THE BEDFORD GAZETTE BY B. F. MEYERS,

At the following terms, to wit:
\$1.50 per annum, casn, in advance.
\$2.00 " if paid within the year.
\$2.50 " if notpaid within the year.
No subscription taken for less than six months.

No paper discontinued until all arrearages are paid, unless at the option of the publisher. It has been decided by the United States Courts that the stoppage of a newspaper without the payment of arrearages, is prima facis evidence of fraud and is a criminal offence.

Of The courts have decided that persons are accountable for the subscription price of newspaper without the payment of the publisher.

RATES OF CHARGES FOR ADVER-TISING.

Transient advertisements will be inserted at the rate of \$1.00 per souare of ten lines for three insertions or less, b. for every subsequent insertion, 25 cents per square will be charged in addition.—Table and figure work double price. Additor's potices ten lines and under, \$1.00; upwards of ten lines and under fifteen \$1.50. Liberal reductions made to persons advertising by the year.

GOVERNOR'S MESSAGE.

HARRISBURG, Jan. 8, 1862.
To the honorable the Senate and House of Representatives of the Commonwealth of Pennsylvania.

It has pleased Divine Providence, during the fast season, to give us abundant crops, unbroken peace within our borders, unanimity among our people, and thus to enable this Commonwealth to do ber full duty to the country, to herself. her full duty to the country, to herself, to posterity. For these blessings we have and to posterity. For these bles cause to be grateful.

The balance in the Treasury on

the 30th of Nov'r. 1860, was \$681,433 08 6,743,525 02

Receipts during fiscal year end-ing November 30, 1861 Total in Treasury for fiscal year 7,424,958 10 ending Nov. 30, 1861 5,873,352 38 And the payments were

Leaving balance in Treasury, Nov. 30, 1861 1,551,605 72 Public debt remaining unpaid,

Public debt remaining unpaid, exclusive of military loans 37,868,516 08 Receipts from military loans 8,119,879 45 Unexpended of military loans 390,507 41 It will be observed that the fiscal year ends

uniforms and equipments which cost about \$190,000, which the U. States have agreed to take and pay for at cost. Arrangements have been made with the general government for the reimbursement of the military expenses of the State since the 27th of July last. The bills as paid are forwarded to Washington and partial

repayments have already been made.

It will be observed that the receipts from or dinary sources of revenue for the year 1861 have decreased, but as payments have been made on some of them since the settlement at the end of the fiscal year on the first of December, and more may reasonably be expected in addition to the payments to be made by the National Government as hereinafter stated the balance available in the treasury will be largery

It will also be observed that it has not yet been found necessary to call in all of the loan effected under the act of the 18th of May last. In some items the ordinary revenue of 1861 was in excess of that of 1860.

The loan authorized by the act of May 15th, 1861, was taken at par. This occurrence, most gratifying under all the then existing circumstances of embarrassment, affords triumphant evidence of the confidence of the people in the

The operations of the Sinking Fund during the last year have been as shown by my Proc-lamation of 5th September last, as follow:

Debt redeemed from 4th September, 1860, to 1st Sept. 1861 \$300,801 01
Of stock loans \$300,050 00

interest on certificates " relief notes 421 00 \$300,801 01

I refer to the reports of the State Treasurer and Auditor General for the details of the finan-cial affar, sof the Commonwealth. The reports of the Surveyor General and State Librarian will exhibit the state of the Departments under

their care.

