GOVERNOR'S MESSAGE.

EXECUTIVE DEPARTMENT,
RALEIGH, Nov. 17, 1856.

To the Honorable the General Assembly of the State of North Carolina:

GENTLEMEN: You have been elected by the people of the State to represent them in this General Assembly.—They have confided to you powers, the highest and most important known to our government and laws. Coming as you do fresh from the great body of your fellow-citizens and from every section of the State, it is supposed that you are acquainted with their wants and necessities, and that these will be provided for, so far as it can be done by wholesome and enlightened legislation. I doubt not that every effort will be made on your part not to disappoint these reasonable expectations. For my own, allow me to assure you that my aid, however feeble, shall at all times be given towards facilitating your labors.

Before touching upon matters concerning more especially our own State and polity, allow me to congratulate you upon the happy termination of the exciting political contest through which the country has lately passed. For the first time in our history we have seen an attempt seriously made by one section, or more properly speaking, by a political party of that section, to get the control of the different departments of the general government, with the determination expressed to administer that government on strictly sectional party grounds. It was virtually an attempt to degrade one section and to endanger its institutions, and to deny to it those equal rights and privileges to which all the States in the Union are entitled, and which hitherto they have enjoyed.

True it is, that all this was sought to be done according to the forms of the constitution. But the attempt was not the less atrocious for that reason.

The general government was intended by its framers to operate for the protection and safety of all, and if properly administered, will only be felt in the most beneficent manner. But whenever it is seized upon, even under the forms of the constitution, by one section of the country and so wrested, and perverted from its legitimate purposes as to become an instrument of oppression or degradation to the other, he knows very little of the Southern people who believes that they would submit tamely and ignominiously to such a government and to such an Union, however dear one of a different kind may be, and, I trust and believe, is to all. Whatever may have been said to the contrary, we of the South have not sought to control the affairs of the country or its government, so as to advance our own peculiar views and interests at the expense of any other section.

All we have asked for is to be protected in the rights secured to us by the constitution, to be let alone in their enjoyment, and to be treated as equals among the States and in the common Territories of the Union. More than this we have not sought to obtain. Less, if true to ourselves, we will never submit to take.

United, as we have been, mainly, in the late contest, we have nothing to fear. For a time madness and fanaticism ruled the day, and the wisest, the best and most patriotic in the land were filled with fear and misgiving. But the result shows that we have as friends a large and influential body of patriotic, conservative, national men at the North, who, in a crisis like the one we have passed, are ready, at every hazard, to stand by the Union and the rights of every section. The task set before them, I regret to say, was one not easy of accomplishment. But well and successfully have they performed it, and entitled themselves to the thanks and plaudits of all and the eternal gratitude of the South. For the present the contest is ended, perhaps to be renewed in a short time. Let us hope otherwise, and that peace, order and good feeling may return and abide with us.

One of the foremost statesmen of the land, a man eminent for his talents, of great knowledge and experience in public affairs—just in his purposes, national in his views, moderate in all things, and whose private life has been as pure and irreproachable as his public one has been honorable and useful—has been elected President of these United States. Scarcely inferior in all the qualities of a statesman, though of fewer years and less experience in public affairs, is he who has been elected to the second office within our gift.

With the legislative department of the government in accord, surely we have ample reason to hope for a successful administration of our national affairs, a restoration of peace and harmony, and a strengthening of the ties which bind together the States in one National Union.

It gives me pleasure to be able to state to you that since your last session, the general condition of the State has been one of prosperity and improvement. Our public works are steadily advancing, our colleges and schools are on the increase, and are generally in a high state of prosperity; our Common School system, though by no means perfect, is yet gradually improving and manifesting very decidedly some of the beneficial results anticipated from it. Our great interets, agriculture, to say nothing of others, is attracting the notice it deserves, and our people are on the enquiry for the best modes of improving, their lands and increasing their crops. Upon the whole, our physical comforts are being increased, while it is believed that our moral condition, as a people, is improving. And though one of our grain crops for the present year has been cut short for the want of timely rains, yet, in view of the manifold blessings we have enjoyed, and the evils from which we have been spared, we have ample cause to render thanks to that kind Providence which hitherto has so eminently blessed our people and country.

The first subject to which I desire to call your more particular attention is, the important one of the public debt of the State.

