

GOVERNOR'S MESSAGE.

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

Fellow Citizens: The Legislative branch of Government meets, under circumstances calculated to produce deep sensations of gratitude.

The events of the past year cannot fail to afford assurance of the continued mercy of the Almighty Father of the Universe, and of the blessing He has dispensed to the people of this Commonwealth.

The recent efforts for the establishment of liberal political institutions in this country, have excited the sympathy of the oppressor and the oppressed, whatever may be the incidents or results, having for its object a government capable of protecting and extending political and social liberty, must be regarded by the people of the United States with the deepest solicitude.

The arbitrary Government in whose midst the noble band of patriots erected their standard, have succeeded with their immense force in maintaining tyrannical authority and the slaves men who fought for freedom, have either perished under the barbarous rancors of domestic war, or they wander in foreign lands, exiles from homes that no longer afford security.

In consideration of the Legislature is respectfully invited to the financial condition of the Commonwealth. The present funded debt is as follows:

Table with 2 columns: Description of debt and Amount. Includes 6 per cent. loan, 22,041,022 \$1; 4 per cent. loan, 37,338,719 \$0; Domestic creditors on settlement, 85,104 \$8.

Amount of canal, railroad and motive power debt, contracted prior to Dec. 1, 1848, and unpaid by the appropriations of the last session, 63,339 \$3.

Total indebtedness of the Commonwealth December, 1848, \$40,574,413 \$45.

The funded debt on the 1st of December, 1848 was \$39,303,330 \$24. Unfunded debt, 1,081,386 \$69.

Amount of canal, railroad and motive power debt contracted prior to Dec. 1, 1848, 367,642 \$38.

Amount of public debt paid during the year 1849, exclusive of the Commissioners of the sinking fund, \$267,965 \$96.

Amount paid during the year 1849 to the commissioners of the sinking fund, \$27,513 \$53.

Amount appropriated during the year 1849, toward payment of the public debt, 495,479 \$39.

In exhibiting the operations of the Treasury for the last fiscal year, the sum of \$130,000, borrowed on special loan for the advance of the Schuylkill Incline Plane, and included in the aggregate on the public debt in December, 1849, should be added to the above stated sum of \$435,477 \$39.

The amount of receipts at the Treasury during the year ending Dec. 1, 1849, is \$4,437,658 \$65.

The amount of expenditures during the same period, is 4,084,771 \$80.

Balance in the Treasury on December 1, 1848, 571,930 \$20.

Bal. in Treasury Dec. 1, 1849, 926,207 \$24.

Amount paid to commissioners of the sinking fund, which was purchased of the State, and transferred to the Commonwealth, 263,500 \$00.

Difference between the indebtedness of the State on the 1st of December 1848 and Dec. 1st 1849, 267,955 \$86.

Total amount of public debt paid during the year, \$521,465 \$86.

Estimated receipts at the Treasury during the year 1850:

Table with 2 columns: Description of receipt and Amount. Includes From Lands, 20,000 \$00; From Commissions, 20,000 \$00; Duties, 50,000 \$00; Tax on Bank Dividends, 130,000 \$00; Corporate Taxes, 80,000 \$00; Real and Personal Estate, 1,330,000 \$00; Tavern Licenses, 80,000 \$00; Retailer's Licenses, 160,000 \$00; Fodder's Licenses, 3,000 \$00; Brewer's Licenses, 12,000 \$00; Theatre, Circus, & Menagerie Licenses, 3,000 \$00; Billiard rooms, Bowling Saloons, and Ten-pin Alleys Licenses, 5,000 \$00; Distillery & Brewery Licenses, 1,500 \$00; Eating and Oyster Houses, and Restaurants Licenses, 15,000 \$00; Patent Medicine Licenses, 3,000 \$00; Pamphlet Sales, 500 \$00; Militia Rates, 2,000 \$00; Tax on Wills, Deeds, &c., 20,000 \$00; Certain Offices, 200,000 \$00; Colateral Inheritance, 1,825,000 \$00; Canal and Railroad tolls, 5,000 \$00; Arbitration Law, 2,000 \$00; Premiums on Lotteries, 125,000 \$00; Tax on Loans, 270,000 \$00; Inland Plane Loan, 2,000 \$00; Dividends on Turnpike & bridge stock, 5,000 \$00; Nicholson Lands, 5,000 \$00; Accrued Interest, 5,000 \$00; Refunded Cash, 2,000 \$00; Escheats, 2,000 \$00; Fees of Public Officers, 2,000 \$00; Miscellaneous, 1,000 \$00; Interest on stock purchased, 2,000 \$00.