The Commissioners of the Sinking Fund dur-The Commissioners of the Sinking Fund during the last spring received from the Philadelphia and Erie (late Sunbury and Erie) Raiiroad Company forty bonds of that Company for \$500,000 for the purpose of \$100,000 each, and a mortgage to secure the same executed in conformity with the third section of the act of March the 7th, 1861. That company has also deposited in the State Treascompany has also deposited in the State Trea company has also deposited in the State Treasury its bonds to the amount of five millions of dollars, in accordance with the 6th section of the same act. On the 9th of May last I granted my warrant authorizing the State Treasurer to deliver to the said company one thousand of said bonds, being to the amount of one million of dollars. This warrant was issued in conformity with the law, the five per cent bonds mentioned to the first military aid from the loyal States, which he Government received at Washington, was a Pennsylvania corps which arrived there prior to the 19th of April. On that day the passage of the set (exception of the set (exception of the set) (exception of the set of dollars. This warrant was issued in conformity with the law, the five per cent boods mentioned in the fifth section of the act (except those belonging to the State and now in the Sinking Fund) having been previously surrendered and canceled, and satisfaction entered on the Record of the Mortgage mentioned in said fifth section. Having required notice from the the Record of the Morigage mentioned in said fifth section. Having received notice from the company that the bonds so delivered to the company that the bonds so delivered to the company or their proceeds had been appropriated armed, equipped, subsisted and transported by the State in consequence of the then mability of the State in consequence of the then mability of the State in consequence of the then mability of the United States. This request was of course was deemed prudent to retain the regiment at I have directed the Adjutant General to proceeds and South western borders of the State, and it aspect of our relations with foreign governments was deemed prudent to retain the regiment at I have directed the Adjutant General to proceeds and South western borders of the State, and it aspect of our relations with foreign governments was deemed prudent to retain the regiment at I have directed the Adjutant General to proceeds and South western borders of the State has now quite as many arms as are necessary to arm all her volunteer organizations. Much apprehension existed in the Western and South western borders of the State, and it aspect of our relations with foreign governments was deemed prudent to retain the regiment at I have directed the Adjutant General to proceeds had been appropriated by the State has now quite as many arms as are necessary to arm all her volunteer organizations. Much apprehension existed in the Western and South western borders of the State has now quite as many arms as are necessary to arm all her volunteer organizations.

by the act. His report has not yet been received by me.

It is understood that arrangements have at last been made under which the direct railroad connection between Philadelphia and Erie will be completed within a short time. It is impossible to estimate too highly the importance of this great work to the Commonwealth, and especially to Philadelphia and Erie and the bitherto neglected counties near its route west of

he Susquehanna.

By the act of the 21st April, 1858, for th sale of the State canals to the Sunbury and Erie railroad company it was provided that if that company should sell said canals for a greater sum in the aggregate than three and a half millions of dollars, seventy-five per centum of such excess should be paid to the Commonwealth by a transfer of so much of such bonds and securi-

an interest of six per cent. per annum, payable semi-annually on the 15th of January and July, and the interest was paid by the company to January last inclusive. The interest due in July last has not been paid. Judgments having been obtained against the company on some of the coupons for the unpaid July interest, a bill in equity was filed in the Supreme Court by a bond and stock holder in which such proceedings were heat that has a discrepance on the 2d. ings were had that by a decree made on the 2d September last the property and affairs of the company were placed in the hands of a receiver.

A plan has been suggested for the assent of the stock and bond holders which contemplates a sale of the canal under lawful process and a purchase of the same for the purpose of forming a new company, of which the capital stock shall be one million of dollars, divided into twenty thousand shares of fifty dollars each, of which each assenting holder of a mortgage bond for one thousand dollars shall be entitled to eighteen shares, and each assenting holder of fifty shares It will be observed that the fiscal year ends on the 30th of November, and the sinking fundyear on the first Monday in September, which accounts for the apparent deficiency in the amount of debt paid as stated in the Treasurer's mount of debt paid as stated in the Treasurer's report, and by the Commissioners of the Sinking Fund. The State has on hand a surplus of uniforms and equipments which cost about venience of individual parties requires a change such as proposed, the debt due to the Common-wealth ought to be first paid or fully secured. I suggest that the Act passed 8th of April,

1861, entitled "An Act concerning the sale of railroads, canals, &c.," should be modified so that in all cases in which a debt may be due to the Commonwealth by the company as whose property a public work may be sold, the purchases thereof shall not be cuttited to the benechasers thereof shall not be entitled to the bene this and privileges conferred by the Act unless they shall have first paid the debt due to the State, or secured the same by their bonds to the Commonwealth secured by a first mortgage on the work itself.

