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"ONE COUNTRY, ONE CONSTITUTION, ONE DESTINY."

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MESSAGE

FROM THE GOVERNOR OF PENNSYLVANIA TO BOTH BRANCHES OF THE STATE LEGISLATURE.

To the Senate and House of Representatives of the Commonwealth of Pennsylvania:

FELLOW CITIZENS:—It appears to me an appropriate occasion in transmitting to the Legislature my first annual Message, to contemplate for a few moments the peculiar change in the circumstances that attend its present meeting, from those which attended the meeting of the last Legislature. The members of the present Legislature come together in a spirit of peace and amity, to promote the various important duties confided to them by the people. Jarring and discordant interests will not, I trust, distract their councils, nor "contested elections," love of office, or reluctance to yield submission to the will of the majority, disturb their harmonious action, and shake for a time the confidence of our sister States, and of the world, in the integrity and stability of our republican government itself.

The scenes witnessed at Harrisburg on the 4th of December, 1838 and for several ensuing weeks, are too memorable to be soon forgot. During that unfortunate period, for the first time in the history of this Commonwealth, was it deemed necessary, by those entrusted with the functions of the government, to appeal to military force, to protect the civil authorities in the discharge of their own duties, against the alleged interposition of a portion of the citizens of this Commonwealth who were present at the seat of government, as was their privilege, to witness the ceremonies of organizing the Legislature. Whatever disorderly occurrences took place in the House of Representatives and in the Senate, on the day already named, are to be deeply regretted, but still more is it to be regretted, that these occurrences found in the least cause to create, or palliate to excuse them in the conduct of men, whose stations, whose duty, and whose oaths all conspired to restrain them from flagrant and wanton violation of the law and the constitution. It is a melancholy symptom of insubordination, and hostility to the restraints of social order, when even private citizens openly set at naught the laws of the land; it is conclusive proof of a spirit worse, far worse in its tendency, when officers, solemnly sworn to obey and execute the laws, trample them contemptuously under foot. In doing so, they seem to forget that not only public officers, but even laws and constitutions of government, exert their authority over a free people, only by virtue of public opinion. Withdraw from them this potent support, and they fall alike powerless and unheeded.

The public officer will possess the confidence and enjoy the respect of the people, so long as his conduct is conformable to their wishes, their wants, and the law; but he will possess the one and enjoy the other no longer. The law or the constitution will remain in force, while it is believed to be capable of promoting the public happiness and the public good. The moment either ceases to be productive of this result, it is subjected to the wholesome remedy of repeal or modification. The laws of nature, and the recognized principle of our own free government, point out the justice and duty of this course.

These elementary principles should be

ever present to the mind of those who are invested with authority. They would enforce the lesson inculcated by all experience, that no officer of the people can depart from his duty, and continue to command their respect and support. They would admonish public functionaries that those who forgot them, those who determined to resist the popular will and treat elections as if they had not taken place, must expect on the part of the people, the keenest disapprobation, the deepest popular commotion, and yet may be, the most fearless and patriotic defiance of their menaces and their power; against which even legislative enactments are vain, and the bayonets of any other soldiery than those of a standing army pointless, impotent and unavailing. In such emergencies they would learn that they could not put no reliance on the aid of "citizen soldiers," for they will participate in the feelings and the wrongs of their fellow citizens, and refuse obedience to those who would command them, if they consider such obedience intended to insult those feelings or aggravate these wrongs.

Our own recent experience affords a abundant confirmation of these general truths. We can proudly refer to the history of Pennsylvania for proof, undoubted proof, that our republican institutions are reared on a foundation not only permanent but impregnable. We have seen them assailed, at times, by both corruption and force, by adversity and prosperity, by foreign war and domestic discord; by the independent energies of the people and the audacity of those they had entrusted with power, they have withstood all these trials, they have not been shaken, but around them have clung with a broader and a firmer grasp, every feeling of affection and every principle of liberty that can animate the breasts of an American people.