Estimated payments during the year 1850: To Public Improvements, \$650,000 \$00; Expenses Government, 250,000 \$00; Militia expenses, 4,000 \$00; Pensions and Gratitudes, 20,000 \$00; Charitable Institutions, 80,000 \$00; Common Schools, 200,000 \$00; Interest on Loans, 2,000 \$00; Guarantees of Interest, 32,500 \$00; Domestic Creditors, 10,000 \$00; Damages on Public works, 30,000 \$00; Public Commissioners, 2,000 \$00; State Library, 2,000 \$00; Buildings and grounds, 2,000 \$00; Penitentiaries, 15,000 \$00; Houses of Refuge, 5,000 \$00; Nicholson Lands, 3,000 \$00; Escheats, 2,000 \$00; Abatement of State Tax, 40,000 \$00; Counsel fees & commissions, 2,000 \$00; Miscellaneous, 5,000 \$00; Inland Plane, (Schuylkill) 270,000 \$00; North Branch, (Schuylkill) 270,000 \$00; Coun. Sinking Fund, 293,000 \$00. Total, \$4,034,800 \$00.

The foregoing estimated balance in the Treasury, at the end of the fiscal year 1850, would appear to justify the appropriation of forty thousand dollars toward the completion of the Western Reservoir at Johnstown, as herein recommended. It would authorize the appropriation of a sum not less than three hundred thousand dollars, in addition to the amount already appropriated to be expended in the completion of the North Branch Canal.

The Legislature at its last session authorized the re-issuance of the notes then in circulation, and suspended their cancellation for three years. The amount of the whole issue now outstanding, is \$653,164 \$00.

The amount paid into the Treasury and supplied by a new issue, is 443,537 \$00.

Balance, \$209,627 \$00. The above balance has been destroyed or has failed to reach the Treasury during the year. These notes, the redemption of which being simply secure, and a safe convenient local currency, have the confidence and favor of the citizens. It is therefore recommended that authority be given to the proper officers, to keep them in good condition, by any means, in lieu of such as may become mutilated and defaced.

In addition to the suggestions made to the last Legislature on the subject of the moated affairs of the State, it is deemed proper to call your attention to the fact, that a portion of the funded debt now due, is a part falling due the year 1850, as follows: The amount of five per cent funded debt overdue, except bank charter loans, is \$354,519 \$10.

The amount of six per cent funded debt falling due on or before Dec. 1, 1850, is, 999,211 \$15. The amount of unfunded debt now due, 85,104 \$8.

Amount demandable at the Treasury during the year, \$9,191,170 \$19.

Provision should be made at an early day for arrangements with the creditors holding these claims. To permit them to remain in their present condition would only evince an indisposition to pay our just debts, and also reflect on the integrity of the State.

Annual demands upon the Treasury, with the present means of the State, will not permit the payment of these loans; and the only practicable mode which suggest itself seems to be the negotiation of new loans, stipulating an extension of the time of payment. It is believed that such loans could be negotiated at a rate of interest not exceeding 5 per cent.

Should authority be given in the arrangements suggested, to stipulate that the stock should be accepted in full payment, the inducement to investors therein would create such competition as would be highly advantageous to the Treasury. Justice and honesty require that these debts should be paid, or arranged to the satisfaction of the parties interested, and any provision which the Legislature may deem proper on the subject will meet the cordial approbation of the Executive.

The establishment of the Sinking Fund, by the appropriation of State stock, and the consequent increase of confidence in the ability of the State to meet her engagements; with the replacement by a new issue of the old and defaced relief notes, has had the salutary effect of enabling the Treasury Department with slight expense in the exchange or transmission of means, to meet the payment of interest on the public debt in par money, as also to pay other creditors of the State in good funds. The payment of the public liabilities in the manner aforesaid, and the adoption of a system to extinguish eventually the public debt, must bring to their full value, the stocks of the Commonwealth.

It is estimated that \$13,949,000 of the public stocks are held in this country, and in the hands of their value, by these simple operations demanded alike by sound policy and honesty will increase their marketable worth in the hands of the citizens \$1,960,000. To the efficiency of the State Treasurer, the Auditor General and other officers charged with the collection and disbursement of the public moneys during the past year, is justly attributable in a high degree these favorable results.

