795 black, and 51,226 white Polls, including all of whom there is any account, both listed and unlist-The Stave 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 Fenders taxable rather more than one-half each Plantation. A fall enumeration, therefore, of taxable Blacks, aught to embrace about 125,000. Of Whites, all males are taxable between the ages of 21 and 4.5 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 at including numerous exempts under various Statutes. Making liberal deductions for those between 18 and 21, and adding exempts from military duty, who are liable to taxation, and there must still remain more than 70,000 toxable white Polls, and coasequently a total of 195,000 taxable Folls 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 164,464 persons. 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 finir years. It is, therefore, an imperative duty of the Legislature, as well, in justice to those engrees whose Lands and Polls are fairly assessed and callided, and who are contributing accordingly into the Public Treasury, is to the State itself, to require whow aresoment of Lands and improvements. to be justly made, on inspection of the premises if recessary, and to provide for an accurate and full Census of all taxable persons. No valuation of Lands can continue to be a just criteriou of worth for any considerable period, and a re-assessment should be provided for, once at least in five years if it be not named. By adopting these measures of fairness and justice, to collect what is now imposed, without any trease of taxes, it may be reasonably expected that the Public Revenue from present sources, now equal to about \$20,000, may be raised to \$100,000, per

grant further aid to the grant further aid to the Company, pro delivery of Be in the aggregate panal sum of \$500,000, hy Stockholders and Suberbers, corenanting to indemnify the State against any loss or damage, in conse-quence of her surelyship in the premises, and "In-sufficiency of the real and extended with the holden of the Act of 1853, to note the Stockholders individ-ually responsible for " any loss to the Etate in the payment of principal or interest," after applying 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 Bonds directed to be taken, appear to have been purposed, at the least as completing conduct for the format, at the least, as complative security for the 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 accellenty to resort to a Court of Equity to assert the State's remedy in its full extent, on the ground of mistake or 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 princi-pal 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 se-curity. Those Stockholders, who did not give Bouds. 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 proeeding, if they are under heavier obligations than heir associates, who entered into bonds besides being tockholders. But whatever may be the extent of the liability of

ese Stockholders and bondemen, or whatever may the forum to enforce it, I apprehend that the event as imprend on which it may be at once asserted. In opinion has prevailed, that the State, ulthough bliged to pay interest in the mean time, and \$300-ou of principal in 1860, or thereafter, could have a redress on these obligations until after that dis-int period. The law, it is not renders the debt edeemable until that time, to give the capitalist trance of a long loan and thereby to enhance the lue of the stock. But after exhausting the remeby mortgage, and it-being demonstratively carlarge balance even of principal, must aid by the State, I see nathing which requires de-y in exacting any part of the indemnity stipulated. Should these suggestions meet your concurrence, you will of contso give the corresponding directions to the Law officers of the State. How much may be realized, cither from the income or re-sale of the Rail Road, or from the liabilities just referred to, is s yet uncertain. In advising, therefore, but a tem ry provision for extra taxation, I am 7 the consideration, that possibly it may not longer required, rather than by the tear of any aversion. our constituents, to contribute whatever may be seled to redeem the public obligations, however inously or unfortunately entered into. The odidoctrine that a State may refuse or postpone the Islaunt of contracts guaranteed by her public ith and sovervien honor, has no resting place in all ar borders, and I am yet to hear of a single-excep-ion to the unanimity of our people upon this subject. Legal proceedings were instituted for the forcelouse of the Morragees, on all the property of the Ra-sigh and Gastoa Rail Road Company, at Spring error, 1845, of the Court of Equity of Wake County, a directed by the Act of the last Session. But owis directed by the Act of the first session. But on-ing to the resistance made by the Company and the iterision of the Superior Court in their favor, an ap-end was condered necessary to the Supreme Court, of the there of forcelosure was postponed until nd the Rail Road, and all other property of the cen on the first of Lanuary, 1846, by the Roard of Commissioners constituted by the Act In the event of such a purchase, and officers and agents were apointed to manage and conduct the or crations on the sel, as the property of the State. A report of their ction thus far, will be laid before you by the Bourd in a few days, enbracing the statements of the President and the Treasurer , and the jour-nel of the Commissioners, as well mult the vouchers and books of account of these officers will be at any ime open to your inspection. Upon the construcion eiven 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

any time thereafter the State of North Carolina or any From the action of Congress at the last seesion incorporated by her for purposes overnant, should in any way be