In advance of the report of the Public Treasurer, which will in due time be presented to you, that officer has, at my request, furnished me with the following statement, shewing the indebtedness of the State by bonds, the various items composing the same, for what purposes incurred, and the times at which these sums respectively fall due:

	AMOUNT.	WHEN DUE.
For bonds issued on account of Raleigh and Gaston Railroad,	$ 500,000 00	Jan. 1, 1860
On bonds issued at sundry times in 1849, under act of 17th Jan. 1849, to provide for the payment of the debt of the State to the Bank of Cape Fear, to the Bank of the State, and other debts due on account of endorsement by the State for the Raleigh and Gaston Railroad,	200,000 00	In 1859
Under act to provide for the payment of the debt of the State, passed Jan. 28th, 1851,	40,000 00	In 1861
Do. do. do.	130,000 00	In 1862
Fayetteville and Western Plankroad bonds, running twenty years,	26,500 00	In 1869
Do. do. do.	33,500 00	In 1870
Do. do. do.	40,000 00	In 1871
Do. do. do.	20,000 00	In 1872
The foregoing are registered bonds.		
The following are coupon bonds, under act of 27th January, 1849, for construction of Gaston and Weldon Railroad, and for improvement of the navigation of the Neuse and Tar rivers, running ten years,	41,000 00	July 1, 1864
Do. do. do.	67,000 00	Jan. 1, 1865
Do. do. do.	44,000 00	July 1, 1866
On account of North Carolina Railroad bonds, running thirty years,	500,000 00	Jan. 1, 1883
Do. do. do.	500,000 00	July 1, 1883
Do. do. do.	500,000 00	Jan. 1, 1884
Do. do. do.	130,000 00	July 1, 1884
Do. do. do.	370,000 00	Jan. 1, 1885
Do. do. do.	1,000,000 00	April 1, 1885
Fayetteville and Centre Plankroad bonds, running twenty years,	20,000 00	April 1, 1875
Do. do. do.	10,000 00	July 1, 1876
Fayetteville and Warsaw Plankroad bonds, running twenty years,	4,000 00	July 1, 1875
Tar river, under act of 14th February 1855, bonds running thirty years,	15,000 00	Jan. 1, 1886
Lunatic Asylum bonds, running ten years,	40,000 00	Jan. 1, 1866
Do. do. do.	19,000 00	July 1, 1866
Atlantic and N. C. Railroad bonds, running thirty years,	500,000 00	Jan. 1, 1886
Do. do. do.	33,000 00	Jan. 1. 1886
Western and N. C. Railroad bonds, running thirty years,	200,000 00	Oct. 1. 1886
Bonds for money carried to public fund by resolution of General Assembly,	40,360 55	
Bonds for money borrowed of the Literary Board,	15,442 00	
	$5,038,802 55	

The books of the Treasury further show an indebtedness by the State to the Literary Fund, on *account*, on the 1st November, 1856, of $140,412 86. It is proper to state that this amount should be increased by about the sum of $30,632 32, for interest on bonds of the State held by the Literary Board, as above set forth, and also upon coupon bonds of the State, purchased and now held as part of the Literary Fund. Further reference will be made to the matter before concluding this communication.

By virtue of legislation at the last General Assembly, State bonds for the following amounts are yet to be sold, and the proceeds applied as follows:

Fayetteville and Albemarle Plankroad, running 20 years,	$20,000
Fayetteville and Warsaw Plankroad, running 20 years,	6,000
Atlantic & N. C. R. R., for balance of State's subscription, 30 year bonds, and which will probably all be called for in the ensuing year,	$533,600
Western N. C. R. R., 30 year bonds, for balance of State's subscription, and which will probably be called for before the meeting of the next General Assembly,	600,000
Insane Asylum, 20 year bonds, will be required at an early day,	21,000
Total,	$1,180,600

By virtue of an act passed at the last General Assembly, $20,000 was subscribed to the stock of the Yadkin Navigation Company, of which $5,000 has been paid; and under the provisions of a similar act, $20,000 was subscribed to the stock of New River Navigation Company, of which $10,000 has been paid,
Leaving to be paid the sum of $25,000

The payments above were made out of ordinary funds in the treasury, there being no provision for raising the money in any other way; and the above balance must be paid in the same manner, unless other provision is made therefor.

The State is bound, as endorser, as follows:

On bonds of the Wilmington & Weldon R. R. Co.,	$250,000
On bonds of Cape Fear & Deep River Nav. Co., falling due in the year 1885,	300,000
On bonds of Chesapeake & Albemarle Canal Co., falling due in 30 years,	250,000
	$800,000

The State is secured by mortgages, according to the several acts of Assembly directing the above endorsements.

Of the amount last named, $50,000 only of bonds has been endorsed and delivered by the public treasurer.—But the whole amount is put down, as the company has given the certificate of the requisite subscription of stock in the same, and executed the mortgage required by the charter to entitle it to the endorsement of its bonds, to the amount stated, when called for.

The interest has, for many years, been paid promptly by the first named company; and its present prosperous condition removes all doubt as to its ability to pay for the future. The interest has also been paid on the bonds of the Cape Fear and Deep River Company.—The bonds of the latter company have been issued within the past six months.

From information unofficially received, it is highly probable that the Wilmington, Charlotte and Rutherford Railroad Company will so far comply with the terms of its charter, granted at the last session of the General Assembly as to enable it to call upon the State for endorsements of its bonds. As to the probable amount of such endorsements, or the times when they may be called for, I am not able now to give any definite information. It is proper, however, to refer you to the charter of the company, and to say that, more definite information will be laid before you during your session, should it come to my possession.