The beneficial results of the sinking fund cannot be deemed to have been derived from various sources to the Commissioners, during the past year have been as follows: From collateral inheritance tax, \$180,212 \$41.

Premiums on charters, 35,969 \$40. Eating and oyster houses and restaurants, 5,967 \$20. Billiard and bowling saloons and ten-pin alleys, 2,985 \$50. Theatre, circus and menagerie licenses, 2,910 \$00. Distillery and brewery licenses, 384 \$00.

Amount received for the year ending December 1, 1849, \$927,629 \$01.

The estimated payments for the same purpose, for the year ending Dec. 1, 1850, are as follows: \$200,000 \$00. Interest on stocks purchased, 15,000 \$00. Premiums on charters, 40,000 \$00. Theatre, circus and menagerie licenses, 3,000 \$00. Distillery and brewery licenses, 1,600 \$00. Billiard and bowling saloons and ten-pin alleys, 5,000 \$00. Eating and oyster houses and restaurants, 15,000 \$00. Balance in Treasury after deducting appropriations herein before recommended, 91,500 \$00.

The opinion is confidently expressed that the estimated receipts above stated will be found to approximate to the truth, should an adherence to the policy pursued by the last Legislature, in relation to premiums on charters, and other financial measures be authorized and continued. Should such be the case, the above sum, at the present rate, would extinguish upwards of four hundred thousand dollars of the interest on the public debt for the fiscal year. The sources from which the sinking fund is applied must necessarily increase. The tax on collateral inheritance, and on theatre, circus, and menagerie licenses, by the creating a sinking fund, yielding to the Treasury about the sum of \$5,900 annually, and the provisions of that act, these have been increased to the sums above stated, and the other sources of revenue have been created by recommendations heretofore made to the Legislature.

With these means for the supply of the sinking fund, together with such additions as the probable resources of the Treasury, from time to time may justify, it is susceptible of easy calculation to determine, how nearly approaches the present means the State taxes may be repaid, and the burdens of the people removed. So manifestly important are these results upon the industrial pursuits of the citizens, and the interests and honor of the State, it is suggested for consideration whether good policy would not require the re-issuance of the notes in the Treasury at the end of each year to the Commissioners of the said Fund.

Every consideration that can impose itself on a government demands the payment of the public debts. The local advantages of the payment of the public debts, are not confined to the interests of our mineral deposits; the fertility of our soil; and the prosperity and happiness of the people, alike require the repeal of a system of laws, which compel emigration—prevent the settlement of our western lands; and deprive the State of the valuable industry of every class of our citizens. Should these balances remain in the Treasury unappropriated to the said Fund, the history of the past will remind us that prodigal expenditures will be made to objects of undiminished interest.

The subject of the revision and equalization of the laws for raising revenue is again earnestly pressed upon the attention of the Legislature. Great injustice arises under existing enactments, from the want of adequate means to prevent or to punish individuals making false returns of property, and from the consequent conscientious citizens, scrupulously exact in the performance of their obligations to society, may well complain of laws which suffer the dishonest to elude with impunity the payment of an equitable share of the public burdens.

The tax on lands, mortgages, and other interests, assessed so unequally, the great reason for complaint existed throughout the State. To remedy to some extent this evil, it would be well to require the Promotaries of the several counties, to collect from the Plaintiffs in judgments the tax there assessed, and if necessary to compel payment by legal process. A similar provision with regard to mortgages, giving the Recorder the authority before stated in relation to judgments, would embrace these two items of taxation, and would doubtless facilitate the payment of a large amount of revenue, now fraudulently evaded.

The laws subjecting to a tax the commissions issued to the officers of this Commonwealth, should be extended to embrace commissions to non-residents. The justice of taxing the citizens of the State, and of permitting non-residents to hold commissions under the government, and to enjoy the emoluments free from taxation, cannot be regarded as equitable.

No effectual mode has been devised to compel the agents of foreign insurance companies to make a semi-annual statement of the amount of funds employed by their respective companies in this State. A law having an effect of this character, is highly necessary, and would be productive of decided advantage. In the enactment of such a law, it would be well to make the

certificates issued to agents of said companies, subject to taxation. Incorporated companies of various kinds, deriving their charters elsewhere, have agencies in the State and are not subject to the same regulations as those which are taken in the case of the employed, or of the value of their investments. Were the proper departments required to make a list of these incorporations, and authority given to ascertain the amount of the investments, and the amount of the funds employed, and a tax levied on such dividends, or profits, as are derived on the capital stock employed, a large revenue to the Commonwealth would be the result.

