

The Democratic Watchman

BY P. GRAY MECK.

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Notice Extraordinary! A New Feature.

Now is the time to subscribe for the Democratic Watchman. In two or three weeks, we shall begin the publication of an ORIGINAL TALES, from the captivating pen of Miss NELLY MARSHALL, of Louisville, Kentucky, entitled "WEARING THE CROSS."

The advance manuscripts of which have already been received. "WEARING THE CROSS" is a story of Kentucky life, during the late war, and abounds in thrilling and romantic incidents, and is of absorbing interest. Miss Marshall is one of the most talented ladies of the South, and is already well and favorably known in the literary world.

Letter From Penns Valley. Hon. J. G. Meyer Vindicated.

HAINES TOWNSHIP, April 12. Messrs Editors—We noticed, in an issue of the Bellefonte Republican, several weeks ago, that the Editor has lashed himself quite into a fury, because, as he alleged, our present worthy member of the Legislature did not influence the Legislature of Pennsylvania to rob the sinking fund to build the L. C. & S. C. Railroad.

ability, shrewdness and influence, is not able to control a little turnpike incorporating company, how long would it take him to get control of the Legislature of Pennsylvania? And if the community in which he lives have so little confidence in his integrity as to not even trust him to read the minutes of said incorporation without appointing some honest farmer to stand by his side and watch that he reads correctly, how many would it take to watch him at Harrisburg to keep him in the path of rectitude and duty? Being well acquainted with Mr. Coburn, we would rather seal up our lips, and let "the dead bury their dead," but if he will allow his name to be used by such unprincipled specimens of humanity as the Editors of the Republican, without restraint, and thus, by his silent recognition, endorse those scurrilous and ungentlemanly articles, he must expect to share the fate of his associates, and have his ability, as a public man, closely scrutinized.

enterprise is not the worst thing in the State, and to assure him that respectable wealth need not debar any person from visiting Magistraey occasionally. Now, why should the President take pleasure in such merely rich men as Borie and Corbin; or, worse yet, in such designing rich men as Oakes Ames, Daniel Morrill, and others who are, of course, pleased with his attentions and interested in his person, but who have more important designs than either social recognition or historical reminiscence? If they find that they can impress the President with their views, merely by the contact of their riches, they will use him to their fill, and blast his administration with their false praise and insidious advice.

Veto Message

EXECUTIVE CHAMBER, HARRISBURG, APR. 7, 1870. To the Senate and House of Representatives of the Commonwealth of Pennsylvania. GENTLEMEN—Senate bill No. 1070, entitled "An act to facilitate and secure the construction of an additional railway connection between the waters of the Susquehanna and the great lakes, Canada and the northwestern States by extending the rail and credit of certain corporations to the Jersey Shore, Pine Creek and Buffalo Rail way Company, and in like manner to the construction of the Pittsburg, Virginia and Charleston railway, the Clearfield and Buffalo railway, and the Erie and Allegheny railway," was only presented for executive approval on yesterday, the 6th inst.

Regarding it as among the most important ever submitted for consideration, both in the principle it involves and the consequences of my action thereon, I have examined it with as much care as was possible in the short time allowed, and the pressure of other duties at this late stage of the session. For these reasons it would have been desirable that the views about to be announced should have been the subject of more mature reflection. Entertaining, however, firm convictions that the proposed measure is not only in conflict with the Constitution, but at war with the best interests and true policy of the State, it is deemed an imperative duty to guard against all possible misconstruction by returning the bill promptly to the Senate, in which it originated, with the following statement of the reasons for withholding my approval.

There are in the sinking fund of the State nine and one-half millions of dollars (\$9,500,000) in railroad bonds, viz \$6,000,000 in bonds of the Pennsylvania railroad company, and \$3,500,000 of the bonds of the Allegheny Valley railroad company, the payment of the latter guaranteed by the Philadelphia and Erie railroad company, the Northern Central railway company, and by the Pennsylvania railroad company. These \$6,000,000 are a part of the proceeds of the sale of the main line of the public works, sold in 1857 and the \$3,500,000 are bonds substituted for a like amount of bonds which were proceeds of the sale of other portions of the public works, made subsequent to 1857. The whole \$9,500,000, therefore, are proceeds of the sales of public improvements formerly owned by the State; and the bill under consideration, if approved, will take this entire sum out of the sinking fund and distribute it among the four railroad companies named in the bill, in the proportions therein recited.

and which often had no merits on which to stand, were fastened together in one bill, and by ingenious combinations of local interests, the most incongruous, and sometimes iniquitous provisions, were forced through in the same act. Essentially diverse, conflicting, and even rival and hostile interests and parties, who could agree upon nothing else, were thus induced to unite in a common raid upon the Treasury of the State. This evil became in time so intolerable that the people were at last compelled to protect themselves against it; and they did so by these plain constitutional prohibitions. The people in their sovereign capacity declared and wrote it in their Constitution, that "no bill should be passed by the legislature containing more than one subject," and that "no law hereafter enacted shall create, renew or extend the charter of more than one corporation."