I may also refer you to the charter of the Western N. C Railroad Co., by which the State is pledged to subscribe two-thirds of the stock for the sections hereafter to be built, should private stockholders subscribe one-third.

In this detail of the present and prospective indebtedness of the State, I have omitted temporary loans by, and indebtedness to, some of the banks of the State, authorized by resolutions of the last General Assembly. These liabilities are fluctuating, and will more properly appear in the report of the public treasurer.

To meet these liabilities, besides the means to be derived from taxation and other ordinary sources of revenue, the State owns the following stocks and effects:

Raleigh & Gaston Railroad, Stock,	*par value*,	$487,500
N. C. Railroad, do.,	"	2,000,000
N. C. Railroad, preferred 6 per cent,	"	1,000,000
Atlan. & N. C. Railroad, paid for	"	533,000
Western N. C. Railroad, paid for,	"	200,000
Railroad stocks,		$4,220,500
Fayetteville & Western P. R. stock	*per value*,	$120,000
Fayetteville & Warsaw,	"	10,000
Fayetteville & Albermarle, paid for,	"	30,000
Plankroad stocks,		$160,000
New River N. Co. stock,	*per value*, and paid for,	$10,000
Yadkin Nav. Co., paid for,	"	5,000
Cape Fear & Deep Riv. Nav. Co.,	"	160,000
Navigation stocks,		$175,000
The State also holds the bond of the Wilmington and Weldon Railroad Company, upon which the interest is regularly paid, for		$50,000 00
Also, two bonds of the Seaboard and Roanoke Railroad Company, each for $5,387 14, dated January 3d, 1841, payable in two and four years, interest payable semi-annually,		10,774 28
		$60,774 28

No interest has been paid on these last named bonds, and the last General Assembly extended the time for payment of principal and interest on the first bond to 3d January next, and should the same be then paid, the time for the payment of the principal and interest on the other bond was extended to the 3d January, 1856.

In this connection it may be proper to say that $40,000 was appropriated to the improvement of Neuse river, and that after making the survey of the river the balance was subscribed as directed, to the stock of the Neuse River Navigation Company.

No report has been made to me by the President of the company, as required by the charter. But I learn unofficially that no practical benefit has resulted from the expenditure, and that the property and effects of the company have all been sold under execution.

By virtue of the act of 1848–'9, $25,000, and by the act of 1854–'5 $15,000 were appropriated and raised by the sale of bonds for the improvement of Tar River, to be expended under the direction of commissioners appointed by the Governor. No provision was made for charging tolls on the river; and the sum expended is not included, therefore, among the stocks owned by the State.

The Western Turnpike is owned entirely by the State, and will be noticed more particularly hereafter.

The State has also some inconsiderable amount of stock in Turnpike Companies, which have not lately been, nor are likely to become, profitable or of much value.

It is hardly necessary to add that the other railroad and navigation stocks owned by the State constitute a part of the Literary Fund.

The receipts into the Public Treasury for the two last fiscal years, ending the 31st October, 1856, are stated as follows, from the books of that office:

	Fiscal year, 1854–'5.	Fiscal year, 1855–'6.
Ral. & Gaston R. R. dividends,	$ 30,712 50	$ 29,250 00
Fay. & Western Plankroad do.	4,800 00	4,800 00
Tax on Attorney's license,	565 60	535 80
Tax on Bank stock,	7,973 25	14.182 33
Interest on W. & R. R. bonds,	3,000 00	
Cherokee bonds,	963 00	1,300 00
Public Tax,	279,255 68	341,833 84
	$327,270 03	$391,901 97

To the item for public taxes received for the last fiscal year should be added the sum of $10,211 34, for defaults by Sheriffs, the larger portion of which has been since paid and the residue will be collected.

It will appear also that the sum of $3 000, interest on the bond of the Willmington and Weldon Railroad Company is not credited the last fiscal year. Properly speaking, it should have been, was omitted by a mere oversight, and will be found as a credit in the present fiscal year. Including these sums the amount of revenue for the last fiscal year may be set down at $405,113 31.

I regret to say that this amount will be less in the present fiscal year, in all probability, by the dividends received heretofore from Raleigh and Gaston Railroad stock, and partially, if not entirely, on stock in the Fayetteville and Western Plankroad. No dividend was made at a late meeting of the stockholders of the former company, owing to the fact that the earnings of the company were chiefly expended in heavy and extensive repairs to that portion of the Road extending from Gaston to Weldon, which, though lately built, was so defectively constructed as to render these repairs indispensable.

The bridge over the Roanoke river, at Gaston, is also undergoing thorough repairs, and large sums will be required during the ensuing year for both purposes. It is expected after these repairs are made, that the stock owned by the State in this company will again be remunerating.