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 more effasion been seen by me, but will claim your examination, of a jealous and heatle spirit, without object or mean with a view to further action on the subject. ing. She had neither manifested nor entertained any while to become the propeters of this Rail Road-Her Board of Internal Improvement, it is true, stood in the situation of a creditor of the Company for mo-nies lent, but were amply secured by a Mortgage, on a part of the Rail Road property, prior in lien to any other. There is shartner provision in this act of more significance. As declares in a subsequent section, "that in case the authorities of the State of North Carolina, shall at any time, by legal process or oth-crwise, 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 suid Company, or by any means whatsoever, prevent the said Company from conducting their operations, on so much of their Rail Road as fics within the State of North Cirolina, 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 Ronnoke Rail Readshall cease and be determined, until the State of North Carolin shall reinstate the Potersburg Rail Road Company in all the privileges granted them, in the several acts passed for their benefit by the said State, or until the Degislators of Virginia shall otherwise direct." To apprehead the full meaning of this clause, it must not overlooked, that both the Petersburg and Portsmouth Rait 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 a 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 th but not the franchise of transporting the reon. In this condition, the acquisition was of so little value or utility, that the advautages 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 \$50,000, for preventing transportation, over the section, of which the title was in him, with a stipulation that the later payments flouid 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 anthorized its construction. The right of the individual party to that 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 inconventence of the loss of the Road. But, it 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 l'etersburg Rail Road Company, permitted by its charter only, to construct a Road from that Town to its Southern terminus, and he Autuant term of that year. A sale under this to transport on the same, had no right either to parti-leave wat made on the 29th of December following, cipate in the profits of transportation on the Portsor to suppress transportation there mouth Road, Company, was purchased by the State, on the hid of or. Regarding this contract as designed for the the Governor, at the sum of \$363,000, the amount destruction of the Portsmonth Read, to the end athorized by the act aforesaid. Possession was ta- that the other might have a monopoly of the basiness done by both, and as such a public injury and transgression of its own corporate rights by teraburg Company, and perceiving that that Compa-ny 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, judgment was rendered in this case for the defendant. The opinion aunouncing 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 " enof the Read in all its departments, there was to be netment," 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 of any neglect of day, 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 compruction 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 of individuals, and in the exaction of the homage due to her laws, in her own Territory, no influences from abroad can be permitted to interfer 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 biddings, though part of it was in her limit and existed by her leave, while the same Statute ap-points agents to attend and bid for Virginia ; and see the demunciation, that if, for violations of one 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 pre-sumption 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 heretoform so liberally granted for the promotion of trade to her own town from this State, an investigation of the fulfilment of them by these to on 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 by done at any sacrifice.) without any apprehension of loss or inconvenience from privilege

our trading to Road, with which it may be

ere seems to be no probabi of the uty at present re-opening of the inlet between Albemarle Sound and the fitting index, their suspices. And I ra-gretted to learn from the delates in that body, that the project had suffered projudice from the last re-port in regard to it, by some member of the Engineer Corps of the United States. | This report has not

In conformity to the Resolution of the last Session, the Mortgages held by the State, on the Clubfoot and Harlow's Creek Canal, connecting Neuse River with Beaufort Harbor, were foreclosed; and a sal attended and bid in the Canal for the State. It will 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 sen-going vessels, sufficient in size for the coasting trade. Uniting estit does the best Harbor, on the American coast, between the Capes of Vir-ginia and those of Plorida, 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 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

has long been in contemplation by the people in that quarter, and its obvious advantages, from an inspecon of the map, ought to ensure for it at least a

