

amount of business done on the main line, it is true, has been less than last year, but it has been owing to causes in no degree connected with the management of the public improvements. I refer you to the report of the Canal Commissioners for a detailed and accurate statement of the present condition of the improvements, the sum required to complete those lines in a state of forwardness, and the amount needed for repairs on the canals and railroads now in operation, as well as the amount due for repairs heretofore done.

I feel it to be my duty again to state to the Legislature, that as soon as those portions of the unfinished lines of improvement, now almost completed, are finished, and upon which, if the work had been suspended, more would have been lost to the Commonwealth than by hastening their completion, I think it full time for Pennsylvania to pause in her career of internal improvement, and test for a time the usefulness and value of the stupendous achievements she has already made. I have been from the beginning, the friend and advocate of the internal improvement system of this Commonwealth, and shall continue to be, so long as that system is confined to the main lines and their immediate tributaries; but our immense public debt, and the sacrifices which the people are called upon to make in consequence of it, for the payment of the interest, and of the principal as it falls due, forcibly admonish us, to consult prudence and economy before we incur additional responsibilities, without a corresponding increase of means to meet them. A revival of business, and the natural augmentation of our population and resources, will in a short period of time, enable us to realize from our improvements, many of the advantages of which they are susceptible, and as I confidently trust, enough, and more than enough to demonstrate the wisdom of their projects, and the soundness of the policy, which led to the enormous investment of capital in their construction. When that day arrives, let canals and railroads be constructed wherever they promise to be useful throughout the wide extent of the Commonwealth; but until it does arrive, let us husband resources, and diminish as much as practicable, the burthens now imposed upon the people of the State.

The amount necessary to complete the main lines and to put the improvements now in use in a thorough state of repair, you will be fully informed of by the Canal Commissioners; which amount of money I would respectfully suggest, should be immediately appropriated, so as to enable the Canal Commissioners to make proper arrangements to apply it with most advantage to the public service. Great and immediate repairs to our improvements are indispensable, if we hope to maintain the character of those improvements, and to prevent our immediate northern and southern neighbors from diverting from them a large share of the business of the West and South. The honor of Pennsylvania is too deeply involved in this measure to admit of apathy or delay. Feeling as citizens of this Commonwealth should feel on this subject, I am sure no stronger motive to action could be presented to you, than that of enlightened and manly state pride, addressing itself to you through the medium of official duty.

PUBLIC DEBT.

Table with 2 columns: Description of debt and Amount. Includes Permanent loans at 5 per cent (\$3,056,013 32), Do. 4 1-2 do. (200,000 00), Temporary loans at 4 per cent (1,000 00), Due United States, on account of deposit surplus revenue (2,567,514 78), Unpaid appropriations (622,247 59), Total (\$36,790,775 69).

Upon an examination of the debts and liabilities of the Commonwealth, on the 15th of January, 1839, and the subsequent laws passed, authorizing loans & making appropriations, it will be found that nearly the whole sum borrowed since that period, has been applied to debts and liabilities then due and falling due, on account of the public works finished and in progress—for the payment of temporary and stock loans—for interest on the public debt, and for the repairs of the canals and railways of the Commonwealth.

The only sums appropriated out of the loans authorized to be made since I came into office, which were not applied to liabilities then due and growing out of contracts which existed at that time, are the following:

Table with 2 columns: Description of loan and Amount. Includes Survey of a railroad from Harrisburg to Pittsburg (\$45,000 00), Stock in the Pennsylvania and Ohio canal (50,000 00), Stock in the Franklin railroad (100,000 00), Stock in the Nonongahela Navigation Company (100,000 00), Total (\$295,000 00).

PUBLIC PROPERTY.

Table with 2 columns: Description of property and Amount. Includes Bank stock (\$2,108,700 00), Turnpike and Bridge stock (2,830,348 98), Canal and Navigation stock (645,269 00), Railroad stock (335,546 90), Money due on land, estimated (1,000,000 00), Public works, canals, railways, &c. (29,578,506 17), Total (\$36,498,370 96).

Thus it appears that the resources of the Commonwealth are abundant, but not immediately available for the purpose of paying either the principal or the interest of the public debt.