But a year has elapsed since the patriot was trembling for the fate of this Commonwealth, agitated as it seemed, to the very verge of a civil war between the people and their rulers. The danger is past—tranquility is restored—this Legislature assembled as those did, composed of the fathers of the republic, under auspicious omens; scarce a trace of convulsion remains, except in the stern and awful lesson it has taught to all the public functionaries, a lesson they will not in future dare to deride, that when a majority of the people has passed judgment on any man or any measures, it is worse than folly and desperation, to treat that judgment as if had not been pronounced.

We are indebted to a gracious Providence for a season of general health, of abundant harvests, and for as great a measure of prosperity and blessings, as in his inscrutable wisdom, he usually bestows on the nations of the earth. Peace with foreign nations, security to our wide and extended commerce, and respect to our flag, in all seas, characterize our national relations, and demonstrate that their guardianship is reposed in faithful hands.

In performing the duty enjoined on me by the constitution, of giving to the Legislature information of the state of the Commonwealth, and recommending to their consideration such measures as I may judge expedient, I must in the first place, invite your attention to our financial condition, as the subject of first importance to the people. A full exposition of the debt due by the state to the holders of the certificates of the various loans authorized by law, will appear in the following tabular statement, showing the amount of the several loans—when authorized: when due—for what purposes made, and the annual interest thereon.

TABULAR STATEMENT.

| STATE LOANS. | | | | |
|--------------------------------|------------------------------------|---|-------------------------------------|--|
| Nature of Loans | Dates of Acts authorizing. | When reimbursable. | Amount. | |
| Stock Loan | 24 April 1821 | 1 June 1841 | \$930,000 00 | |
| do | 30 March 1824 | 1 January 1839* | 220,000 00 | |
| do | 30 March 1824 | 1 May 1839* | 380,000 00 | |
| do | 11 April 1825 | 1 January 1840* | 150,000 00 | |
| do | 1 April 1826 | 1 December 1846 | 300,000 00 | |
| do | 9 April 1827 | 1 December 1850 | 1,000,000 00 | |
| do | 24 March 1828 | 1 December 1853 | 2,000,000 00 | |
| do | 18 December 1828 | 1 January 1854 | 800,000 00 | |
| do | 22 April 1829 | 1 December 1855 | 2,200,000 00 | |
| do | 7 December 1829 and 4 January 1831 | 1 May 1839* 1 May 1844 1 April 1847 | 90,000 00 62,500 00 50,000 00 | |
| do | 18 March 1830 | 4 March 1858 | 4,000,000 00 | |
| do | 21 March 1831 | 1 July 1856 | 2,485,161 88 | |
| do | 30 March 1831 | 1 July 1856 | 310,000 00 | |
| do | 30 March 1832 | 1 July 1860 | 2,348,680 00 | |
| do | 5 April 1832 | 1 July 1860 | 300,000 00 | |
| do | 16 February 1833 | 1 July 1858 | 2,540,661 44 | |
| do | 27 March 1833 | 1 July 1859 | 530,000 00 | |
| do | 5 April 1834 | 1 July 1862 | 2,265,400 00 | |
| do | 13 April 1835 | 1 July 1865 | 959,600 00 | |
| Loan for Eastern Penitentiary. | 28 March 1831 and 9 March 1833 | 28 March 1861 | 120,000 00 | |
| Loan for U. Canal company. | 1 March and 16 December 1833 | 10 April 1863 | 200,000 00 | |
| Temporary loan for E & N R Ex. | Res. 16 June 1836 | | 200,000 00 | |
| Temporary loan. | 12 Sec act 14 Ap. 1838 | | 600,000 00 | |
| do | 12 Sec do do | | 200,000 00 | |

| | | | |
|-----------------|-------------------|--------------|--------------|
| Stock Loan | 26 January 1839 | 1 July 1839 | 1,200,000 00 |
| do | 9 February 1839 | 1 July 1864 | 1,280,000 00 |
| do | 16 March 1839 | 1 July 1864 | 100,000 00 |
| do | Res 27 March 1839 | 1 July 1863 | 470,000 00 |
| do | Act 7 June 1839 | 1 July 1859 | 50,000 00 |
| do | 27 June 1839 | 1 July 1864 | 1,150,000 00 |
| Temporary Loan | 27 June 1839 | 1 March 1840 | 220,000 00 |
| Stock | 19 July 1839 | 1 July 1868 | 2,054,000 00 |
| \$31,734,003 82 | | | |