More than there approaches a source for it at least a liberal Act of Incurporation. More than thirty years ngo, Companies were in-corporated for the improvement of the Navigition of 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 furneer. Only to a general system of Internal Improvement. Owing to causes not necessary to be now reviewed, scarcely any of the works then con-templated were completed, and all these chartered ompanies, 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-ple of those sections, to re-attempt the Navigation of Nense and Yadkin Rivers. I entertain no doubt that by merely removing the timbers which are imbedded in the channel of Nouse River, and the branches of trees which overhang it, that it may be rendered navigable for Steamboats of the lighter kind, as high as Wayneshorough, for two-thirds of the year, and that by the oblition of lecks and dams, this Navigation may be extended to a point within a dozen miles, of Raleigh. A good Navigation has emedicated by this means, in the Kentucky River, and other streams discharging a less volume of wa-ter, and more subject to the annual influence of drought, thin the Neuse. Were this accomplished in connexion with the passage of coasting vessels from Beautort to Newbern, hy culniging the Canal before referred to, it could not fail to add much to he accommodation of the people, and to the wealth ad commercial importance of the State. It is well ascertained, that there is no great impediment to the Navigation of the Yadkin River, within our limits, bove the narrows. The apening of that River therefore, from Wilkestorough to its intersection with the proposed Turnpike from Raleigh and Fay stieville, westward, and the completion of said Road, are works of great public importance, in which, if th State will not endough on her own account solely, she should not hesitite to becould the patriotic efforts of he citizen. The survey of the routes for this Turnpike Road, according to: the direction of the last eneral Assembly, has been completed, and the report the Engineer may be expected at an early day. The bad condition of our Public Reads, has long en the subject of general, and I apprehend, just re broach to the State. In the schemes of Improvement chich have been put forth heretafore, too little space has been allotted to these daily haunts of trade and travel. A distinguished authority, in speaking of our roads, recommends that they be chosed in three descriptions, viz: 1st, the principal and leading roads to be denominated State roads, in the construction

of which, the State will bear one mojety of the ex pense, and the Counties through which they pass the other moiety ; 2d, County roads to be made and ept up by the Counties, and 3d, private roads by he individuals benefitted by thom. Without adopt-ng this plan in all its details. I am thoroughly perscaled that no moderate amount of the public treas-ure could be more beneficially expended, than in employing an Engineer for one, or at most, two years, whese duty it should be to examina "routes for the chief market and mail roads of the State, under the direction of the Board of internal Improvement, and lay them off on the niest favorable ground. written estimates and directions for their construction and improvement. The County Courts-might be authorized to make legies, 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 rdinary transportation and travel can never ceas

by & SUFTED of the land and relinquishment of all claim chase money theretofore paid on the one side, and cancellation of the bonds on the other, in all enace where it should be ascertained, that the purch could not discharge the debt himself without calling an his enretics as provided in said act. After this experience on our part, as well as that

of the Federal Government, in relation to its lan of the Federal Government, in relation to its lands, many years ago, it does not seem to be wise pelicy, to order mother sale on credit. Considering on the other hand, that the purchasers at the former sales were required to pay how in cash me-sighth part of the prices then bid—that they have since made pay-ments into the Treasury of considerable amounts on their bonds—that they are settled on these lands their bonds-that they are settled on these lands and have associated with them the endpartments of home, it seems hardly just to expose them at an au-tion sile, for each. I therefore advise that, as to all the surrendered land, some mole he slopted, of affix-ing a fair raduation on each tract by persons of com-petence and probing, and that the surrenderers be permitted to take them, on paying such valuation in each by a civen day thereafter, atherwise Vias the cash by a given day thereafter; otherwise, that the hand 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 conts per acre in 1836, were surveyed and brought into market. The residue was directed " to remain subject to the disposition of a future Legisbrane, and shall not be fiable to be entered in the Entry T. kee's office, & e^{2t} Ten years have passed away, since the basis and that Act, and note passed away, since he passage of that Act, and no further disposition has been directed of those lands, except that, the bounty in land for building Iron Works, has been extended to that country, and two tracts of three thousand eres each have been granted under that Law. No cesson is perceived for longer delay in the sale of these unsurveyed lands, and it is therefore surgest-ed, that they be either sold at auction for each, or subjected to entry and grant at some fixed rate per nere. The County of Charokee now pays a land iax of but a few dollars, there being but a small quanti-ty of patented land, exclusive of the Iron Works, grants within it. The increase, therefore, of the reenue, the necessity of having free holders for Juors, and other services under the Government, the olicy of fixing the population, and inducing them improve the country, all maite in favor of placing those remaining lands in the possession of citizens, who shall be proprietors in fee, at a fair rate of par-