It is proper here to remark, that it has not been the uniform practice of the Legislature, to provide sufficient revenue to meet the current demands upon the State Treasury. The various appropriations of the public treasure have exceeded the public income. Out of this state of things a custom has grown up at the Treasury, it seems, to pay the demands upon it, as they are from time to time presented, without reference to the specific appropriation of part of the monies therein to the payment of the interest upon the public debt, which falls due

semi-annually on the 1st of February and 1st of August. Under this custom it has happened, that from a deficiency of other means, the monies arising from tolls, auction duties, tax on collateral inheritances, dividends on turnpike, bridge, and navigation stocks and escheats, which had been set apart by law towards the payment of the interest on the public debt, have been paid out indiscriminately to meet other demands upon the Treasury. There will, therefore, be a deficiency in the fund for the payment of interest on the public debt, upon the 1st February next, of perhaps \$800,000. This, as well as every other subject relating to the revenue, belongs so exclusively to the legislative branch of the government, that no recommendation of the Executive can be required, to bespeak for it the necessity for some special legislation in relation to its future disbursement.

It is computed that the tax which will be rendered available under the act of the 11th June, 1840, entitled "An act to create additional revenue to be applied towards the payment of interest, and the extinguishment of the debt of the Commonwealth," will amount to about \$600,000. The sum which will be raised under this act, together with the other resources of the Commonwealth, will most probably liquidate the interest account, without further resort to loans for that purpose. This act is to continue in force five years, and provides such a rule for the assessment of taxes, as to fall with gentle weight on those who are little able to bear any addition to their expenses. The articles taxed are those purely of luxury, such as gold watches, pleasure carriages, household furniture exceeding in value three hundred dollars, together with bonds, bills, and notes of solvent obligors, bank stock or stock of other corporations, yielding dividends of at least one per cent., salaries of public officers, and real estate. Although this act undoubtedly operates with considerable hardship upon those who fall within its provisions, still they are comparatively subjected to every little inconvenience, for in the most instances they do not belong to the poorer classes, on whom taxation usually fall with the most peculiar severity.

To impose taxes on any class of our fellow citizens is not very agreeable, nor a very popular task; but when, as in this case, the honor, and the fidelity of Pennsylvania must be sacrificed, or a tax of this kind be endured, there are few, very few men in the Commonwealth, worthy to be ranked among her free, intelligent and upright citizens, who will shrink from their share of the burthen. When, too, it is known that those who recommended, and who sanctioned the bill imposing the tax, are no more responsible for the necessity that compelled a resort to it, than any of those who are to pay it, the folly and injustice of those who would condemn are rendered still more conspicuous. I found the debt upon which this interest was to be paid in existence, when I assumed the functions of the Executive, and found nothing to pay it with. The Treasury was exhausted, and no means left to meet this responsibility but further loans, a sale of the improvements, or taxation. The first two were impracticable, and I was driven by stern necessity to the adoption of the latter alternative, I saw but one path before me open to pursuit, and that was the path of duty. I recommended taxation; that recommendation was adopted by the Legislature, and it is a source of proud gratification to me, when I consider that the people of Pennsylvania, almost to a man, so far as I have been informed, with a firmness and patriotism worthy of themselves, have yielded to this necessity without murmur or repining. I feel fully convinced, that at the expiration of the five years at farthest, with a reasonable degree of prudence, and with strict economy in the management of our affairs, the income of our improvements will render a renewal of this law wholly unnecessary.

If any difference of opinion exists as to the necessity of this tax, let these questions be answered by those objecting. Does not Pennsylvania owe this debt? Is she not morally and legally bound to pay it and its interest as it falls due? Can they point out any other mode by which this can be done?

You, however, have come directly from the people, and are supposed best to know their opinions on this as well as all other subjects; and if you differ in opinion with me on this important subject, and think the tax ought not to have been laid, it is your duty to repeal the law instantly. No part of the tax has yet been collected. Seeing no other mode of extricating the Commonwealth from the difficulties in which I found it, my views and opinions remain unchanged. Yet if the immediate representatives of the people think proper to repeal the law, and can substitute any other mode less objectionable, which will promptly meet the exigency, be it so; the responsibility rests with them.

I can never consent, by word or deed, to countenance the idea that the faith of the State can be violated by a failure to meet her engagements. If there be any in our country who would be willing, if they were able, to abrogate the contracts of the Commonwealth, and be faithless to her creditors, let their doctrine be distinctly avowed, and the issue fairly made up before the people: the intelligence and integrity of our citizens would speedily convince the world that they feel the necessity in a republican government of maintaining unsullied, public faith and national honor.