I commend the subject to the immediate cona commend the subject to the immediate consideration of the Legislature, as an effort may be made at an early day to enforce a sale of the canal, and some provision by law to protect the interests of the State would in that case be necessary.

The wicked and monstrous rebellion which to wicked and monstrous resemble which broke out many months ago, has not yet been quelled. Every sentiment of loyalty and patriotism demands its effectual suppression.

In my messages of the 9th and 30th of April last, I set forth at length my views of the characteristics.

stability and integrity of the Commonwealth acter and objects of the contest which is still and of their determination to support the Govpressed and to which I refer. ought to be understood, that looking to the va-riety and character of her products and industry, her material interest alone would render the try, her material interest alone would render the preservation of the Union from the present as-sault upon it, indispensable to Pennsylvania. She cannot afford to have a foreign power below or above or bounding her on the Delaware, the Chesapeake or the Mississippi, and she will nev-er acquiesce in such a result, whatever may be the cost in men and money of her resistance to

On the 9th of April last I directed the attention of the Legislature to the necessity which existed for an improved military organization, and on the 12th of the same month the Act entitled "An Act for the better organization of the the 19th of April. On that day the passage of other corps from this and other States through

dent's proclamation above referred to. As the furnishing those volunteers with supplies was and remained inactive in camp, they declined operation, and as complaints were made in regard to them, and frauds were alleged to have been perpetrated, I appointed a board of comoissioners to investigate the whole subject. A copy of their report with the evidence taken by them has been already laid before the public. It is the intention of the Auditor General to open the accounts of such parties as appear by the testion mony to have been overpaid and this course has already been taken in two of those cases. has already been taken in two of those cases.

norths men in July last, some eight or ten thou and discharged Pennsylvania volunteers were sand discharged Pennsylvania volunteers were thrown into Harrisburg without notice and de-tained here, waiting to be paid, for an average time of some ten days. Their tents, camp equip ties as such company should receive for the same and payable in this manner.

The company sold the canals and reported that the share of the profit on such sale, due to the Commonwealth was \$281,250 of which \$250 was paid in cash and for the remaining \$281,000 the Commonwealth received coupon bonds of the Wyoming canal company to that amount, being a portion of bonds for \$900,000 issued by that company and secured by a mortingage of the Wyoming canal, formerly called the Lower North Branch canal. These bonds bear requiring the night or under circumstances are given by the control of the regiments as according to the red them at Williamsport, Md., and they arrived there destriute of all means of shelter and of predictive for all means of shelter and cooking utensils had been taken from the description of some ten days. Their tents, camp equipage and cooking utensils had been taken from the description of some ten days. Their tents, camp equipage and cooking utensils had been taken from the description of all the mans of shelter and cooking utensils had been taken from the description of all the mans of shelter and cooking utensils had been taken from the description of all the mans of shelter and cooking utensi requiring instant relief. The expenses attend-ing these operations amounted so far as ascer-tained to \$744-20, and I recommend that the Legislature make an appropriation to pay them. It ought to be stated that these expenses would have been much larger, but for the liberal and patriotic efforts of the citizens and especially the ladies of Harrisburg; their free-handed hospital-ity and generous aid to our wearied and hungry