hase. Such information, in respect to the Peniteriary system, as it was in my power to procure, was pub-lished in the Newspapers of the Sizte, previous to the late election, in accordance with the Act on that subject, of the last Legislature. As the decision of the popular vote is understood to have been against the establishment of such an Institution here, it is decued unnecessary to lay before yor, the plans of buildings for such prisons, that have been obtained from other States. The present requirement of Law, that the Au-

man Terms of the Superior Courts in the lower cotion of the State, shall be held at a season, when ekness generally prevails in that region, is a grievance which has been long acknowledged, but higherte o remely has been provided. It is hoped, that our present accelon may number among other acts f public beneficence, a change so obviously just and celful. Not only are the lives, health, and comfort of the Judges, deeply concerned in the measure, but the suitors, witnesses, and jurors, being also sub-ject to the diseases of the elimate and season, the adinistration 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 County Courts may not be with advantage abeliah d, and those Courts be permitted to remain only or purposes of Probate and County Police, with fon of but a single day in each month. By sub stituting for the present system of County and Se perior Courts, with six terms in the year, three terms only of the Superior Court held by Judges learned in the law, an arrangement would be introduced far less expensive to the public, and the parties in legal controversies; while greater despatch and correct-ness would be attained in the administration of the law. Such a change would require some addition to the present number of Judges, to whom malaries mus needs he mid but this would be inconsiderable com pared to the payments now made to Jurors and Jus ices attending four Courts a year in the variou Counties, to say nothing of the time spared to all con

erned, and the less accumulation of costs on the losing parties from greater expedition in the termination of causes. If all Law suits could be ended in one, or at nost, two years from their commencement, instead of for often and transmitted from fathe on, loaded with costs far exceeding the value of the riginal subject of contest, it would be a reform a with the greatest importance. The small number of auses on most of the dockets, makes the present worable period for the introduction of this system which has been adopted and highly appreved after rial, in other States of the Union. By a resolution of the General Assembly in 1840 Il persons holding the office of Justice of the Pea at the close of that Session, who had not been b fore supplied, were directed to be furnished with o be useful to the great mass of the community. copy of the 1st volume of the Revised Statutes. egretted to learn, that by the occurrence of an e ensive fire in the town of Fayetteville, in June 184 righty-one copies of that work, which had been se there for sale as the property of the State, were consumed. And no others remaining at the disposal the Executive, I have been unable to furnish copie to sundry applicants under the Resolution. As fi only edition of this book that has ever been pu lished, is now exhausted, and the County officers several new Counties have not been supplied, t ides the demand for Justices of the P sides the demand for Justices of the Feace, a ne edition seems to be required. There laying no been added to this code the enachments of ten mo years, and defects having been discovered in the original, it is suggested that a Commissioner be an ointed to arrange the addenda under the appropr te heads in the body of the work, or to re-cast th chapters to which amendatents have been made; as ropose to the next Legislature any correction of i accuracies or defects, to the end that our Statu Law may be rendered as brief, simple and intellig ble as possible. The Commissioners of the Literary Fund wi submit their report of operations for the last two years. It will be perceived that the amount of monies on loan to individuals, under the control this Board, has been somewhat reduced in const quence of collections of principal which have been icrit to the Public Transurer asdirected by the Gen-eral Assembly. A School for the education of per-persons, who may be Deaf and Dumb, has been (--tablished by the Board in the City of Baleigh-the advantages of which are also open to pupils who was be able to pay at reasonable charges. Twenty Sta-beneficiaries and two paying Scholars are now i And it will doubtle tructed in this institution. be an agreeable part of your duty, to examine th progress made by these children of misfortune ir course of mental education, as well as in so of the useful arts A like school for the Blind ha been in contemplation by the Board, and was at of this resolved upon. But for want of information to the number, residence and situation in life of th class of afflicted persons, the fewness of these effect ing themselves as pupils, and, the difficulties of countered in employing a teacher, having all t qualifications needed to begin such an enterpri-and conduct it to a successful issue, have occasion a postponement of that work of benevolence for Present. For the support of Common Schools, there h been distributed from this fund for theyear, call September 1st, 1845, the sum of \$97,853 44, and the like day in 1846, the sum of \$95,578 65. Offici information has been received of the adoption of Common School system by the popular vote at inte election in the Counties of Edgecomb Rowan. Its advantages are therefore now to extended to every County in the State. It was be gratifying to me to be able to announce to y-that these advantages. that these advantages were now commensurate the munificence of the Legislature, in provi provid this fund, and the expectations of the publi nin 1