By the loans authorized since the 15th of January 1839, provision has been made for the payment of prior loans falling due before the meeting of the legislature in 1840 marked thus in the above table and amounting to 1,840,000 00 Whole amount of state loans bearing interest at 5 per cent. per annum except \$200,000 00 which bears 4½ per cent. \$29,914,003 32

The following State debts does not bear interest.

There was due on the 15th January, 1839, by appropriations to internal improvement purposes—miscellaneous objects, &c. (see state treasurer's report Journal H. R. 1838-9, vol. 2, page 11, the sum of \$2,076,786 87

There has been paid on this account by loans authorized at the last session 457,750 00 Out of funds of treasury 258,891 17 Leaving the sum of 1,369,145 70 Due the United States on account of surplus revenue 2,867,514 78

Aggregate amt of state debt \$34,141,633 80 Abstract of the appropriations of the loans authorized since the 15th January 1839

To pay interest on the public debt \$822,250 00 To pay temporary and stock loans 1,840,000 00 To pay debts due on the appropriations previously made to various internal improvements 457,750 00 To pay repairs of the Huntingdon branch 280,000 00 To pay repairs of the canal and rail-ways 705,000 00 To pay for avoiding Columbia inclined plane 69,000 00 To pay old debts, 145,000 00 To pay damages, new work on old lines, canal commissioners, &c. 105,000 00 To pay for locomotives, ropes, &c. for rail-ways, 100,000 00 To pay on account receivers Portage railway, 70,000 00 4,694,000 00

Towards completing public works commenced in 1836. North Branch extension, \$630,000 00 Erie extension, 800,000 00 Sinnemahoning extension, 30,000 00 Wisconsin canal, 190,000 00 1,650,000 00

Towards the following improvements.

Survey rail road Harrisburg to Pittsburg, 30,000 00 Stock in Franklin railroad, 100,000 00 Stock in Pennsylvania and Ohio canal, 50,000 00 190,000 00

Whole amount of loans authorized at the last session, \$6,524,000 00

It thus appears that the state debt amount^d to the vast sum of \$34,141,633 80—of which the sum of \$29,914,003 32 being due upon state loans bears an annual interest of \$1,491,700 16½

This aggregate state debt (with the exception of \$180,000 00, appropriated at the last session of the legislature to the survey of a railway from Harrisburg to Pittsburg; to stock in the Franklin rail road and to stock in the Pennsylvania and Ohio canal as above stated) we contracted prior to the 15th January, 1839 the day of my inauguration. It is true that the sum of \$6,524,000 00 was authorized to be borrowed since that period—but the whole of this large amount (with the above exception) was appropriated to the payment of debts and liabilities due and falling due in the year 1839, for the payment of which no provision had been made when I entered upon the duties of my office.

It is evident from this simple statement of the public debt, that whatever may be its amount, or whatever the inconvenience we suffer from it, none of the responsibility rests up-

on me. All the additions that have been made to it, since I came into office, have been either to pay debts already due, or to prosecute contracts for works then commenced and in a state so forward, as to forbid their abandonment. This public debt has been contracted under full authority of law. The faith and honor of the people are pledged, in the most solemn manner, to the payment of the interest annually accruing, and to the final payment of the principal. Every consideration of duty, integrity and national fidelity, binds us to the honest performance of our part of the bargain with the holders of the certificates of our loans. It is immaterial whether we received these loans in paper or in gold, or in silver; whether in merchandise, rail road iron, or any other commodity;—we have received a consideration in something; we have issued the certificates of stock, and we must abide by the contracts which we ourselves invited others to make with us, and ratified in all due forms of law.