The deficiency in the funds set apart for the payment of the interest on the public debt falling due on the 1st of February next, must be promptly provided for. By the act of the eleventh of June last, the Governor is authorized to procure it on loan, and for that purpose proposals have been invited; whether the money can be procured I know not, and in case it cannot, I see no other mode left to avoid the dishonor of the state credit, but the sale of a sufficient

amount of the stock owned by the State, in one or the other, or all of the banks in which she is interested. The State owns the following amount of stock in each of the banks named, viz: the Bank of Pennsylvania 3750 shares, Philadelphia Bank 5233 shares, Farmers' and Mechanics Bank 1708 shares. The stock would most probably command a ready sale, and I do most sincerely hope that not a day will be lost before this possible blot on the faith and honor of the State is effectually guarded against by the prompt action of the Legislature.

In my last annual message, the question was distinctly presented to the Legislature whether the works then in progress should be prosecuted to immediate completion or not, and the question was by them determined in the affirmative, and the sum of \$600,000 appropriated to each of what has usually been denominated the main lines; and the works being so far progressed in as to warrant the expectation of their being completed in another year, all will now concur in the opinion, I presume, that provision should be immediately made for the completion of the unfinished works as soon as possible.

A judicious and immediate appropriation, promptly made in anticipation of the usual appropriation bill, specifically for the works under contract—for the completion of the reservoirs, at each end of the Portage Railroad—and for ordinary repairs, is imperiously called for, and will enable the contractors to complete the whole, and have them ready for use by the opening of the navigation in the spring of 1842. The vast importance of the immediate completion of the main lines, as well to the citizens immediately interested in them, as to the fiscal interests of the Commonwealth, cannot be too strongly pressed upon your attention. They will complete a communication between the great lakes and our commercial metropolis. They will also, by a proper arrangement with the authorities of New York, connect our improvements with those of that great Commonwealth, thus affording an opportunity of exchanging the products of the two States and strengthening the bonds of our national union. They will also add largely to the revenue on the works now in use.

Whatever differences of opinion may have existed as to the policy of commencing the Erie Extension and North Branch Canals, there ought to be none now as to their speedy completion. They are nearly finished, a comparatively small sum is necessary to complete them, and the policy of a continued and protracted delay in completing works which the state is pledged to accomplish, until the first work done upon them has become useless from decay, has proved disastrous and ruinous on many occasions.

The course heretofore usual, of neglecting to appropriate a sufficient sum for repairs, and that early in the session, has been seriously detrimental to the interests of the Commonwealth. At the last session, the Commissioners stated that the lowest estimate for repairs required \$700,000, and the Legislature appropriated \$500,000, a great portion of which was absorbed by debts then due. The result has shown that the Commissioners were right. The fund has long since been exhausted. The necessary repairs have not been completed. Those who have been engaged at them are unpaid, and the Supervisors are without funds to lay in the necessary material for repairs. The repairs on the lines of Canals in use should ordinarily be made in winter, when they would not interrupt the use of the Canals; and it has usually happened that before the arrival of winter the officers have no means at their command, and no appropriation bill is passed until late in the session. The whole system of repairs, in consequence of the uncertainty of the time of paying the workmen, and those who furnish materials, cost the Commonwealth much more than it would do, were the means of payment ample, certain, and promptly applied.

The Beaver division of the Pennsylvania Canal is already connected with the public improvements of Ohio by the Pennsylvania and Ohio canal, a work which has been completed by individual enterprise, aided by public appropriations from both States, and bids fair to be a valuable tributary to our public improvements, and a profitable investment for the stockholders. It has been accomplished at a less cost than any other work of the kind which I have visited, and is a monument of the wisdom of its projectors and of the skill, prudence, and economy of those charged with its construction.

I respectfully recommend to the Legislature, the enactment of a law authorizing the Canal Commissioners to treat with the authorities of the state of New York for such a connection of our internal improvements with theirs, as will best promote the interest of the two Commonwealths. The law should limit the terms and conditions, and define the power and authorities of the Commissioners in such manner as on due consideration shall be deemed proper.

The interest of the Commonwealth would also be advanced by entrusting the same board with the power of selling, or leasing, water power created by our internal improvements. There are at many points, and in very advantageous situations, surplus quantities of water which could be profitably applied to various branches of manufacture without injury to the due supply of our canals. The tolls on our public improvements would be increased thereby, and a considerable sum realized from such sale or lease.