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Further to augment the Revenue. that a tax he imposed on Pleasure Carriages, and Gold Watches kept for use, and, if deamed expedient on any other articles of luxory, 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 Cabe Fear has paid to the State, and the Literary Fund, the full amount semi-annually due for Dividends-their cus-tom, 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 Churter ; but the renewed Charter of 1833 is in different language, and t could hardly have been the design of the ture to exact a less fax on the Stock of individuals in this Bank, than on that in similar institutions in the

To aid the Treasury, until other means can be relized, 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 necossities ; 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 School from the Literary Fund. The proposed disposition of this part of it, while it supplies the present wants of the State, will rulieve the School Fund from the expense inci-dent 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 Trea-sury, 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 Raeigh and Gaston Rail Road Company, as enriv as practicable, I recommend the creation of a sinking nd, to be applied in buying and in cancelling, both kinds of Bonds, when they can be purchased at, or below per, to consist, 1st, of any Surplus which may be in the Treasury, after defraying customary expen-ses and specific appropriations. 2nd, Any income derived from said Rail Road if retained or its proceeds if solid. Brd. 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 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 conten-ded on behalf of the State, that a failure to renew, is a breach of the condition of the Bond, inducing w forfeiture of the whole penalty. Since the foreclo sure of the Mortgages, and the insofficiency 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 Stockhalders and the individual Stockholders and Boudsmen, and at what time is her right thereto to,

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 to other reliance than on its own receipts, from and after the first of January last.

The experiment to this time, removes all doub of the ability of the Road to sustain itself, if well onducted, so that its advantages will still be contin ed to the people of the State, and encourages the chief, that after all necessary outlays for repairs and xpenses, even at the present rate of income, it will afford some returns to the Treasury as profits on its est. The current year has not been regarded as tite so favorable to the business of the road, as may expected in general, by reason of diminished ights, from the shoreness of the crop of Tobacco accommodation in Stare travelling in connection with the Rail Road, and other causes. Notwith standing these disadvantages, however, the amount of earnings of the establishment for ten months, has een near \$51,678 00, and the disbursements in the some time, for expenses, including the purchase in October, of an additional Locamotive, about \$36,000. The Officers of the Road have been instructed, that shile they observed all prudence and economy in spenditure, no needful repairs were to be neglect d and its condition is believed to be now equal to f not better than, at the time of sale. On the lat of inly 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 Roads Bonds, then falling due, for which the State was bound, as already shown and on the 31st of October, there had accumulate balance of about \$8,300 more.

The importance of this public work to the Agrialture and Merchandize of the country, will be ap-ment from the exhibit of 25,500 00 dollars of the by ve carnings, 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 formale, under he powers confurred on me by the Act of Assembly and no tenders have been made for purchase. I re-commond that it he placed under the control of the Board of Internal Improvement, or other Commi ioners specially appointed for that purpose, with ample powers to innke sale in whole or in part, and agree in their discretion upon thems and price limited cuty by the amount at which it was purchased by the State as a minimum. But in the meantime hat a Committee of your body shall make a thorough examination of the entire concern, receive any offer 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 individaal interest, than with the supervision of public a-gents only. And it is therefore desirable, that at least half of the property in this Boad be sold, that it may pass under the control of a directory having an interest in the adventure. This course is also