I stated in my inaugural address, that I believed, although the state debt was large, and a considerable portion of it had been incurred by injudicious legislation and expenditure yet that I was convinced the republic improve ments constructed by it, and the general increase of the value of the property in the Commonwealth, were fully equal to the whole amount of the debt. I still entertain the same opinion, but in submitting to your consideration a statement of the resources of the Commonwealth, I feel it to be incumbent on me to exhibit the actual productiveness of our internal improvements, in a light somewhat less flattering than that in which it has usually appeared. I am constrained to pursue this course by a high sense of duty, and not by any desire to arouse hostility against them, or to weaken the confidence of the public in their ultimate value and utility. It has been customary hitherto, to state the gross amount of tolls derived from our canals and railroads, in such a manner as to convey the impression that they yielded that sum, clear of all deductions for management and repairs. The constant yearly increases of tolls has served as a powerful stimulant to the prosecution and extension of the entire system of our improvements. Men of sanguine feelings have confidently looked forward to an early day, on which the tolls, arising from our improvements would not only pay the interest on the whole state debt, but yield, in addition, a large surplus to be applied to the extinguishment of the principal. Local interest and ardent public enterprise rapidly concurred in this opinion. We had embarked in the system too deeply, both in pecuniary investments, and in state pride, to turn back. The great undertaking must go through;—we had pledged our faith, our firmness and our ability to that effort, and we gathered hope and confidence wherever they could be found. It is not surprising, therefore, that our governors, legislators and people, have deceived each other, in pursuit of this favorite object. It forms no just ground of censure against the active supporters of our system of internal improvements, that they have fallen short,—far short—of public expectation. In the amount of revenue they afford. The time may perhaps arrive, at no very distant day, when the increase of our population, business and wealth, will enable us to realize the flattering anticipation of the early friends of the system; among whom, as an unwavering advocate and supporter of that system, on judicious principles, I am proud to claim a rank. It is immaterial what we had hoped or what we now desire, on this subject; it is our duty as prudent and faithful guardians of the public interests, to examine it with candor, and to act upon it without concealment or fear.

If the income derived from our public improvements is less in fact, than has been generally represented and supposed, the present is the time above all others, which it should be made known, and measures be adopted to meet the deficiency. The following tabular statements show the amount received from tolls and from motive power, during each of the last five years; the amount expended for motive power, repairs and management for the same time and similar estimates of tolls and expenditures for the ensuing year, to wit

| | |
|-----------------------------------|--------------|
| 1835. Tolls received, | \$517,631 67 |
| From motive power, | \$6,726 10 |
| \$524,357 77 | |
| Repairs and cost of motive power, | 431,626 10 |
| \$93,731 67 | |
| 1836. Tolls received, | \$671,849 74 |
| From motive power, | 166,281 04 |
| 838,130 78 | |
| Repairs and cost of motive power, | 551,024 63 |
| \$287,106 15 | |
| 1837. Tolls received, | \$758,765 12 |
| From motive power, | 216,555 37 |
| 975,320 49 | |
| Repairs and cost of motive power, | 883,516 86 |
| \$91,803 63 | |
| 1838. Tolls received, | \$721,458 70 |
| From motive power, | 244,570 94 |
| 966,029 64 | |

| | |
|---|--------------|
| Repairs & cost of motive power | 1,069,657 71 |
| Deficit, | 103,628 90 |
| To which deficiency for said year may be added for debts due and unpaid, the sum of | 275,000 00 |
| \$378,228 07 | |

| | |
|-----------------------------------|------------|
| 1839. Tolls received, | 821,781 59 |
| From motive power, | 290,123 58 |
| 1,111,905 17 | |
| Repairs and cost of motive power, | 656,469 32 |
| \$455,435 79 | |

For this year the sum of \$100,000 was appropriated to the support of motive power, but of this only five or six thousand dollars have been expended.