It is contended, and with some show of plausibility, that the bill under consideration embraces but the one subject of railroads, and this, and this alone, is expressed in the title; and that the act does not create, renew or extend the charter of more than one corporation. Technically, this may be so; but we are considering grave questions of constitutional law, where different rules of construction must prevail, and judged by these it is clear that the provisions of this act are in manifest violation of the letter, spirit, intent and object of these plain constitutional provisions. In the case of the Commonwealth vs. Clark (7 Watts and Serg's. Rep., 127) the late Chief Justice Gibson, in delivering the unanimous opinion of our Supreme Court, said: "A Constitution is not to receive a technical interpretation like a common law instrument or statute. It is to be interpreted so as to carry out the great principles of the government, not to defeat them."

Apply this authoritative, sensible and well established principle of constitutional construction to the case in hand. The Constitution declares, in substance that omnibus legislation and log rolling enactments shall cease; and that no law hereafter enacted shall create, renew or extend the charter of more than one corporation; and "no bill shall be passed by the legislature containing more than one subject." The bill returned includes four different railroad companies as principals, and nine others as guarantors, and by a liberal construction assumes that they all constitute but one subject. By this omnibus system the proposed act combines the interests, local rivalries and cupidity of nearly every section of the State, from the Delaware to the Lakes, and has thereby secured its passage. The several corporations, it is true, are not, technically, created by this law, but were first incorporated by other bills, with the manifest intent to be followed by this act, which artfully combines the local interests of all the other beneficiary companies, breathed into them the breath of life by the appropriation of the public moneys and secures the very identical ends prohibited by the Constitution. Thus, by a liberal construction of the act, and a narrow and technical interpretation of the Constitution, the sound rules and principles applicable to both are reversed and misapplied and the effort made to reconcile the statute with the prohibition. The attempt is a failure. The constitution can not be evaded or nullified in any such manner. As ruled by Chief Justice Gibson, it must "be interpreted so as to carry out the great principles of the government, not to defeat them."

But there are other provisions of the Constitution prohibiting such legislation. The 4th, 5th and 6th sections of the XIth article are as follows: "Sec. IV. To provide for the payment of the present debt, and any additional debt contracted as aforesaid, the legislature shall, at its first session after the adoption of this amendment, create a sinking fund which shall be sufficient to pay the accruing interests on such debt, and annually to reduce the principal thereof by a sum not less than two hundred and fifty thousand dollars, which sinking fund shall consist of the net annual income of the public works from time to time owned by the State, or the proceeds of the sale of the same or any part thereof, and of the income or property of sale of stocks owned by the State, together with other funds or resources that may be designated by law. The said sinking fund may be increased from time to time by assigning to it any part of the taxes or other revenues of the State not required for the ordinary and current expenses of government; and unless in case of war, invasion or insurrection, no part of the said sinking fund shall be used or applied otherwise than in extinguishment of the public debt until the amount of such debt is reduced below the sum of five millions of dollars."

"Sec. V. The credit of the Commonwealth shall not in any manner or event be pledged or loaned to any individual, company, corporation or association; nor shall the Commonwealth hereafter become joint owner or stockholder in any company, association or corporation."

and declares further that, "unless in case of war, invasion or insurrection, no part of the sinking fund shall be used or applied otherwise than in extinguishment of the public debt." How is it possible to reconcile these plain declarations of the Constitution with the provisions of the bill under consideration? These nine and a half millions of bonds are the proceeds of the public works; and they are in the sinking fund created by the act of 22d April, 1858, in compliance with this same section of the fundamental law. The constitution declares as plainly as language can direct that "no part of the said sinking fund shall be used or applied otherwise than in extinguishment of the public debt." The bill proposes to apply the whole of the nine and one-half millions to the construction of sundry enumerated railroads.

The V section declares that the credit of Commonwealth shall not in any manner or event be pledged or loaned to any individual, company, corporation or association. This bill proposes, not technically, a loan or pledge of credit, but more; it proposes to pay for the construction of the railroads for these corporations. How can this be done consistently with the constitutional prohibition? Does not the greater include the less? In principle, or substance, how does the thing authorized differ from the thing prohibited, except perhaps in degree? True, the one prohibits the loan or pledge of credit, and the other appropriates the money to pay for the work, but the actual result is the same, viz the taking of the proceeds of the sale of the public works out of the sinking fund and appropriating them to the construction of railroads.

