

TERMS OF THE GLOBE.

For annum in advance \$1 50
Six months 1 00
Three months 75
A failure to notify a discontinuance at the expiration of the term subscribed for will be considered a new engagement.

TERMS OF ADVERTISING.

Four lines or less, 1 insertion, 10 cts.
One square, (12 lines), 50 cts.
Two squares, 1 00
Three squares, 1 50
Over three weeks and less than three months, 25 cents per square for each insertion.

WILLIAM LEWIS,

—PERSEVERE—

Editor and Proprietor.

VOL. XIII.

HUNTINGDON, PA., JANUARY 13, 1858.

NO. 30.

of the State must and can be preserved intact.

The Commissioners of the Sinking Fund, report the sum of four hundred and fourteen thousand nine hundred and twenty dollars and twenty-nine cents, (\$44,920 29) as now in the Treasury to the credit of that fund.

The Commissioners of this fund, on the 7th day of September last, reported to me that the sum of one million forty-two thousand eight hundred and fifty-seven dollars and sixty-four cents, (\$1,042,857 64) of the debt of the Commonwealth, was held by them, as follows:—viz:

Loans of 19th April, 1853, over due, tempo- rary, 340,000 00
Loans of 9th of May, 1854, over due, tempo- rary, 164,000 00
Certificates of stock, loans of April 11, 1858, 6 per cent., 66,500 00
Certificates of stock, loans of various dates, 5 per cent., 9,316 64
Relief Notes cancelled and destroyed, 373,040 00
" " in Treasury, set aside for cancella- tion, 30,000 00
Total, \$1,042,857 64

As required by law, I directed the certificates and evidences of this indebtedness to be cancelled, and on the 19th of September, 1857, issued my proclamation declaring the payment, extinguishment and final discharge, of one million forty-two thousand eight hundred and fifty-seven dollars and sixty-four cents (\$1,042,857 64) of the public debt. In addition to the amount reported to be in the Treasury to the credit of the sinking fund, and applicable to the payment of the public debt, the Commissioners of the fund now hold the sum of seven and one half millions of dollars (\$7,500,000 00) bonds of the Pennsylvania Railroad Company, pledged by law to the payment of the funded debt of the Commonwealth.

By the 4th section of the 11th article of the Constitution, as amended, and ratified by a majority of the qualified voters of the State at the general election held on the second Tuesday of October, 1857, it is made the duty of the Legislature at its first session after the adoption of this amendment, to create a Sinking Fund, which shall be sufficient to pay the accruing interest on the present public debt and any additional debt thereafter constitutionally contracted, and annually to reduce the principal thereof by a sum not less than two hundred and fifty thousand dollars, (\$250,000 00) which Sinking Fund shall consist of the net annual income of public works from time to time owned by the State, or of the proceeds of the sale of the same, or any part thereof, and of the income or proceeds of sale of stocks owned by the State, together with other funds or resources that may be designated by law.

The funded and unfunded debt of the State, including temporary loans on the first day of December, 1856, as per Reports of Auditor General and State Treasurer, was as follows, viz:

Table with columns: FUNDED DEBT, UNFUNDED DEBT, Total funded debt, Total unfunded debt, Total debt.

The funded and unfunded debt, at the close of the last fiscal year, December 1, 1857, was as follows, viz:

Table with columns: FUNDED DEBT, UNFUNDED DEBT, Total funded debt, Total unfunded debt, Total debt.

These statements exhibit the gratifying fact, that during the past fiscal year, the public debt has been reduced eight hundred and twenty thousand ninety-seven dollars and fifty-five cents. During the same period large appropriations and payments were made on account of our public improvements, for old and unsettled claims adjusted under the act of last session, and for other extraordinary purposes.