No dividend has been made during the present year on the Fayetteville and Western Plankroad stock. The construction of the North Carolina Railroad has, it is said, impaired to a considerable extent the business of the Plankroad, and it cannot now be safely looked to for paying the handsome dividends which it formerly yielded.

It is confidently expected that the North-Charolina Railroad will ultimately pay good dividends. It is hoped that it may pay some dividend at an early day, and thus measurably relieve the public treasury. But I am not sufficiently informed upon the subject at this time, to form a reliable opinion as to how soon such may be the case. You will, however, probably have such information laid before you during the session, as will enable you to determine whether any aid may be reasonably expected from that source in making provisions to meet the liabilities, present and prospective, of the State.

The ordinary expenses of the State government for the two fiscal years ending the 31st October, 1858, will not, I think, exceed $170,000, or an average of $85,000 per year. They will be more this year on account of your session, and less the next.

From the statements given it will appear that the interest payable, annually, on the present bonded debt of the State is $302,328 15
And upon bonds to be issued under existing laws, the greater part in the present fiscal year, 70,836 00
And unless provision is made for raising it otherwise, there must be paid out of the Treasury, in all probability, for the Yadkin & New Riv. Nav. Co's, the sum of 25,000 00

It will be seen, therefore, that the present revenue of the State will fall short of meeting these liabilities, and that further provision should be made for that purpose.

I deem it a matter, too, of the first importance that provision should be made for the ultimate payment of the principal of the debt of the State, present and perspective, by creating a sinking fund sufficient to meet the several liabilities as they fall due.

Prudence and a wise forecast, as well as the experience of other States and governments, would seem to dictate such a course, and the debt can be more easily met and extinguished in this way. Looking to the present only, *policy* would seem to require it, if for no other reason than that of maintaining our credit unimpaired, and thus enabling us to use it readily and upon the best terms, for extending our public works, or for other purposes. The effect of such a system would surely be to keep our State bonds at *par* (a very important consideration,) and in all probability to put them at a premium.

I submit to your better judgment as to the best means to be adopted for raising such a fund, advising, however, if one be provided, that its management shall be entrusted to a competent board, with a Secretary; the Public Treasurer to be made the treasurer of the board, but the funds to be kept separate and distinct, at all times, from the other funds of the State.

It has been already stated that it appears from the books of the Public Treasurer that there was due, on *account*, to the Litterary Fund the sum of $140,412 86 on the 1st November, 1856, and that the State was further indebted to that Fund for interest on sundry bonds, in the sum of $30,632 32, or thereabouts; making the whole amount due $171,045 18.

A considerable portion of the balance appearing on the books is principal money, and ought to be invested—how much does not appear from the account, but may be ascertained. This balance has been accumulating for some years. A large portion of the interest mentioned above, as not carried into the account, is due upon two bonds of the State, constituting the item of $40,360 55, in the statement given of the bonded debt of the State. These bonds were executed by the Public Treasurer in the years 1848 and 1849, by virtue of a resolution of the General Assembly, in lieu of other funds belonging to the Literary Fund, which were transferred to the State Treasury. No interest has been paid upon these bonds. Calculated to the last semi-annual pay day on same, the interest amounts to the sum of 22 955 80. Under the circumstancee presented, and in the present state of the public treasury, I respectfully recommend, that this amount be converted into principal, and that the public treasurer be required to execute the bond of the State for the same to the President and Directors of the Literary Fund, bearing six per cent. interest, payable semi-annually.

By the existing law on the subject the coupon bonds of the State are payable to *bearer*, and no endorsement by an owner or holder is required for their transfer. The holder for the time being collects the coupons for interest, and may collect the principal money when due. As a general rule this provision is best, for bonds thus transferable are more saleable in the Northern market. But it has been suggested to me by some of our own citizens, who have made permanent investments in these bonds, purchased either of the Public Treasurer, or others, that where a holder or purchaser of a bond desires it, the Treasurer of the State should be required to note the number, date and amount of the bond in a book to be kept for that purpose, and to whom it belongs, and also to endorse upon the bond that it is transferable only at his office by writing on the bond, witnessed by him.

It is generally the case that holders of these bonds, among our own citizens have no safe place to keep them. They are liable to be lost, stolen, or destroyed by accident. The consequence is that those who hold them feel insecure, and those who do not, fear to invest in them. It seems to me such a provision should be made, and every inducement held out to our own citizens to make investment in these securities.

It gives me pleasure to inform you that by means of the liberal aid extended by the last General Assembly our main lines of Railroad improvement, are being extended east and west as rapidly as circumstances will allow. On the 12th of September, 1855, a subscription, on behalf of the State, of $1,066,600, was made to the stock of the Atlantic and N. C. Railroad Company, of which the sum of $533,000 has been paid by sale of State bonds.

The whole road from Goldsboro' to the terminus at Shepard's Point, on Beaufort harbor, is under contract, a large portion of it is graded, and another portion extending —— miles west from the town of Newbern has been laid with iron, and is now in use.