The next important subject for the consideration of the Legislature, is subject to the consideration of the Legislature, it is not perceived why money borrowed by incorporated companies should be exempt from similar assessment. To make an equitable distribution of the public debt, and care should be taken that no exemption should be allowed to any class of company over another where the property objects of taxation, will not only increase the revenue, but increase the credit of the State.

The next in importance to the public debt, and the equalization of the taxes, in the management of the public improvements. The vast expenditures annually made for the repair and supervision of these works, and the revenue derived therefrom; so materially affecting the condition of the State, and the interests of the people, it is believed that an increased amount of present revenue should be derived from these works. The enormous appropriations of the last year, for their maintenance in repairs, and towards the payment of debt, have placed the Treasury in a most deplorable condition, and would authorize the conclusion, that an expenditure during the present season would be sufficient. In the absence of the annual report of Canal Commissioners, so specific mention for these objects can be given by the Executive.

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In relation to this subject, legislation should be clear and specific, as discretionary power over the money of the citizen must be deprecated by right thinking men. The method adopted in the management of the Public Works is evidently defective. Repairs on the canals and on the roads, are made by contract. Were the several services performed by contract, and awarded to the lowest bidder, giving the required security, can there exist a doubt of favorable results to the public interests.

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It is suggested that the Canal Commissioners should be required to invite proposals for furnishing the Motive Power on the said road, stipulating in detail the services to be performed, and the nature of the security given, and the mode of payment to be made. The object of the proposed system, would be to give to individuals, willing to undertake the duty of running one or more locomotives on the road, whether belonging to the State or to the individual bidder. Should the locomotives belonging to the State be purchased by the bidders, the contract should stipulate the terms on which they should be used.

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In relation to this subject, legislation should be clear and specific, as discretionary power over the money of the citizen must be deprecated by right thinking men. The method adopted in the management of the Public Works is evidently defective. Repairs on the canals and on the roads, are made by contract. Were the several services performed by contract, and awarded to the lowest bidder, giving the required security, can there exist a doubt of favorable results to the public interests.

The method does not derive an adequate share of the profits arising from the Columbia Railroad. The construction of the road; its maintenance, and the expensiveness and risk, demand from the profits of the road a larger return than finds its way to the Treasury. It is believed that the public interests call for a speedy remedy.

It is suggested that the Canal Commissioners should be required to invite proposals for furnishing the Motive Power on the said road, stipulating in detail the services to be performed, and the nature of the security given, and the mode of payment to be made. The object of the proposed system, would be to give to individuals, willing to undertake the duty of running one or more locomotives on the road, whether belonging to the State or to the individual bidder. Should the locomotives belonging to the State be purchased by the bidders, the contract should stipulate the terms on which they should be used.

The transportation of passengers should be done by contract with the lowest bidder. In the agreement to be made, it is necessary that the contractor should be secured the kind of cars, and such other details, as would secure the accommodation of the passengers, and faithfully guard the public interest.

In the transmission of burden cars, an arrangement might well be made by which the contractor should be secured the kind of cars, and such other details, as would secure the accommodation of the passengers, and faithfully guard the public interest.

The beneficial results of the sinking fund cannot be deemed to have been derived from various sources to the Commissioners, during the past year have been as follows: From collateral inheritance tax, \$180,212 \$41. Premiums on charters, 35,969 \$40. Eating and oyster houses and restaurants, 5,967 \$20. Billiard and bowling saloons and ten-pin alleys, 2,985 \$50. Theatre, circus and menagerie licenses, 2,910 \$00. Distillery and brewery licenses, 384 \$00.

Amount received for the year ending December 1, 1849, \$927,629 \$01.

The estimated payments for the same purpose, for the year ending Dec. 1, 1850, are as follows: \$200,000 \$00. Interest on stocks purchased, 15,000 \$00. Premiums on charters, 40,000 \$00. Theatre, circus and menagerie licenses, 3,000 \$00. Distillery and brewery licenses, 1,600 \$00. Billiard and bowling saloons and ten-pin alleys, 5,000 \$00. Eating and oyster houses and restaurants, 15,000 \$00. Balance in Treasury after deducting appropriations herein before recommended, 91,500 \$00.

The opinion is confidently expressed that the estimated receipts above stated will be found to approximate to the truth, should an adherence to the policy pursued by the last Legislature, in relation to premiums on charters, and other financial measures be authorized and continued. Should such be the case, the above sum, at the present rate, would extingu