The condition of the Treasury prior to the suspension of specie payments by the Banks, justified the appropriation of at least two hundred thousand dollars more in payment of the public debt, and arrangements were made by the Treasurer, under the direction of the Commissioners of the Sinking Fund, to liquidate that amount; but after the suspension, and the consequent financial embarrassment of the country, the proposed payment, from prudential motives, was postponed. Had this payment been made, in addition to the payments already reported, the statements and calculations submitted in my last annual Message in relation to the early payment and final extinguishment of the public debt would thus far have been sustained by their actual verification. The causes that prevented their realization, it is believ-

ed, will soon cease to affect injuriously the revenues of the Commonwealth. Actuated by that indomitable energy that has ever characterized the American people—faltering for a moment, but not disheartened by the adverse circumstances that surround us—roused to more vigorous action by disaster and defeat, our progress cannot long be checked, nor our property long be interrupted. Confidence, the sensitive, yet powerful agency, that binds in unity and strength the great financial, commercial and industrial interests of our country and the world, has been suddenly impaired, producing financial and commercial distress, and affecting the revenues of the Commonwealth; but with the advantages resulting from the rapid development of our resources during the last quarter of a century—the immensely valuable increase of our agricultural, mining and manufacturing industry during the same period—the abundant harvests of the past year—our completed improvements, and all the elements of material wealth in our midst, its restoration at an early period is not problematical. Retaining confidence with the herald of returning prosperity. Notwithstanding, then, the present embarrassment and gloomy condition of the country, after a careful consideration of the present and prospective condition of the finances and resources of the Commonwealth, I cannot hesitate to re-affirm my belief, "that the time is not far distant when Pennsylvania will stand redeemed from the oppression of her public debt, and her people be relieved from a taxation imposed to meet its accruing interest and maintain the faith and credit of the Commonwealth," and that "by practicing strict economy in all departments of the Government—avoiding extravagant expenditures—refusing to undertake any new schemes of internal improvement, and holding to a rigid accountability the receiving and disbursing agents of the State, the realization of these views may be anticipated with confidence."

As corroborative of the opinion now and heretofore expressed, a brief review of the operations of the Treasury during the past three years, as connected with the payment of the debt of the Commonwealth, may not be inappropriate. In my first annual message to the Legislature, the fact was stated, that during the three years, intervening between December 1, 1854, and December 1, 1857, the public debt had been increased one million, five hundred and eighty-four thousand, three hundred and fifty-nine dollars and thirty-four cents; and that the total debt at the close of the fiscal year, December 1, 1857, was \$14,920,290 29, consisting of \$1,042,857 64 of funded debt, and \$13,877,432 65 of unfunded debt.

Thus in three years the public debt has been decreased, by actual payment and without resorting to the expedient of temporary loans, one million, eight hundred and sixteen thousand eight hundred and fifty-seven dollars and fifty-two cents, (\$1,816,857 52). In this reduction the public debt has been reduced by the payment of the funded debt, and the reduction will be two millions, two hundred and thirty-seven thousand, seven hundred and seventy-seven dollars and eighty-one cents, (\$2,237,777 81).

These facts are not only gratifying, but encouraging. It has already been stated that there is in the Sinking Fund the sum of seven millions five hundred thousand dollars—bonds of the Pennsylvania Railroad Company, bearing interest at the rate of five per centum per annum, payable semi-annually, and pledged to the payment of the public debt. If this sum be added to the reduction before stated, we have presented to us a virtual, if not an actual decrease of the State debt, of nine millions, seven hundred and thirty-seven thousand, seven hundred and eighty-one cents, (\$9,737,777 81); showing the total funded and unfunded debt of the State on the first day of December, 1857, to have been thirty-one millions, nine hundred and sixty-six thousand, eight hundred and eighty-eight dollars and forty-one cents, (\$31,966,818 41).