in interest in the adventure. This course is also made acceptable from the consideration, that any sums fulling into the Treasney, 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 reserved, but will be submitted to you along with the Report of the Bonzl of Internal Improvement. In November has they exhibited a reduction of 50,000 dollars in principal of their debt, besides the payment of inter-est on all Tonic in the preceding twelve months, and it is supposed that the present may here of shill genere prespective to that Rail Road. The Act of your last Session for the re-organiza-tion, of the Portsmonth and Roanoke Rail Road Com-pany, by a sale of the property, under the submitty of both States, was not acceded to by the Legislature of Virginia. That body, however, has made a sepa-rate enactment year legislation for a posteril or submitter, so noted

rate enactment open the same subject matter, so nevel in some of its provisions as to call for a moment's no-

A Rail Road from Raleigh to Fayetteville would be an important work in such a system of Improve nent. Th would at once render available the exist ing 57 miles of road in concentrating, the trade of the country between Raleigh and the Roanoke, on the mavigable waters of Cape Fear river, if an equal-ly good market should be found there, and render as by good markes shown be round never and policy on independent of that less liberal spirit and policy on the part of Virginia, which pervades the Statute on which I have been commenting. It is therefore re-commended that this Road be ensuraged, by the grant of a liberal charter, and by any other aid that the Legislature may deem expedient. There has been much discussion recently in re-

granted, being withdrawn by a neighboring State.

ard to an extension of both of the existing Rail Roads of this State, to a junction with th Carolina. I would greatly prefer a Road from Fay-Carolina I would greatly prear a road tro-ettryille to Salisbury or Charlotte, and Huend trating South Carolina towards Cansien, to e the connexions proposed. But since the Stati in possession of means for the construction o work, and the individuals who may be day patronize it prefer the matronize it prefer the matronize it prefer the matrix ka, both from would extend far afford any greatly incre

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Whether or not you shall esteem it wise to adop any of these recommendations, I trust no considera-tion will induce a longer delay in directing an Agricultural, Geological and Mineralogical Survey of the State. Three-fourths of our sister States have now in progress, or have finished like examinations of their territory. 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 useful discoveries. Gold, Silver, Iron, Copper, Coal, Plumbago, Marble and other Limestones, the finest varieties of Stone for building, of Marl and other materials for manuring, are already known to exist in arious 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, selves. by persons uniting science and practical skill in Ag-riculture, will be productive of improvement in that asoful branch of industry, and must dignify and ele-

vate it in the general esteem. Agreeably to the Act of the last Session, entitled " 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 urchases of Cherokee lands. The said Board re-orted to me as the result of a long and laborious instigation, 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 surronder and release, disclaiming all right under such purchases, and to the re-im-bursement of any monies paid on account thereof, by virtue of the power vested in me by said act, 1 inside an order on the Public Treasurer, directing the an order on the Funite Pressurer, directing the bonds in all such cases, to be delivered up to the a-gent of the Shate, residing in Macon County, for cancellation. This order dated the 3d of April last, embraces a list of bonds amounting in the aggregate to the sum of \$152,312 38. In consideration of which, the Sinte became re-invested with title and possession of the lands surrendered as before sta-ted. As a full year was to clapse between the time when the Sinte's agent was put in possession of these lands, and the rise of the Legislature, it was consid-ered best for the sublic surface will be found

lands, and the rise of the Legislature, it was consid-ered heat for the public inffrest, 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 Cherolyce Lands was, therefore, in-structed to class the several tracts and their improve-ments for twelve months, taking care to give a pref-grence to the late owners, and requiring only mode-rate amounts for the reat, but with a stipulation for minuments for the reat, but with a stipulation for retarning the premises in an good repair as they were in that time. This was attended to by the a-gent and the bonds for rent are in his hands.

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anters to the parcens of the prejected gent and the bonds for rent are in his hands. It will be an important part of your present du-he success of either or of both. Neither al far enough through our territory to recally increased facility to our attigens market, or add much to the business of