On the 20th September, 1855, a subscription of $800,000 was also made by the State to the stock of the Western N. C. Railroad Company, of which the sum of $200,000 has lately been paid by sale of bonds. The greater part of the line of this road has been surveyed, and the portion of it from Salisbury to a point near Statesville and thence to the west bank of the Catawba river has been located, and let out to contractors, and a considerable portion of it has been graded. Fuller information as to these works will no doubt be laid before you by the respective companies during your session.

I have been promised a full report as to the operations on Deep river, and regret that I have not an opportunity to lay the same before you at this time. Some of the works on the river were damaged to some extent during the present year by high water, but not to the extent that was at first supposed. I was invited during the present fall by the directors of the company, to go upon the line of the works and see the extent and progress of the improvement, but my engagements were such that I could not do so. It is represented to me by one of the State directors that the ultimate practicability of the work is beyond a doubt, and that safe steamboat navigation has been obtained to Lockville, on Deep river; that above this point a heavy stone lock has been deemed advisable by the Engineer in charge, and when that is completed, that the navigation will be opened to the coal fields. But that some of the older works must be replaced, to a considerable extent by new ones of a more substantial character; and that to complete all the work contemplated and relieve the company of an outstanding debt of about $100,000, which has greatly embarrassed the company in its operations, a further sum of about $300,000 will be requisite. I can only add that when more definite information as to this important work is received, it shall be promptly laid before you. A report is soon expected from the commissioners appointed to superintend the work on Tar river, which, when received, will be laid before you.

It is my purpose also in a short time, to submit to you reports from other companies, including one from the agent to superintend the construction of the Western Turnpike.—He informs me that all of the road from Ashville to the Tennessee line near the Duck Town Copper Mine has been completed, excepting about two hundred yards near Waynesville, in the county of Haywood, in relation to which a suit at law is now pending.

I know not what calls may be made upon you at the present session for further aid to works of internal improvements. I have heretofore expressed the opinion that the State should furnish liberal aid to works of the kind, extending them as rapidly as she can, consistently with her means of doing so. It was upon this principle that the last General Assembly acted, and such I believe will be the future policy of the State. Whether further appropriations should be made at this session, and if so, to what extent, is more especially your province to determine, and is submitted to your wisdom and better judgment.

During the present year, the State Geologist, Dr. Emmons, made known to me his readiness to prepare a report of his survey of the State, so far as completed, and the matter having been brought to the attention of the Literary Board, under whose supervision the law required the report to be published, Dr. Emmons was requested to prepare it for publication; and the Board determined to have 1,000 copies printed and bound in boards, with suitable plates and explanatory maps.

The work was put to press as prepared and furnished in sheets—has all been printed, and is now in the hands of the binder, and will be ready in a short time to be laid before you.

It was deemed advisable to publish the report in the manner stated, as it will be no doubt found worthy of a place in our own public and private libraries, as well as in those abroad; and it was supposed that the number ordered to be published would furnish a sufficient supply for distribution, leaving copies enough to reimburse the State for the cost of publication, should the Legislature order them to be sold. A statement of the costs of publication will be sent in with the report. There was unexpended and in the Treasury, of the amount appropriated for making the survey, a sum more than sufficient to defray all the expenses of publication.

For reasons already stated, I have not been able to read the report; but I have reason to believe that it will be found of much interest, not only to the man of science, but to the general reader. The mineral resources of the State especially, will be fully made known; and it will be seen that, in this respect, our State is second to only one in the Union. In some other respects the report is incomplete, and more time and further examinations are necessary.

It is due to Dr. Emmons to state that, for the past two years or more, he has had but one assistant, instead of two, as originally contemplated, and that during the present year a considerable portion of his time has been necessarily devoted to the preparation of his report. In compliance with the resolution of the last General Assembly, he has also collected and arranged a cabinet of rare and beautiful minerals, which may be seen in the west wing of the Capitol, and which will be found well worthy of your examination.

Deeming it a matter of much importance that the survey commenced should be completed, I respectfully recommend that the act passed for the purpose by your predecessors, be not repealed. I know that many of our fellow citizens incline to the belief or perhaps do believe, that no benefit will result to the State from what has been done, or what may be done, if the work is farther prosecuted. Such is not the opinion of scientific men, or at least of some of them. I have before me now a letter from one of the most eminent geologists and chemists in the country, speaking in the highest terms of the scientific discoveries of Dr. E. in this State, and of the successful manner in which he had conducted the survey. In conclusion he says:—"The time will come, if the Legislature perseveres in carrying forward this survey and printing the reports properly, when the State will be proud of this work." And further: "I do not know of a single instance, in which the people of any State has ever regretted the expenditure of money in a geological survey, nor one where the good effected has not been immensely beyond the pecuniary cost of the work."