In anticipation of the sale of the Main Line and the decrease in the public debt, the State tax, by an act of the last regular session, was reduced from three to two and one half mills on the dollar; a reduction equal to one sixth of the tax imposed for State purposes prior to that act. These facts speak for themselves. Well may the people be congratulated on such an auspicious beginning in the process of liquidation, and well may they with confidence anticipate the day of their deliverance from State taxation. Financial and commercial embarrassment may postpone, nothing but unwise legislation, and the imprudent or dishonest management of our finances, can prevent the early realization of their well founded anticipations.

The condition of the public works, their general operation, the receipts and expenditures during the past fiscal year, will be presented to you in detail in the Report of the Canal Commissioners.

The total receipts at the Treasury from the public works, for the year ending November 30, 1857, including receipts from the Main Line up to the first day of August last, were one million three hundred and eighty thousand five hundred and ninety-eight dollars and sixty-two cents, (\$1,380,598 62). The aggregate expenditures for the same period were one million three hundred and twenty thousand seven hundred and five dollars and sixty-seven cents, (\$1,312,705 67); the expenditures exceeding the revenues four thousand one hundred and seven dollars and five cents, (\$4,107 05).

The receipts at the Treasury from the several Divisions were as follows, viz:

Main Line, to August 1st, 1857, \$796,550 33
Susquehanna and North and West Branch Divi- sion, 587,718 95
Delaware Division, 224,329 34
The receipts from the Delaware Division are less than those of the previous year. The completion of rival Railroads and other causes have lessened the receipts from this important division of our public works; and it is feared will continue to decrease hereafter. Its management has been satisfactory, and compared with other divisions of the public improvements, economical. The net revenue, at the Treasury, was \$174,001 87, a decrease of \$90,093 53, as compared with the receipts of the preceding year. In addition to the ordinary expenditures, the sum of \$46,263 was paid for the enlargement and improvement of this division.

The North Branch Extension of the Pennsylvania canal, although so far completed in the fall of 1856, that boats freighted with coal and products, were successfully passed through its entire length from Pittsboro to the junction canal, yet in consequence of a large portion of the "Horse Race Dam" having been carried away by the freshets of late spring, business on the canal was suspended the greater part of the past year. It was repaired during the summer, and in the fall business was resumed along its entire length. Soon after, the same dam was again extensively injured by a sudden and heavy freshet, and the greater part of the canal rendered useless for business. An appropriation will be required to re-construct the dam.

This canal, although useful and valuable, appears to be doomed to failure and disaster. These are the fruits of former mismanagement and fraud in its construction. Every effort has been made to repair the errors of its early management, and to complete and render useful this division of our public works. Under proper management it can be successfully accomplished.

In pursuance of the act of the 16th of May, 1857, providing for the sale of the Main Line of the public works, after giving the notice required by law, I caused the said Main Line to be exposed to public sale at the Merchants' Exchange, in the city of Philadelphia, on the 25th day of June last, and sold the same to the Pennsylvania Railroad Company for the sum of seven millions five hundred thousand dollars the highest price bid for the same, and the minimum price fixed in the act.

After a full compliance by the purchasers with the conditions of the act authorizing the sale, and the delivery of the bonds in number and for the amounts equal to and falling due at the time provided for the payment of the respective instalments, the Secretary of the Commonwealth, on the 31st day of July, A. D. 1857, as directed by the act, transferred, under the great seal of the State, to the Pennsylvania Railroad Company, their successors or assigns, the whole Main Line of the public works between Philadelphia and Pittsburg, together with all the right, title and interest, claim and demand, of the Commonwealth of Pennsylvania to all property, real, personal and mixed, belonging to or used in connection with the same by the Commonwealth of Pennsylvania; and the purchasers having given notice of their readiness to take possession of the said works, possession of the same was accordingly delivered to the Company on the first day of August last, of which notice was given to all the supervisors and Agents of the Commonwealth, by proclamation bearing date the 31st day of July, 1857, as required by the law authorizing the sale.