soldiers, deserve remembrance and gratitude. At the special session of the Legislature which commenced on the 20th of April last, I recommended the organization of a reserved corps, to be arroed, equipped, clothed, subsisted and paid by the State, and drilled in camps of instruction, by the State, and drilled in camps of instruction, in anticipation of the exigencies of the country, and by the Act of the 15th of May last, such a corps was directed to be reised, and a tone of \$3,000,000 was authorized to defray the expenses of that and other military preparations. Men more than sufficient in number to form some ten regiments of the Reserve Corps had, previous to the 15th of May been accepted by me in pursuance of a call on me (afterwards rescinded.) for twenty-five regiments, and were the already suance of a call on me (afterwards rescanded,) for twenty-five regiments, and were then air advances men volunteered for the Reserve Corps and were immediately organized. The remaining regiments were rapidly recruited and the Corps was thus completed, and George A. McCall, of Chester county, was commissioned as Major-General, and assigned to the command of all the forces raised or to be raised under the provisions of the last mentioned act. The regiments composing the Reserve Corps were inments composing the Reserve Corps were in-structed in four camps in different parts of the State, until they were taken into the service of the United States. Two of these regiments, under the command of Colonels Charles J. Biddle and Seneca G. Simmons, and two companies of artillery under the command of Col. Charles T. Campbell at the pressing instance of the War Department were sent on the 22d of June last to the relief of Col. Waliace, at Cumberland, and remained for about six weeks there, and in Wes-

tern Virginia engaged in active operations.

Towards the close of July the whole Corp. was called for under requisition, and taken into the service of the United States. Within four days after the disaster at Bull's Run, eleven re-giments of this fine body of men (armed, drilled, clothed, equipped, and in all respects ready for active service,) were in Washington. The regiments and companies from Western Virginia and the remaining two regiments making the whole number of fifteen, soon joined them there, an they are all now in service under the command of Gen. McCall, who has been commissioned as

Brigadier General by the United States. stitute a division comprising three brigades, a cegiment of Artillery and one of Cavalry. The whole expense of raising, clothing, equipping, subsisting and paying the Reserve Corps (including the expense of establishing and fitting the camps of instruction, of recruiting, and supplying regimental flags, and the expenses of the campaign of the two regiments and companies in Maryland and Western Virginia, which were all defrayed by the State) has amounted to \$855-444 87. This does not include the transportation on Rail Roads, as the separation of that ac-count would have been a work of great labor, nor does it include the pay of the two regiments during the campaign, but it does include all the expenses, which were heavy, of teams and transpotation, not on Railroads, for the two Regi-ments on the campaign above mentioned.— Twelve Regiments of the Reserve Corps were paid, subsisted, &c., by the State to the average date of 22d July. The two regiments in Western Virginia were paid by the State to the date of their departure from Harrisburg on that expedition. The Cavalty regiment was not paid by the State. It will be perceived that the whole by the State. It will be perceived that the whole average expense per man was \$53 95.

Previous to the 31st of April last, a regiment

had been enlisted in the city of Erie from North-western Pennsylvania. When the call was made on me on that day, for 25 additional regimade on me on that day, for 20 additional regi-ments, the Erie regiment was ordered to march to Harrisburg. The call was rescinded, how-ever, before the regiment reached Pittsburg, and I ordered it to encamp at that city where it remained until the 30th of June. The Nation-al Government declined to muster the regiment

port to me whether said bonds or their proceeds had been appropriated to the purposes required by the act. His report has not yet been received by me.

| Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | After the passage of the Act of 15th | Description of the Reserve Volunteer Corps; | Description of t

Infantry and two Regiments of Creatry were shortly attenuards made by the War Department. Of these, sixteen have already been raised, and the remaining two are in the course

Pennsylvavia, but as that system was routed to create much embarrassment, a general order was required. It was thought wise in these cases in the many last placing all such organizations the government an unnecessary expense in

maining tweaty-three three months regiments, there are ninety-two regiments in service and preparing for it. We have also in service and preparing for it. We have also in service and preparing twenty-four companies.

The following table of the existing Pennsyl-

vania volunteer force is given for information

66 regiments of infantry of which 6 were rifle regiments	9
11 regiments of cavalry	
1 regiment of artillery 1,07	
84,95	6
COMPANIES IN SERVICE.	
7 companies of infantry 707	1
6 " cavalry	1
6 " artillery	
2,22	1 1
The second secon	=
Enlistments in other than Pennsylvania organizations, estimated, (the officers	1
of which are in course of being com-	
missioned 1 6 AC	In

Total in service, REGIMENT PREPARING FOR SERVICE.