By the provisions of the act entitled "an act to amend the constitution of North Carolina," passed at the last session of the General Assembly the Governor of the State was required to give notice of the passage of the same, to the people of the State, by proclamation, which was to be published, together with a copy of the act, in ten newspapers in the State, at least six months before the election of members to the next General Assembly.

In accordance therewith, my proclamation, accompanied by a duly certified copy of the act, was issued on the 24th January, 1856, and published for six months thereafter, consecutively, in the North Carolina Standard, Raleigh Register, Democratic Pioneer, Warrenton News, Daily Journal, North Carolinian, Fayetteville Observer, Greensboro' Patriot, Salisbury Banner, and Asheville News.

The propriety of making the proposed amendment to our constitution has undergone so much discussion throughout the State for some years past, and my own opinion has been so often publicly expressed in its favor, that it is hardly necessary for me to say more upon the subject at this time than to bring the matter to your attention, and earnestly recommend the speedy passage of the bill by the requisite constitutional majority in the shape that it passed the last General Assembly; and that you will, in conformity to the provision of the constitution on the subject, "prescribe a mode by which the amendment may be submitted to the qualified voters of the House of Commons throughout the State," for their approval or disapproval by their votes.

At the last session of the General Assembly bills were passed to recharter the Bank of Cape Fear and the Bank of the State of North Carolina. I was duly notified on the 2nd April, 1855, that the stockholders in the Cape Fear Bank accepted the renewal of their charter. I am unofficially informed that the stockholders of the Bank of the State declined to accept of the charter granted to that Bank.—By the terms of the present charter their corporate powers will cease on the first January, 1860. If this bank should go into liquidation, it would, in my opinion, be highly expedient to charter, at this session, some other banking institution to take its place, as well for the purpose of supplying banking facilities to the public as to enable the State to make a safe and profitable investment of the proceeds of her stock in the present Bank, constituting as it does a large and very productive part of the Literary Fund.

Should a new charter not be granted to the present Bank, I respectfully recommend to you to charter a new institution with about two millions of capital, based upon the same general principles, with such guards and restrictions as experience may have shown to be necessary—placing neither severe and unusual restrictions upon the Bank, nor, on the other hand, extending to it privileges and immunities over and above individuals, unless necessary and proper for the successful conduct of its business.

It is believed that such an institution, properly managed, would answer our wants in furnishing a sound currency, afford a safe and profitable investment for our Literary Fund, and at many times, to be of essential service to the State in a financial point of view.

Thus thinking, it would, in my opinion be safer to act upon the experience of the past than to venture upon any untried experiments.

A proper administration of justice in the several Counties of the State is a matter of acknowledged importance. A fair amount of labor is due and is expected from our judicial officers, but more than this should neither be expected nor required, either on grounds of policy or of justice to meritorious public servants. For if more labor is required of a Judge than he can well perform, any one who has had experience in our Courts well knows that it results in an accumulation of cases upon the docket, increasing the expenses of the Counties, and rendering extra terms of the Courts necessary, and causing to suitors a large accumulation of costs and expenses.

Looking to the present arrangements of our Superior Court Circuits, it seems to me that an additional Judicial Circuit, making the 8th, should be established.

The number of Counties in the several Circuits is as follows:

1st Circuit.	10 Counties.
2nd "	11 "
3rd "	10 "
4th "	12 "
5th "	12 "
6th "	14 "
7th "	15 "

Eight of the 15 counties in the 7th circuit are mountain counties, West of the Blue Ridge, covering a large territory traversed by many ranges of small mountains with indifferent roads, rendering the travel difficult and laborious. In addition to this, it will be seen that from the present arrangement of the Courts of this circuit, any Judge, riding it, will necessarily have to cross the Blue Ridge four times. With such a circuit and such labors to perform, we may well imagine that a Judge, however diligent and laborious, would be worn down, and in a great degree, unfitted for the performance of his duties, towards the latter part of it.

This need of a new circuit has arisen from the creation of new counties in the 6th and 7th circuits.

But as the country is settled up, especially in the mountain part of the 7th circuit, other counties will be required and made, and the evil will be thus increased.

I am aware that this matter was brought to the notice of the last General Assembly, and that it failed to establish another circuit; but as a matter of fairness to our Superior Court Judges, allowed them in addition to their regular salaries the sum of $90 for each court held by them on a circuit, over and above twelve.

But for the reasons stated, it seems to me that a new circuit should be established. It will be seen that by reason of the act of the last session there will be five extra courts to be paid for in the 6th and 7th circuits, making for each year the sum of $900—nearly half the salary of a Judge.—No additional expense would be incurred for another Solicitor, as under the law Solicitors receive so much for every court they attend.

I would, therefore, suggest that the 8 counties beyond the Blue Ridge, now belonging to the 7th circuit, and one county on this side of the mountains (McDowell, I think, would be most convenient,) shall constitute the 8th circuit, and that out of the six remaining counties of the 7th and the 14th counties of the 6th circuit, two circuits, the 6th and 7th, shall be made.