The bonds of the Pennsylvania Railroad Company, in the sum of seven and one half millions of dollars, were received by the State Treasurer and are held by him for the Commissioners of the Sinking Fund; the entire proceeds of the sale being required by the 12th section of the act to be paid to the Sinking Fund and applied to the payment of the State debt.

I cannot forbear congratulating the people of the Commonwealth on the consummation of this sale. Public sentiment as expressed through the ballot-box, and in other forms equally significant, demanded it—public policy and the interest of the Commonwealth required it. It is done. The many approvals, few complaints, those most who have gained an unenviable reputation by a reckless disregard of the public interests, as exhibited in the extravagant, useless and fraudulent expenditures of the public money for selfish or partisan purposes.

The sale of the Main Line has directed public attention to the importance and necessity of disposing of the remaining divisions of the public improvements. The reasons and policy that required and justified the sale of the one, apply with equal force to the sale of the other. The propriety of separating the State from the care and control of the public works, is not only evident to all who have given the subject a candid and impartial consideration, but the history of their construction and management. They have failed to be a source of revenue to the Commonwealth, and if retained in their repair and management, largely exceeding any revenue, that under the most favorable circumstances, can be derived from them. In any phase of the question, this separation is desirable, but in connection with the payment of the public debt, and the reduction of State taxation, it becomes an object of more than ordinary interest. A sale, at the earliest practicable period, of the whole of our public works, for a fair consideration, upon terms just and liberal to the purchasers, and at the same time apply protective of the rights and interests of the people, should be authorized by the Legislature.

The sale, with the application of the proceeds to the payment of the public debt, would secure its still more rapid extinguishment. The subject is recommended to your unbiased consideration. The law incorporating the Pennsylvania Railroad Company imposed a tax of three mills, per ton, per mile, on all tonnage passing over that road, as an equivalent for any decrease in the revenues of the Commonwealth, that might arise from the anticipated competition of the road, with the business of the Main Line of the public improvements.

This tax is not imposed upon the Company, but upon the tonnage, and is paid by the owners of the freight transported over the road; the company acting as agents in its collection and payment to the State. It is virtually a tax upon the trade and commerce of the Commonwealth, and upon the commerce of other States whose productions seek an Eastern market over this road; and thus by increasing the rate of charges and the cost of transportation the produce of the West is forced upon the competing railroads of other States and to other markets than our own. The necessity that required this tax, as regards the Commonwealth and her improvements, has ceased. Its continuance can only be justified as a revenue measure. It should be the policy of the State to invite the transmission of the products of other States to her territory to her own markets, and, therefore, the propriety of relieving the trade and business of the Commonwealth and country from this tax upon it, is respectfully submitted for your consideration.

In consequence of the suspension of specie payments by the Banks of this and the other States of the Union, and the financial embarrassment and general prostration of business, I deemed it my duty to call, as authorized by the Constitution, an Extra Session of the Legislature, to meet at Harrisburg on the sixth day of October last. Although the relief provided by this extraordinary session of the General Assembly, was not as ample as the exigency of the case required, yet it was productive of many beneficial results, and served to allay the intense excitement and alarm that pervaded the entire community. By the act providing for the resumption of specie payments by the Banks, all banking institutions accepting the provisions of the law, were required to pay into the Treasury one-fourth of one per cent, on their capital stock; the amount realized by the payment of this bonus has not only defrayed all the expenses of that session, but will leave a balance in the Treasury of not less than thirty-five thousand dollars—a result certainly not injurious to the finances of the Commonwealth.

My views expressed in former communications on the subject of banks and banking capital, in their relations to the currency and the general interests of trade, remain unchanged. However diverse our opinions may be on this subject, it must be admitted by all, that the banking and credit systems are so intimately interwoven with the business and commerce of the country, that their sudden separation, or a rash innovation, would produce consequences of fearful magnitude. That the present system of banking is perfect, is not pretended; that it could be essentially modified and improved, will not be denied. The present derangement of the currency may and will suggest the necessity of reform, not only in the system itself, but in the management of our banking institutions.