By an act of the 7th April, 1835, a guaranty was made, on the part of the State, for the payment of an interest of 5 per cent. for twenty-five years on \$200,000 of the capital stock of the Bald Eagle and Spring Creek Navigation Company; and, by a subsequent act, the State has since subscribed \$25,000 to the stock of the company. The whole of the work is completed and in active operation, except the last six miles, on which about one third of the excavation

and embankment is made, two locks completed, and another nearly completed. A comparatively trifling sum would finish this work, but the funds of the company are exhausted, and the Commonwealth is annually called upon for the amount of her guaranty, and her subscription is wholly unproductive. It is a very valuable tributary to the State Canal, terminating in one of the richest mineral regions in this or perhaps any other country. Every article coming out of it pays a toll on our State Canal for 150 miles to Columbia. I therefore submit to the better judgement of the Legislature whether sound economy does not dictate the further subscription of a sum sufficient to finish it, believing that its productiveness will then be amply sufficient to relieve the Commonwealth from any further payment of her guaranty.

There are at present many public improvements in a course of construction in our State by means of private companies, most of which I cannot but think are calculated to benefit Pennsylvania in a very high degree. Among the latter I may particularize the Williamsport and Elmira railroad as tending with certainty to produce this result. This road will connect the Grand Erie Canal of New York, by the Seneca Lake, with the West Branch Canal at Williamsport; and also intersect, at Elmira, the great Southern railroad, now being constructed from the Hudson river to Lake Erie, at Dunkirk. The advantage likely to result to ourselves from the construction of this road will be, that the great amount of tonnage and travel which now annually finds its way from the Lakes, through the State of New York to the Atlantic, will thus be brought directly through our own public improvements to Philadelphia, the distance from Elmira to the latter city, by this route, being 71 miles shorter than from Elmira to the city of New York by any contemplated improvement in that State. Other improvements of a similar character, and perhaps of equal importance, might be noticed.

Every man is presumed to be present in the Legislature by his representative, and to know what public laws are enacted, and is therefore held to be bound by them from the time of their enactment. This notice however, is but a constructive one. I would respectfully suggest, whether some provision for the immediate publication of all laws of a public nature is not necessary, to give to the people actual notice of provisions by which they may be seriously affected.

The Report of the Superintendent, of the Public Schools, which will shortly be laid before you, will show the progress which the cause of education is making in public opinion, and the state and condition of the Colleges, Academies and Schools, throughout the Commonwealth.

Though the active operations of the Geological Survey are not yet entirely completed, a much greater extent of country has been minutely explored during the past season, than in any former one. The State Geologist, and his corps, were laboriously occupied in the field, their researches extending into various districts, both east and west of the Allegheny mountains. The insight acquired during the progress of the survey, into the more minute features of our Geology, and the true position of our various mineral deposits, has served greatly to increase the accuracy and value of the large body of facts now collected. Throughout several extensive sections of the State, where hitherto, no accurate clue had been discovered by which particular beds of those useful substances, iron ore, coal, marble and limestone could be traced, much of the obscurity has been removed. Several districts, however, of greater or less extent, yet remain to be explored. Though some of these have been already faithfully examined, one year more will be necessary for unraveling the intricacies of their structure and enabling the Geologist to arrive at a satisfactory knowledge of their resources. For this purpose an appropriation will become necessary. The amount, however, will be less than the sum hitherto annually expended. The Topographical Maps now in a course of construction, are essential as a basis for the Geological map called for by the law. In the chemical department of the survey, an extensive series of ores, coals, cement, fluxes, &c. have been analyzed, resulting in a species of knowledge now becoming every day more important to the growing, manufacturing, and mining interests of Pennsylvania.

It is an undoubted fact, that the few last years have been a period of pecuniary embarrassment in the business community. It has been consoling, however, to reflect, that during a portion of that time, our husbandmen have been reaping a full reward for their labor in abundant crops, for which, until recently, they have found ready markets, at fair prices. They had not generally been affected with that mad spirit of speculation, which at one time seemed to have seized so large a part of other portions of our citizens, and induced them to engage in almost every visionary scheme in their "haste to get rich."

The causes of this embarrassment have been variously explained, as suited the views of those who undertook the task. My own views upon this subject have been fully and freely expressed in my communications to the preceding Legislatures. No one, however, can doubt, that when our country is importing large amounts of the luxuries and superfluities of life from foreign countries, and not exporting a sufficiency of our own products to pay for them, there must be a constant drain of the precious metals, and hence a scarcity of money to supply the wants of our community at home. A retrenchment among our citizens, of whom plain republican simplicity has ever been a distinguishing characteristic, in the purchase and use of articles of mere luxury, would greatly tend to lessen this cause of pecuniary embarrassment.