Thus it appears from these statements, that the tolls for the present year, exceed the amount of expenditures for motive power, repairs and management, only \$45,435 79. The tolls for the last five years, though gradually increasing, only exceed the expenditures on the lines from which they are derived \$395,357 70—and in fact, in the year 1838, fell short of meeting the expenditures \$378,228 07, including the deficiency and debts due at the end of the year. And if the public works be put in a situation, available for the business of the coming year, the estimated tolls will not more than equal the estimated expenditures. It is perhaps due to the public improvements to state, that, after payment of repairs and all expenditures upon them the tolls for the year 1839, thus appear to have exceeded the tolls for the year 1838, the sum of \$824,071 86. I refer you to the detailed report of the Canal Commissioners, for such further information on this subject, as may be essential to a full understanding of it.

The ordinary resources of the Commonwealth, arising from all revenues payable into the treasury, together with an estimate of the whole amount of public property will appear from the following tabular statements:

Abstract of the ordinary revenue of the State in 1839.

| | |
|--|--------------|
| Canal and railway tolls, | \$621,780 59 |
| Auction commissions and auction duties, | 101,728 61 |
| Collateral inheritance tax, | 35,908 78 |
| Dividends on bank stock, | 166,079 50 |
| Do. turnpike, bridge and navigation stock, | 41,017 70 |
| Land and land office fees, | 46,594 95 |
| Tax on bank dividends, | 133,430 78 |
| Tax on certain offices, | 2,882 90 |
| Tax on writs, &c. | 26,682 56 |
| Tavern licences, | 49,027 77 |
| Retailers licences, | 65,202 97 |
| Tax on loan companies, | 2,240 00 |
| Escheats, | 3,023 24 |
| Bank charters, | 100,000 00 |
| Hawkers and pedlars licences, | 3,925 15 |
| Miscellaneous, | 18,617 35 |
| \$1,621,119 84 | |

Abstract of the ordinary expenditures of the State in 1839.

| | |
|--------------------------------------|--------------|
| Expenses of Government, | \$412,751 63 |
| Repairs—canal and railway, | 376,656 79 |
| Militia expenses, | 25,951 17 |
| Guaranty of interest, | 24,522 22 |
| Pensions and gratuities, | 35,588 74 |
| Common schools, colleges &c. | 389,253 14 |
| House of Refuge, | 30,826 44 |
| Penitentiaries, eastern and western, | 1,206,010 24 |
| Interest on loans, | 1,206,010 24 |
| Pay of collectors, look-keepers, &c. | 70,000 00 |
| Miscellaneous, | 28,552 40 |
| \$2,708,863 47 | |

PUBLIC PROPERTY.

| | |
|--|----------------|
| Bank stock, | \$2,108,700 00 |
| Turnpike and bridge stock, | 2,821,215 88 |
| Canal and navigation stock, | 602,579 91 |
| Public works, canals, and rail-ways, &c. | 26,399,220 56 |
| Money due on land, estimated, | 1,000,000 00 |
| \$33,359,056 28 | |

The public improvements are estimated at their original cost, and the Bank and rail road stock owned by the state, at its par value. It will be obvious that this estimate has relation to the ultimate value of all (except the bank stock) and not the present available value which this public property may bear.

On a recapitulation of the foregoing statements, it appears from them that the public debt amounts to the sum of \$34,141,633 80 The public property to 33,359,056 28

| | |
|---|--------------|
| Balance, | \$882,578 52 |
| The ordinary expenditures of the Commonwealth for all purposes for the last year are \$2,708,863 47 | |
| The ordinary revenue from all sources for the same year, amounts to 1,624,119 84 | |
| Leaving a gross balance against the State of \$1,084,743 63 | |