The VI section declares that "the Commonwealth shall not assume the debt, or any part thereof, of any county, city, borough or township, or of any corporation or association." Technically, the bill under consideration may not authorize the assumption of the debts of these railroad companies, but it does more. It actually provides for their payment, and takes from the State Treasury the necessary means with which to do it. These are all clear violations of the very plain provisions of our written Constitution. An effort is made to escape from these conclusions, under the ruling of the Supreme Court in the case of Grant vs. the Pennsylvania Railroad Company (5 Wright, 447), which seems to assume that these bonds in the sinking fund are not the proceeds of the sales of the public works. But the court in that case justifies its opinion on the ground that the act there in question authorized the sinking fund commissioners to exchange depreciated securities for those of more value. Here the attempt is to authorize the exchange of securities confessedly good for others of most questionable value. This I regard as a most important distinction, and one on which the legislation of last session may also be justified. Moreover, I consider the assumption that the bonds now in the sinking fund are not the proceeds of the sale of the public works as wholly untenable, unwarranted and untrue. The purchase money was the proceeds of the sale of the public works, as understood at the time and ever since. Not only the \$100,000 required by the law providing for the sale to be paid down at the time of the bid, but the whole seven and one-half millions, which the same law designates as "the whole amount of sales to be paid in the bonds of the company." And if anything can make this more plain it is the fact that the same men, at the same session of the legislature, passed these constitutional amendments of 1857, and also the act for the sale of the main line; and they naturally used the same words and expressions to express the same ideas. The words of the Constitution have already been quoted, and the 12th section of the act for the sale of the main line, approved 16th May, 1857, declares:

"That the entire proceeds of the sale of said main line shall be paid to the sinking fund, and applied to the payment of the State debt." Surely it cannot be necessary to argue this question further. It is very clear that the framers of the Constitution intended that the whole of the proceeds of the fund should go into the sinking fund, and should be appropriated to no other purpose than the payment of the public debt; and the practice of the Government ever since 1856, in all its departments, has conformed to these constitutional requirements. No manipulation of words, no artfully drawn phrases, and no subtle distinctions or contracted or misapplied rules of interpretation, can explain away these plain constitutional restrictions on the power of the legislature; or enable it, in defiance of them, to bankrupt the treasury of the State through means prohibited by the fundamental laws of the land.

Having thus demonstrated the unconstitutionality of the proposed law I might well be spared the discussion of its expediency. It is possible, however, that different views may be entertained as to the legal question involved. I have, therefore, deemed it proper to submit the following propositions as exclusively establishing the inexpediency of this scheme. First. By the terms of the act the State is to exchange six millions of bonds (\$6,000,000) secured by a mortgage upon a road worth many times that amount—for six millions (\$6,000,000) of bonds to be issued by a company as yet unorganized and whose road is not yet commenced. Second. The contracts of guaranty required by the bill is illusory, for it is uncertain who is to execute it, and if entered into by responsible parties it binds them to nothing except the construction and the equipment of the contemplated road. The manner in which the road is to be constructed and equipped is wholly unprovided for. Upon this vital point the bill is entirely and ominously silent. Third. The interest upon the six

millions (\$6,000,000) bonds to be surrendered is payable, according to a recent decision of the Supreme Court of the United States, in gold. The interests on the bonds to be received would be payable in currency. Fourth. The State is now receiving upon the bonds to be surrendered four hundred and sixty thousand dollars (\$460,000) per annum, and under existing laws is entitled to receive that amount annually, until the whole be paid. If the contract of guaranty mentioned in the bill were performed to the letter, the State could only receive three hundred thousand dollars (\$300,000) per annum for the next three years. The loss therefore to the revenue by this exchange would be one hundred and sixty thousand dollars (\$160,000) annually for the first three years, and thereafter the whole amount would be lost unless paid by the projected road. Fifth. Other bonds to the amount of three million and a half dollars (\$3,500,000) most amply secured are to be exchanged for second mortgage bonds on a prospective railroad, the first mortgage being already authorized for sixteen thousand dollars (\$16,000) per mile, at seven per cent, interest. Sixth. It may well be doubted whether the proposed road from Jersey Shore would be a success. Almost every new road through such undeveloped regions has experienced a period of insolvency. The connection of the State with similar enterprises presents a sad history of disappointment and failure, of which the Philadelphia and Erie road is a conspicuous illustration. The competing roads already in existence render the proposed security entirely hazardous, if not worthless. Seventh. As already stated in my last annual message a large amount of the debt of the Commonwealth will shortly fall due. During the next three years over nine millions of dollars (\$9,000,000) will mature. Should the securities now in the sinking fund be exchanged for unavailable bonds the State could not meet her just obligations. This would lead to renewals and these would in time impair our credit. The people have declared and have the right to expect that the debt shall be paid off as provided in the Constitution, and their taxes reduced. Eighth. This bill proposes to remit the State to the pursuit of a policy of public improvements by which it years past she identified herself with enterprises of doubtful expediency, and which her citizens have with great unanimity condemned. Ninth. On what sound principles of public policy, equality or justice, can all the securities of the State be distributed to these four railroads, to the exclusion of the hundred others in the Commonwealth equally meritorious and to the exclusion also of all the other interests of the State? What have the great agricultural, mining, manufacturing and other interests done, or omitted to do, that they should be denied all participation in the public bounty? Other objections to this measure might be stated, but those already given are considered sufficient to satisfy every impartial mind that the proposed scheme is as gross a violation of the Constitution as of sound policy. It is therefore most respectfully suggested that the bill be reconsidered in the light of these objections, which may not have been fully presented during the few days occupied in the discussion and passage of this act. J. W. GRAY.

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