12 regiments of infantry.....13,092 " cavalry 1,136

In service. Pennsylvania's contribution, Exclusive of 20,175 three months lisbanded.

16th instant will be consolidated and sen vard. Of the regiments in service, the 11th and 15th regiments of Infantry are at Annap-olis; the 28th, 29th, 21st, 66th, 69th, 71st, 72nd and 106th regiments and one company of Infantry are in the command of Major Gener-al Banks; the 45th, 50th, 55th, 76th and 100th regiments of Infantry are in South Carolina; the 48th Infantry are at Hatteras Inlet; the 108th Infantry and 11th Cavalry are at Fort-ress Monroe; the 77th, 78th, and 79th, Infantry, the 7th and 7th cavalry, and troop of horse, one squadron of cavalry, two battalions of ar-tillery are in Kentucky; the 84th and 110th tillery are in Kentucky; the 84th and 110th Inlantry are in Western Virginia, as are also three companies of Infantry, four companies of cavalry, five companies of light artillery; the 87th inlantry are at Cockeysville, in Maryland; one company of artillery is at Fort Delaware; all the remainder of the volunteers are at or near Washington. Upwards of 300 volunteers from Fennsylvania are now prisoners, but as arrangements have been made for the exchange of prisoners it may be expected that they will soon be released.

In compliance with the joint resolutions of the 16th of May last, I have procured regimen-tal flags for the Pennsylvania volunteers, and have presented them in person to most of the regiments. In other cases, the regiments being on or near the Potomac, I have requested Mr. Cowan, Senator, and Messrs. Grow and Wright members of the House of Representatives, from Pennsylvania, to present them in the name of

States would abstain from purchasing arms, as their competition was found injurious in the market, and in view of the large expenditures of money in arming and equipping the volun-teer force of the State, provided for the de-fence of the National Government, I did not purchase any as authorized by the 28th sec-tion of the act of the 15th of May, 1861. The State has now quite as many arms as are necessary to arm all her volunteer organizations in existence; but, influenced by the threatening

all the organizations that have been normed to receive them. 1930 arms have been thus distributed. I have also addressed a letter to the commissioners of all the border counties, offering arms to them as soon as military organizations shall be formed to receive them. Besides tions shall be formed to receive them. part of Pennsylva, nia at the city of Erie, one of which has been at Washington in service since thus complying with the requirements of the 27 September, and the other is now ready for marching orders—and it is due to the first Erie regiment to say that most of the men are now in service.

Further requisitions for sixteen regiments of Further requisitions for sixteen regiments of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of in Philadelphia on a plan to be approved by me as Commander-in-Chief. Muskets and right the requirements of the 27 section of the Act of 15th May last, I have been demander in Chief. Muskets and right that the requirements of the 27 section of the Act of 15th May last, I have been demander in the complying with the requirements of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of in Philadelphia on a plan to be approved by me as Commander-in-Chief. Muskets and right that the requirements of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of in Philadelphia on a plan to be approved by me as Commander-in-Chief. Muskets and right that the requirements of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the 27 section of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the Act of 15th May last, I have deemed it prudent to off-re five thousand arms of the Act of 15th May last, I fles to a considerable extent bave been furnished to the Pennsylvania volunteers from the State arsenal.—Others have been sent by the United States authorities to arm them before In addition to the requisitions on the State,
In addition to the requisitions on the State,
the War Department had given authorities to
numerous individuals to raise volunteers in
Pennsylvayia, but as that system was found to
create much embarrasyment a general order was
required. It was thought wise in these cases under the control of the Governor, and shortly afterwards a requisition was made on the State to increase her quota to 75,000 men. Those independent organizations, as they were called, thus became Pennsylvania regiments, and as completed and sent forward form part of the quota of the State.