Unlimited credits by corporations or individuals have and will ever be an unmitigated evil. They contribute to bank expansions, rash speculations, extravagant living, and excessive overtrading; always sure to be followed by ruinous reversions. What the remedy should be, I do not deem it my province, under existing circumstances, to suggest; but to be permanent and effectual, it must accord with the natural and necessary laws of trade. The currency of the country forms no exception to these laws, and should be left to their operation and control, so far as may be consistent with the public good. It is, therefore, that a system of free banking, based on undoubted public securities, and coin in such proportion to circulation and deposits as may be deemed sufficient to secure their conversion into specie, on demand, with proper limitations and restrictions, is deemed preferable to the present system.

Its introduction would correct many existing abuses not only in the system itself, but in the present mode of banking. These questions, however, with the remedies necessary to prevent a recurrence of the evils under which we now suffer, together with the nature and extent of the relief, if any, that may yet be required by the Banks of the Commonwealth, to enable them to resume the payment of their liabilities in specie, are all referred to the wisdom of the Legislature. They are practical and important business questions, and as such should receive your intelligent consideration.

The present condition of our Commonwealth and country deserves at least a passing remark. A severe financial revulsion has occurred, inducing a suspension of specie payments by the Banks, not only of this Commonwealth, but of all the States of the Union, deranging the natural and necessary laws of trade, the great interests of commerce and the industrial pursuits of the citizen.—Labor is without employment, and thousands of strong active men are now asking for work or bread. The causes assigned for these evils are almost as various as the interests or prejudices of those who undertake their explanation. To whatever cause or causes they may be referred, it is neither just nor proper to charge all our present financial and commercial distress to the Banks and their management. However much they may have contributed, other causes have operated still more directly and powerfully to produce these results; and among them first in importance and influence is the present system of low duties, in connection with the warehousing system, adopted as the policy of the General Government in 1856. The abandonment of the protective policy, as embodied in the Tariff act of 1842, was resisted by Pennsylvania with a unanimity almost unparalleled in her history. Her representatives in both branches of the National Congress strenuously opposed the repeal of that act. The evils under which we are now suffering were predicted, as a consequence of such repeal. But other counsels prevailed, the act was repealed, and the industry of the country exposed to a ruinous competition with the cheap labor of foreign nations. The disastrous effects of the repeal, were postponed by every operation of causes well understood by every intelligent citizen. Famine abroad produced an unprecedented demand for our bread-

stuffs, and the gold of California, although it may have added to the excitement of our progress, and contributed its full share in producing existing financial and commercial embarrassment, in millions, supplied the means of paying the overwhelming balances against us on our foreign importations. Under the present system of low duties, the excess of imports over exports has been beyond the most extravagant wants of the country. They have been enormous and ruinous—destructive of domestic industry, and involving the home manufacturer and some labor, in one common ruin. We have imported more than we could pay for, and much more than we needed. Pennsylvania abounds in iron ore. Iron and its manufactures are justly regarded as important elements of her material wealth; and from her abundance, if properly fostered and protected by a wise national policy, could supply the markets of the world; and yet, since the passage of the act of 1846, we have imported of iron and steel and their manufactures, more than two hundred millions of dollars in value; paid for in gold or our bonds and stocks, now held by foreign capitalists—the interest on which but adds to the burdens imposed upon us by our foreign indebtedness. The same is true of many other important branches of home industry. Many millions in value of cotton and woolen goods have, during the same period, been imported, that should have been made in our own workshops, should have been woven on American, and not on British, French or German looms.

