

From experience and observation, I have been induced to make a few remarks in relation to the present position of Alabama. All business men see and feel it. There are some, however, who feel it but do not seem to understand the cause. No state deprived of all the artificial facilities which the surrounding states enjoy, can compete successfully with them. I will state, without the fear of contradiction, that Georgia and Carolina are thriving, in some degree, at the expense of Alabama, in almost every branch of their business, and it is in consequence of the narrow, contracted & short-sighted policy of our legislators. It seems to be their policy to cramp our state in every possible way—not only to drive capital from it but trade also, and prevent capital from coming here. The fact is, so long as this policy is pursued we shall continue to sink, until finally our enterprising citizens will seek other places to make investments and engage in manufacturing in its different branches.

Instead of capital coming to this state for investment, it is continually leaving us and if this condition of things continues much longer we shall be reduced so low as not to be able to pay our state debt, which would be much regretted by all our good citizens. It may be asked, how this will be brought about. I will answer, by most of our wealthy citizens leaving the state and seeking some place where they can make it more to their interest to invest their capital. We will be left with the wornout lands and dilapidated villages and towns from which to raise taxes to pay our state debt.—Our iron, coal, marble and lime will remain in the quarries for want of suitable conveyance to market.

I have stated in a former communication that we possess natural facilities equal if not superior to any state in the union, and I still think so. But what are they worth in the present condition of the state affairs? Comparatively nothing. It is my opinion that no man will make the second investment in manufacturing in this state, provided he has the financial part of the business to manage. Why does Georgia, while greatly inferior to us in natural resources, go ahead of us in railroads and manufacturing? The reason is obvious. They have granted liberal charters and banking privileges, without which railroads and manufactures cannot prosper, especially when a neighboring state possesses them. Is it probable that Georgia would have had seven hundred miles of railroad and from thirty to forty cotton manufactories if she had been deprived of banks and banking privileges? I answer no.—In the absence of these facilities she would have been but little if any ahead of our state in internal improvements. Show me the states that are most prosperous and I will show you the states that have the largest banking privileges. Banks may be an evil, but at present they are necessary evils; and no manufacturing state can prosper without them.

I will here make a statement, the truth of which I will vouch for, and think it will convince every unprejudiced man of the present necessity of banking privileges in our state. I am often asked the question, why the southern manufactures ship their goods to New York? The reason is obvious.—The manufacturer here has to buy his stock for cash, which has to be laid in in the fall and winter. The operatives and overseers must be paid once a month, and, in fact, every article he uses is cash—This is one side of the picture. Now let us look on the other side. He is obliged to sell his goods on six months' credit and wait until his paper matures before he can realize any thing from it. In New York, so soon as the goods are disposed of he can draw for at least three fourths of their value. Our merchants can go there and purchase the same goods on twelve months' credit by paying from four to six months' interest. Why can the New York merchants afford to do this? Simply because of the moneyed facilities they possess. The notes taken for the goods sold, can at any time be put into bank and discounted. If we had the same facilities, we should not be dependent on the New York merchants, but could sell all our goods here and save the freight, insurance and commissions, and our citizens who held stock in our banks would reap the profits of the discount, instead of the New Yorkers.

But another evil quite as great, is going to Georgia and Carolina for money to purchase our cotton, paying hundreds of thousands of dollars interest to those states, when it might be kept at home. Again, our planters are driven to the necessity of sending their cotton to New Orleans because Mobile has not the facilities of raising money to purchase it, or at least it labors under such disadvantages in getting bills discounted that it cannot pay as high for cotton as the New Orleans merchant.

The greater the money facilities, the better the market. Give Mobile the same facilities as New Orleans and she will do as well by our planters as they can do in New Orleans. Why is it that we cannot for once lay politics aside and both parties look strictly and alone to the interest of the state? If we let our next legislative session pass without doing something for us, we shall be past all hope for the present. It will take our state many years to recover, if she ever does.

I have been told that manufacturing would be of no advantage to the state, and by persons too, who ought to know better. The same men say banks are of no utility. It is just as well, they think, that Georgia should reap the benefits as for our own capitalists. I contend that any business which brings capital to the State improves it, and that which is for the interest of the state is for the interest of its citizens. As an instance, I will merely cite the little village which I founded some nine years since. When I made purchase of the place, I presume it did not pay a tax exceeding \$15, and had there been no manufacturing done there the tax would not now probably exceed \$20. This year it paid from five to six hundred dollars tax, half of which goes to our county. Suppose some ten villages should spring up in the county, the tax derived from them would pay all our county expenses and leave the tax collected from our citizens to be invested in a school fund. The founding of manufacturing villages throughout the state would serve materially to lessen our taxes, and give besides employment to a large number of persons who are dependent on their daily labor for a support of their families. To effect all this we want a few good stock banks, well managed, and my word for it, such improvements would go on gradually until our state would command as high a position as any in the south.

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