The State regiments have been numbered, and the last to this date is numbered 115. Two of the three months regiments have continued in service under the later requisitions, and retain their original numbers. Deducting the remaining twenty-three three months regiments. collecting arms throughout the State and repairing and altering them in the most approved man-

The State has now 62 pieces of artillery, of which 17 need

26,753 muskets and rifles, some of which are in the hands of the mechanics being repaired, 1910 are in the hands of volunteer corps throughout the State; 1930 in the possession of County Commissioners, and 1,000 with the reserve corps of Phila-

In addition to this the city of Philadelphia

9 pieces of rifled artillery, and 4,976 muskets and rifles.
The State has also in the argenal at Harris-

440 sabres, and 326 pistols with the necessary accountre

There is also in the area arge amount of accoutrements and amm

tion for artillery and small arms.

The Adjutant General is successfully engage ed in collecting arms throughout the State, and it is expected that the number above states will be largely increased. Probably, at least 5,000 muskels and rifles and several pieces of artillery will be collected.

artillery will be collected.

The care which has been bestowed upon the condort of the volunteers, and the goodness and sufficiency of their supplies of all kinds, and the excellent arrangements of the Medical Department under the control of Surgeon General Henry H. Smith, are proved by the fact that more than 60,000 men have been for various, generally short periods at Camp Curtin since the 19th of April last, and that down to the 1st January inst., there died but forty-nine men at that camp, viz, forty-four from sickness; two/belonging to regiments from other States.) isbanded.

The regiments preparing for service are inomplete. Those that may not be filled by the
dentally killed in Camp Curtin and one sho
in Harrisburg. two(belonging to regiments from other States, who had been injured on railroads, two acci

To facilitate the making of allotments of their pay by our volunteers in the field for the support of their families at home. I appoin-ted Hon. Edgar Cowan, Thomas E. Franklin and E. C. Humes, Esqs., commissioners to visit the and also James Park and M. W. Beltzhoover. Esqs., commissioners to visit those in Kentucky and elsewhere in the western county, to cal the attention of the troops to the system of allotment and to encourage them in adopting practical plan for carrying it into effect.

The several reports of these commission

are highly satisfactory.

For details on the several subjects connected with the military operations of this State, I refer to the reports of the Adjutant General, Surgeon General, Quarter Master General, Competend of the Adjutant General, Competend of the Master General of the Master missary General and Paymaster General which accompany this Message.

The duties imposed on me were so onerous

that I found it necessary to invite the temporary assistance of gentiemen on my staff to aid me to perform them.

me to perform them.

In this capacity, Cols. Thomas A. Scott, Gideon J. Ball and John A. Wright contributed their valuable services from the middle of April until they were called away by other duties, Col. Scott remaining until he became connected with the War Department, Col. Ball until the 184 of June and Col. Wright until the 184 of June and Col. Wright until the 23d of July; for the time thus devoted to the service of the State they have refused to receive any compensation.

Cols. Joseph D. Potts, A. L. Russell, J Brown Parker and Craig Biddle were in service up to the 20th of December. The Department of Telegraph and Transportation was under the exclusive control of Col. Potts. The

temporary arrangement which had been made for its employment was then closed. By the 13th section of the Act of the 15th of

By the 13th section of the Act of the 15th of May, 1861, I was authorized to draw my warrants on the Treasury for a sum not exceeding \$20,000 for compensation to such persons as might be required to serve the country in a military capacity, &c. Of this fund I have drawn from the Treasury \$3,500, out of which I want to expense the compensation of a present the compensation of the present drawn from the Treasury \$8,500, out of which I paid the compensation of my personal staff, also other expenses of the military department, and the actual expenses of persons employed on temporary service, none of whom received any further compensation, and expenses of the commissions appointed to investigate alfeged frauds, &c., and the expenses of establishing military patrols on the Maryland line and five hundred dollars on secret service. My account is settled in the office of the Auditor General up to the 1st of December. On that day I had expended \$6,400, and except some inconsiderable payments made since, the balance remains in my hands.

ance remains in my hands.