The consequences of the embarrassment in our mercantile and manufacturing operations, are now beginning to be felt, also, by our far-

mers, in the more recent reduction of the prices of their products, although the fact communicated by the Secretary of the Treasury in his late report is cheering, that during the last year the exports from this country have exceeded the imports by nearly twenty-seven millions of dollars. This is certainly encouraging, especially when we reflect, that in prior years the reverse was the fact; and that without going back further, in the year 1836, the excess of imports exceeded the exports upwards of sixty-one millions of dollars; in 1837, twenty-three and a half millions of dollars; in 1838, five millions of dollars; and in 1839, forty-one millions of dollars; and that in 1837, the import of the single article of silk, a mere luxury, which our own country is as capable of producing as any other, amounted to twenty-three millions of dollars, while our export of flour, during the same year, was but about seven millions of dollars.—It is to be hoped, and the increased confidence growing out of the resumption of specie payments about to take place, warrants the conclusion, that business will resume its accustomed channels, and taking lessons of prudence from the past, our citizens will not again be tempted into those wild excesses which have well nigh led on to bankruptcy and ruin, and the prostration of public and private credit and confidence.

Our Commonwealth possesses a fertile soil, and unbanded agricultural and mineral wealth. We have within ourselves almost all the necessaries, and many of the luxuries of life. With the increase of intelligence and means, we find our farmers augmenting the products of their soil, improving their stocks of domestic animals, and adding to the neatness of their household establishments. No one can pass through our Commonwealth, without being struck with the air of substantial comfort, and increasing prosperity, which pervades the agricultural districts of the State.

The variety and extent of our water power, give great facilities to the manufacture of our grain into bread stuff, and for every other branch of manufacture, either needed for the supply of our citizens, or for the employment of their capital.

Had Pennsylvania already reached the full development of her resources, with her present pecuniary responsibilities weighing her down, we might well contemplate our situation with trembling solicitude. But this is not the case. Throughout the whole extent of her ample territory, there is scarcely a square mile which does not abound in some or all of the great staples of her mineral wealth. Anthracite and bituminous coal, iron, marble and limestone, have been scattered by nature with a most profuse hand, and have been hitherto worked barely enough to prove what prodigality they have been lavished upon us. The coal field of our Commonwealth embraces more than one fifth of its area, and more than three times as much as belongs to entire Europe.

Connected with the coal, which abounds in so large a portion of the Commonwealth, we have large supplies of iron ore, almost in immediate contact with it. In addition thereto, we have, within convenient distances almost all the other varieties of iron ore, found in any part of the world. The adaptation of anthracite coal to the smelting of iron ore has been followed by its successful and profitable application in the further stages of the manufacture of the metal; and that the same results will speedily follow from the application of bituminous coal may be looked for with almost absolute certainty.

While the iron manufactured with charcoal, will always be wanted for the finer purposes, and the demand for it, increased by the natural increase of the population of the country, that manufactured from mineral coal, will be employed in the construction of rail roads, and for innumerable other purposes.

This discovery must stand as a distinguished era in the annals of our Commonwealth. It cannot fail to add millions of dollars to her active and available capital, and will ere long transfer to our own citizens most, if not all, of the large sums that are now annually sent abroad for rail iron, and other iron-manufactured articles. The manufacture of these numerous and valuable commodities will not only result in enriching Pennsylvania, but will cut off a large item in the imports of this country, tend to emancipate us from European dependence, enable our sister states to complete their railroads at a cheaper and better rate, and strengthen the National Union, by the strongest of all ties, that of mutual interest.

Nor is there in Pennsylvania a single class of citizens who will not share directly in the advantages. The owners of coal and iron deposits, and those who engage in the manufacture and sale of these productions, will derive the first benefit; but the farmer, the mechanic, the merchant, and every other citizen, will feel immediately the salutary impulse which will be communicated to his own peculiar business. The value of our canals and railroads must be greatly enhanced, as well as that of all other species of property. With the cheap and ready means which they will afford for the transportation of our various products and manufactures, there can be no doubt that the trade and business of the State must extend and increase with unexampled rapidity, and by prudence and good management be perpetuated.

In this gradual and certain development of our resources, may be found abundant means to liquidate our public debt, and to discharge every other liability, that can justly be cast upon the State. I confess it affords me peculiar gratification to advert to this topic, for it shows most satisfactorily, that though this Commonwealth has been somewhat in advance of the time in extending her improvement system so widely as she has done, the people notwithstanding are destined at no remote period to realize, most amply, all the benefits it was ever expected to produce. The increase of our manufactures will necessarily tend to afford ad-