The affairs of the Commonwealth have been for several years gradually verging on towards deeper and deeper embarrassment until we have at length reached this unexpected deficiency of funds in the Treasury to meet the demands upon it. The people have been told again and again, that our fiscal condition was flourishing and prosperous, while in fact, our prosperity was based on paper calculations and loans, which loans we are just now beginning to perceive bear interest, and are some day to be paid. We are now compelled to forego all temporary expedients, and to look the true state of the things in the face. We must resort to taxes, the sale of the public improvements, or to further loans. The public improvements

cannot be sold but at a most ruinous sacrifice; and, as to loans, it is doubtful whether we can procure them at all, unless at an unwarranted rate of interest. Notwithstanding all these difficulties, this sum due by the State must be paid. To obtain the means we have, at the best a choice of evils; and we ought to select that which will impose on the people of the Commonwealth least inconvenience and detriment. I shall recur to this subject again, in a subsequent part of this Message.

In this state of things the recent conduct of the banks in this Commonwealth, has added, in no slight degree, to our embarrassments. On the 10th of October last, the banks of the City of Philadelphia suspended, wholly, or in great measure, the payment of their notes and other liabilities in specie. Most of the banks in the interior speedily followed their example, as did also the banks in nearly all the other States of the Union. But the banks of the State of New York, and a few others favored by peculiar circumstances, or influenced by other causes, have been able to withstand the current of demand, and have continued to pay specie until the present time. This suspension was an event unlooked for by the public, and productive of the most unhappy results. It has paralyzed business—shaken both State and individual credit—crippled all our monetary operations, and struck a death-blow at the means of subsistence possessed by that portion of our fellow citizens, whose labor and industry form their only capital. From all classes of the community, save those alone who are interested in the banks, was heard a loud and deep condemnation of this measure. Innumerable remedies have been suggested—some looking to the regulation of these institutions—others to their punishment and extinction. I was besought to convene the Legislature at an earlier day than that fixed by the Constitution, and very numerous conflicting suggestions have been offered as to the measures of relief that should be recommended. On a subject so vitally interesting to the people at large as that of the currency, I was persuaded that hasty legislation was neither prudent nor desirable; and I accordingly declined to convene you before the day designated by the Constitution. Time for reflection, time for further experience, and time to ascertain the general wants and wishes of the people has thus been afforded, and I confidently trust, that nothing will be lost by the delay.

One of the great evils of a suspension of specie payments by the banks, is the vast amount of small notes issued without authority of law, by individuals and corporations, that is immediately forced into circulation, to supply the place of the specie, for purposes of small change. This debasement of the currency aggravated the consequences of the suspension in 1837. It ended in great losses to the public and in multiplied frauds. Satisfied that the same evils would again be experienced, I immediately caused the attorney general to adopt proper measures to bring to justice all offenders against the law prohibiting the issue and circulation of notes under the denomination of five dollars; and I am happy to state to you that this measure was entirely adequate to the suppression of the issue of any notes of that description in the Commonwealth. Ample arrangements had been made, as I am informed, to throw into circulation a large amount of this spurious currency, but they were instantly arrested by the prompt and energetic action of the attorney general; and public opinion, with an unexampled unanimity, sanctioned the measure, and crowned it with success. It is true, in the counties of the Commonwealth bordering on states that allow the issue of small notes, it has been impracticable to restrain altogether their circulation, still very few of them have found their way into the central part of the state. I shall call your attention to this subject again in another part of this message.

The active currency of Pennsylvania, and of the whole Union, is composed mainly of bank notes. These notes are made payable on demand in specie; and while they continue to be so paid, no great danger of loss to the community can arise. The history of all bank operations shows, that while their notes are redeemable, and actually paid in specie when presented at the counter, an over-issue to any considerable extent, cannot easily take place. It is only when notes are issued to such an amount, or when other obligations are incurred by the banks so great as to prevent them from meeting these demands with specie, that they may be considered in an unsound state, and the public in danger of suffering loss from the circulation of their notes. It is manifest, therefore, that the suspension of specie payments by the banks, is the precise act above all others, that renders them unsafe and dangerous to the public—and he one which in future, ought to be most strictly guarded against by law. It is

[Continued on fourth page.]