As an example of the practical working of the system, official documents exhibit the fact, that during the past four years the imports of foreign merchandise, exceeded our exports one hundred and sixty-four million two thousand seven hundred and sixty-eight dollars; and as a consequence, the drain of the precious metals was correspondingly great. The amount of specie sent out of the country during that period, was two hundred and thirteen millions three hundred and sixty-four thousand three hundred and eighty-four dollars—specie imported twenty-six millions nine hundred and twenty-seven thousand four hundred and twenty-seven dollars; leaving a balance against us on specie account of one hundred and eighty-six million four hundred and thirty-six thousand nine hundred and fifty-seven dollars. This depleting process, aggravated by excessive imports, unsettled the currency and induced an inflated paper circulation, resulting in bank suspensions and financial embarrassment. But the evil does not end here.—An inflated paper currency, by cheapening the price of money, increases in this country the cost of production, and thus, whilst the American manufacturer is exposed, under a system of low duties, to a ruinous competition with the cheap labor of Europe, he is paid for his goods in a currency less valuable than that paid to his foreign competitor. As a necessary result the home fabric is driven from the market, and the home manufacturer ruined. The operation of these causes, stimulated by low duties, is sufficient to destroy the industrial energies of any people.

With these facts before us, it is no matter of surprise that our mills, factories and furnaces have been closed, and thousands of honest laborers thrown out of employment; that commerce has scarcely an existence, that bankruptcy and ruin are around us, and our general prosperity paralyzed. To avoid these disasters, to which we have been periodically exposed, reform not only in our system of duties, but in our national laws, becomes indispensable.

If the principle of the act of 1852 had been preserved—even if its rate of duties had been reduced, our specie by millions would not have gone into foreign coffers to build up and sustain the foreign manufacturer; home industry would be prosperous, and the cry "we want work," issuing from a thousand lips, in our large cities and manufacturing districts, would not now be heard; nor would a foreign debt of nearly five hundred millions of dollars exist to startle and alarm us. That system that practically prefers foreign to home labor,—that keeps our workshops in Europe, instead of building and supporting them here,—that takes our gold to pay the wages of the British laborer, whilst our own are without employment and without bread,—that fills the country with foreign merchandise to the exclusion of the home fabric,—that lays the British rail upon the road through our iron districts and by our rolling mills, whilst they are silent and deserted, and that invites to speculation and extravagance, is at war with every true American interest and should be at once abandoned.

It is a period of low duties has always been marked by excessive importations—large exports of specie—overtrading—bank expansions and suspensions, and financial and commercial reversions. Under the protective policy these peculiar and startling characteristics of free trade have all been wanting.—The history of the country establishes these facts: A well regulated tariff, adjusted to protect the productive industry of the country, is not only the true policy of the Government, but is a better regulator of the currency, and a more certain security against bank expansions, than any system of plans and penalties yet devised for the control of banking institutions, or the operations of capital. To this we should return. Pennsylvania is yet true to her ancient and long cherished convictions of its propriety and necessity.—She may have been misled. Political and partisan pressure may have forced her from her true position. This was her misfortune, not her fault. She sees and feels the wrong, and with an emphasis, intensified by her injuries, will demand redress; protection for herself and the great industrial interests of her people.

The agricultural interests of the country should ever be fostered and sustained by the State. They are first in necessity and usefulness, and constitute the basis of State and National prosperity. Upon their progress and development depend the success of our mechanical, manufacturing and commercial interests.

Agriculture, in its varied and multiplied relations, is the unfailing source of National wealth, and to its promotion all should contribute. Individual enterprise and liberality, State and County associations, have done much to advance this important branch of productive industry; have collected and circulated much valuable information; and encouraged by their honorable exertions, the progress of scientific and practical agriculture. Science and art have nobly proffered their aid—the State should not withhold her encouragement and support.

I have heretofore recommended the establishment of an Agricultural Bureau, in connection with some one of the State Departments, to give efficiency to the collection and diffusion of useful knowledge on this subject. Impressed with the necessity and usefulness of such a Bureau, I again earnestly recommend it to your favorable consideration. "The Farmers' High School of Pennsylvania," an institution incorporated by the Leg-