The report of the Auditor General will exhibit the items of the account.

An account of military expenditures by the State on behalf of the United States, as far as the same had then been ascertained and settled by the accounting department, became the same had then been ascertained and settled by the accounting department, became the same had been ascertained and settled. the same had then been ascertained and settled by the accounting departments here, was made up to the 1st day of September, 1861, and pre-sented on the 12th of that month at the Trea-sury Department of the United States for set-tlement and allowance. The sum of \$606,-000, has been received from the Treasury De-partment on that account. The repayment by partment on that account. The repayment by the General Government of the expenses attending the organization and support of the Reserve Corps, may not be provided for by any existing act of Congress. As these expenses were incurred by the State for the benefit of the General Government, and have been productive of results most important to the welfare and even safety of the country, it would be ductive of results must important to the welfare and even safety of the country, it would be right that an act of Congress should be passed providing expressly for their repayment. It lies with the Legis' Lure to adopt the proper means for directing the attention of Congress to this subject.

Assurances have been received from the Treasury Department that the examination of the military accounts of the State will be proceeded in without delay, so that the State may receive a credit for the balance due, in time to apply the same towards the payment of her quota of the direct tax. Assuming the completion of this arrangement, if the State shall assume the direct tax for this year, a saving of fifteen per cent will accrue to her, and no present increase of her taxation will be necessary. Whether this credit be given or not, I recommend that the payment of the direct tax be assumed by the State.

It was the past the payment of the tax laws as will hereafter equitably apportion the burden among the various interests now subject to taxation. The saving of fifteen per cent, to the people of the State by the assumption is a matter worthy of thought, but a more important consideration is that it will enable you who represent all the varied interests of Assurances have been received from the

you who represent all the varied interests of the commonwealth to approtion the tax in such manner as to bear equally upon all. Our revenue laws had imposed on real and personal property as its full proportion but little more than one-third of the taxes needed for the ordinary expenditures of the sovernment. nary expenditures of the government. By the act of 16th May last, the tax on this species of property has already been increased one-sixth. Should the State refuse to consume the United States tax the whole burden of it will fall upon States tax the whole burden of it will fall upon these interests, interests too, most unfavorably affected by the war, whilst other kinds of prop-erts and other sources of revenue, judged by our laws able to pay nearly two-thirds of the present revenues of the State, would not be called on to contribute one dollar of additional

The militia system of the Commonwealth is very imperfect. I recommend the establishment of a commission to frame and report a

I carnestly recommend to the legislature that provision be made for the military instruction of youth. The appointment of a military instructor in the normal schools, would in a short period give teachers to the common schools who would be competent to train the boys in attendance on them. It would in my opinion be wise also to provide for the purchase or leasing by the Commonwealth of a building for a military school, and for employing competent instructions at the expense of the State, requiring the pupils to defray the other expenses. No pupil should be admitted to this school without having passed a thorough examination on mathematics and all fitting subjects of instruction except the military art proper. I respectfully urge this subject on your early consideration, as one of material perhaps vital importancy. I earnestly recommend to the legislature that

Inh., as one of material perhaps vital importancy.

I have taken measures to direct the efficient attention of the General Government to the fortification of the water approaches on the seaboard and the lakes, and arrangements are in the course of being effected which it is hoped will be satisfactory in their result.

I send with this message a copy of a com-munication from General Totten, chief of the Military Engineer Department at Washington. I have also represented to the Secretary of the Navy the necessity for floating defences on the Delaware, and have his assurance that they shall be prepared at the earliest moment

ment of Telegraph and Transportation was under the exclusive control of Col. Potts. The system and economy of its management show how faithfully and well he fulfilled his office.

It is but just to all these gentlemen that I should bear testimony to the untireing zeal and fidelity with which their duties were performed. The quota of the State having heen more than filled, and her military force organized, I was enabled on the twentieth of December last, to dispense with a personal staff, and the