Accurate statistics of crime in a State are always a matter of deep interest to many, and furnish most useful information to those whose duty it is to make our criminal laws, or to have them enforced. Since I have been Governor of the State I have been called upon, repeatedly, from abroad, to furnish such information to this State, but was unable to do so.

I deem it a matter of sufficient importance to bring it to your notice, and recommend that some means should be adopted, to have reported, at least, all trials for capital felonies. This may be done very readily by requiring the Solicitors in each judicial circuit to report all such cases to the Attorney General of the State, who should be required to report them, together with the cases in his own circuit, to the Governor of the State, to be laid before each General Assembly.

Under a resolution of the last General Assembly, I was required to appoint two commissioners to superintend the publishing of the Revised Code. B. F. Moore and William B. Rodman, Esquires, were appointed for that purpose. The work was printed in Boston, and, owing to the severity of last winter, could not be shipped to this State as early as the first January last, when it took effect as the statute law of the State. Some of the volumes were damaged at sea by stress of weather. Those directed to be distributed in this State, and to the other States and Territories, were dispatched at as early a day as practicable. Of the residue, but a small portion, comparatively, has been sold. The greater part of those on hand has been stored in boxes in the Capitol.—At an early time I will submit a more detailed statement relating to the whole matter.

Under the resolution directing distribution among the Justices of the Peace, copies were only furnished to those whose names were returned by the Clerks on their lists. Many of those appointed by the last General Assembly, qualified after the list of Magistrates was sent up by the respective Clerks. By the terms of the resolution I was restricted to the list furnished. I therefore recommend that all those Magistrates appointed by the last General Assembly who qualified subsequently, shall each be furnished with a copy of the Code.

There is no provision now for sending our laws, as published to the different Departments of the General Government. I have been applied to for them by one or more of the Departments, but was unable to furnish them. I therefore recommend that provision be made for that purpose.

It is important to know, at many times, what our law is, and moreover, it would be but an inadequate return for many valuable books sent to us by the general government.

I communicate herewith a copy of the third Annual Report of Mr. Wiley, State Superintendent of Common Schools, being his report for the year 1855. I am informed by him that his report for the present year will be made at an early day.

The one herewith sent will be found to contain much valuable information on the subject of education in the State, and especially as to the condition and prospects of our Common Schools, and many valuable suggestions are made for the improvement of the system. The statements made from pages 33 to 37 of the report, inclusive, and the tables at the end of the report are especially interesting. Copies of this report will be laid upon your desks.

By the census of 1850 it appears that the number of white persons in the State between the ages of 5 and 21 years, was 215,453. Mr. Wiley reports the whole number of children at the Common Schools in 73 counties in the State (from returns to him) for the year 1855 to have been 112,632. Estimating for the few remaining counties he gives the whole number of children at these schools, in the State, at about 130,000; and at other schools and colleges in the State, about 10,000; making the whole number at school in the State about 140,000. Unless he is mistaken in these statements, and I do not believe that he is, the day is not distant—not more, at farthest, than one generation—when we shall no longer be reproached for the ignorance of our people, but all, will be able, at least, to read and write.

An opinion has prevailed to some extent in the State, that the Common Schools have hitherto been of little benefit, and that this small benefit has been more than counterbalanced by the injury resulting therefrom to other schools—that most of these have been destroyed—and that in their places we have the Common Schools but for a small portion of the year. This may be true to some extent and in some localities; but the evil, if it be one, I am satisfied, is much less than many have supposed. Inferior schools have in many, and, indeed, in most counties, been superseded by the Common Schools. But this report shows that private schools and academies have increased largely, and are still on the increase.

I am satisfied from my own observation, (and in the two years last past I have had ample opportunity to observe in traversing every section of the State) that the number of schools, male and female, especially the latter, of a high grade, is rapidly increasing in every part of the State; and I have observed it with pleasure as one of the best and surest indications of the progress of our people.

Before leaving this subject, I deem it but an act of justice to the Superintendent of Common Schools to say that, in my opinion, he has been diligent, faithful and conscientious in the discharge of his duties as such—that he has done much already to introduce order, harmony, and uniformity into the system, and that he is zealous and active in endeavoring to carry out further plans for its improvement.

No state, so far as I am informed, has successfully put in operation a Common School system, without a Superintendent, or some officer of the kind; and it is believed that such an officer is essential to the success of our own.

By the law, as it now stands, the Governor is to have printed 150 copies of the annual report of the Superintendent, 50 copies whereof he is to distribute among the public offices and libraries of the State, and colleges, and such other literary institutions, in and out of the State, as he shall deem proper; the residue to be delivered to the Superintendent for distribution by him "in such manner as will best promote the cause of common education in the State." This number for general distribution is entirely too small to effect the purpose designed. The additional cost of a larger number would be only that of the additional paper and press work, which is comparatively small. The type-setting constitutes the main item in the cost of publication. A sufficient number should be published to supply most of those who are connected with, or take an active interest in, our Common Schools; the expense of printing and publishing to be paid out of the Literary Fund. The Literary Board, seeing the propriety of such a thing, deemed it not beyond its power to order 850 additional copies to be struck off, which was done at a trifling cost; and it is out of these only, that copies can be supplied to the members of Assembly.

The Literary Board distributed among the several counties of the State, for the support of Common Schools, the sum of $180,880 for the year 1855, and the like amount for the year 1856. With half that amount, required to be raised by taxation in the respective counties for like purposes, we have the sum of $271,320 applied to Common School purposes in each of these years.

The sum of $8,000 out of the Literary Fund was also appropriated, each year, for the of the Institution for the Deaf, Dumb and the Blind.

Applications have, from time to time, been made to me by the principals of schools in different sections of the State, to be furnished with arms for their pupils from the State arsenals, with a view to making military tactics a part of their instruction. The law making no provision for such cases, I was compelled to refuse a compliance with all such applications. Arms suitable for schools may be obtained from the general government, in part of the State's annual quota of arms derived from that source.

I recommend that the Governor of the State be authorized to furnish such arms to schools, bond being given for their safe keeping and return, as in the case of volunteer companies.

A knowledge of the duties of the soldier, in a country like ours, having no regular military system, is highly important. Every citizen is liable to be called upon to discharge these duties, and if properly instructed in his youth, would be ready in manhood, at his country's call, to step forward either for command or to serve as a well drilled soldier in the ranks. For an American citizen, that system of education is most perfect which enables him to perform his duty best, under any and all circumstances.

It is an entire mistake to suppose, that such a system would foster a military spirit dangerous to the peace and good order of the country. It has been practically introduced in many of the States of the Union, with no such results; but, on the contrary, with marked benefit.

The Asylum for the Insane, though yet incomplete, is now in successful operation, and has as its inmates some 85 patients.—Several of those who have been inmates have been restored to their reason, and discharged. Some few deaths have occurred.

I have every reason to believe that the general management of the institution, under the present Superintendent, Dr. Fisher, has been good. The institution will be well worthy a visit from your members, when you will be able to see, for yourselves, its system and general economy. More definite information will be given in the report of the Directors which will be laid before you at an early day.

At the Institution for the Deaf Dumb and the Blind there are some 37 pupils. The same general remarks will apply to this institution, and a report will be submitted to you by the Directors thereof.

The revenue law, passed at the last session, has, in several respects, been found difficult to construe, and needs revising and explaining in many particulars. Some of the difficulties arising under it will present thesmselves on a careful examination. Others can be pointed out by the accounting officers of the State, to whom questions of practical difficulty have often been presented by the officers whose duty it is to collect the public taxes.

It is of the first importance that these difficulties be removed, in order that our taxes may be uniform, and also for the reason that in cases of doubt, the State is usually the loser—the collecting officers not being willing to collect the tax by distress and incur the risk of a suit by the owner of the property distrained.

Since your last session, Mr. Attorney General Ransom tendered his resignation, which was accepted, and Joseph B. Batchelor, Esq., with the advice of the Council of State, was appointed to fill the vacancy. It will be your duty to elect an Attorney General, to enter upon the duties of his office after your session shall have ended.

State Solicitors are also to be elected for the 1st, 6th and 7th Judicial Circuits.

I herewith transmit to you a letter and enclosures therein, addressed to me by the Hon. John H. Wheeler, Minister to the Republic of Nicaragua, in relation to the forcible seizure, on or about the 18th July, 1855, of certain slaves of his by persons in Philadelphia, while he was passing through it, on his way to New York City, from which place it was his purpose to embark for Nicaragua.

These slaves were the domestic servants of Mr. Wheeler and family, and it was his intention to take them abroad with him as such. The seizure and removal, violently and against the will of the owner, and under the circumstances stated, was a high-handed outrage, and is believed not to have been warranted, even in a *civil* point of view, by the laws of Pennsylvania. I have received a subsequent letter from Mr Wheeler in which he states that he has caused an action for damages to be instituted against one of the parties to the act complained of, and he expresses the hope that this State will aid in the prosecution of it, as has been done by other States under similar circumstances.

It is important that the question should be determined by the highest judicial authority in the country.

I recommend the matter to your favorable consideration.

By virtue of a resolution passed at the last session, the Hon. David L. Swain was appointed by me as agent to procure documentary evidence of the history of the State. The matter is mentioned now merely to say that a more particular and definite communication on the subject will be submitted in the course of the session.

The Governor was also authorized to procure a copy of "Tryon's North Carolina papers" from Harvard College.

Gov. Swain was kind enough to undertake this duty also, and procured a copy of Tryon's Letter Book, while Governor of the Province of North Carolina, which is now in his possession, and of which more definite information will be given in the above promised communication.

In compliance with a resolution also passed at the last session, I have addressed a circular letter to the Governors of most of the Atlantic States