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BY JOHN B BRATTON. "OUR COUNTRY—MAY IT ALWAYS BE RIGHT—BUT RIGHT OR WRONG, OUR COUNTRY" AT $2 00 PER ANNUM.

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Political.

REMARKS OF MR. BONHAM,

On the Finances of the Commonwealth, delivered before the "Bigler Club" of Carlisle, August 30th, 1851.

Mr. President and Gentlemen—At this crisis of the Gubernatorial canvass in this State, the financial policy of the Commonwealth under the present and previous administrations is becoming a prominent topic of agitation. Independent of those questions of national policy, which are of primary importance, (but which I do not propose to discuss on the present occasion,) it is almost the only one at issue between the two parties. I propose to submit to your consideration a few plain facts on this subject, believing that they are a full vindication of the policy of the Democratic party in their administration of the financial affairs of the Commonwealth, and an emphatic rebuke to pretensions that have been recently advanced by the present Executive of the State, which, to say the least, are neither modest nor becoming in a public officer, and which are contrary to the truth of history.

Before I proceed to the discussion, I take this occasion to refer to a matter personal, to myself, and which is indirectly connected with the subject under consideration.

The editor of the Carlisle *Herald* has been good humoredly "keeping before the people," my vote on the appropriation bill last winter, in which provisions were made for two loans—one of $250,000 for avoiding the inclined planes on the Allegheny Portage Railroad—and the other of $98,000 for improving the curves on the Columbia Railway.

The sincerity of those who find fault with the Democratic members of the House of Representatives for voting for these two appropriations, may be judged of from the fact that the Whigs of the two Houses voted for a loan of $1,000,000 under circumstances which I shall detail, and yet no word of censure is uttered against them.

It is well recollected that Gov. Johnston was the father of the "Relief Law," as it was commonly called, which was passed the 4th May, 1841, authorizing an issue of $3,000,000 of government scrip, directly in the face of the 10th section of the 1st Article of the Constitution of the United States, which he was sworn then and is sworn now to support, which expressly declares that "no State shall coin money or emit bills of credit." These relief notes had been partially cancelled by Governor Shunk's administration, and it was his ardent desire that they should be entirely destroyed, as soon as the resources of the treasury would admit of that good work being accomplished. It has, however, been the policy of Gov. Johnston's administration to keep alive this unconstitutional issue of paper, and accordingly an act was passed on the 10th April, 1849, authorizing new issues to be made of these relief notes in the place of the old ones, at an expense to the Commonwealth of $10,940 00, as appears by the report of the Auditor General for the year 1850, page 57. The cancelling of these notes has been suspended, and it was the desire of this administration, that another large emission of this government scrip should be made.

Accordingly, when the appropriation bill passed the House of Representatives and went over to the Senate, Mr. Konigmacher, a Senator from Lancaster, and a personal and political friend of the present Governor, rose in his place, and moved to strike out the section before referred to, and insert in lieu thereof a section authorizing a relief loan of $1,000,000—appropriating $400,000 to the North Branch Canal; $300,000 to avoiding the mountain planes, and $300,000 to straightening the curves on the Columbia railway. Thus was a *loan* of one million of dollars proposed, a loan, too, in the most objectionable form, that of an issue of small notes in unconstitutional government scrip. Here was a proposition to increase the State debt, not $348,000, but $1,000,000, and every Whig member of the Senate voted for it; and it passed that body, and the appropriation bill came back to the House of Representatives with this unsightly fungus hanging upon it. So anxious was the Governor to force this obnoxious measure through, that his particular friends, both in and out of the House, threatened that he would veto the bill if that provision was stricken out. The democratic members were firm. The House refused to concur in the amendment of the Senate, and a committee of conference followed. That committee consisted of the following members: Messrs. Rhey (Armstrong,) Brindle (Lycoming,) and myself, democrats, and Messrs. Hart (City,) and Linton (Cambria,) Whigs, appointed on the part of the House—Messrs. Konighmacher (Lancaster,) Brooks (Chester,) Myers (Clarion,) Packer (Lycoming,) and Ives (Potter, &c.) appointed on the part of the Senate. It is not too much to say, that by the firmness of the House committee, the relief note project, the relief loan of $1,000,000 was defeated. It was the settled determination of the democratic members of the House committee to suffer the appropriation bill to fall, and adjourn without passing one, rather than yield to this ill advised scheme. The bill did fall, but not so near the end of the session as to prevent another being passed in its place.

I have now a word to say on the merits of the appropriations made by the House bill, and for which the democratic members of that body are arraigned on the charge of voting to increase the State debt. Those appropriations can be successfully defended on the strictest principles of economy and sound state policy. It was not a new and untried experiment, but had been tried with the happiest results in the appropriation before made to avoid the inclined plane on the Columbia road, at the Schuylkill, by the 38th section of the act of 10th April, 1849, which authorized a loan of $400,000 for that purpose. The saving of motive power, and the expenses of keeping the plane in repair much more than pays the interest of the loan, and will soon realize the amount of the principal—to say nothing of the great convenience to the public. Forwarding men can now make a return trip to Columbia, the same day, from the city, which formerly took the best of two days, going and coming, thus largely increasing the tolls on the road. The cost of avoiding the Schuylkill plane may be stated as follows, taken from the official records:—The amount expended under the act referred to, for the fiscal year ending the 30th Nov. 1849, according to the report of the Auditor General, was $23,000—for the year ending 30th Nov. 1850, $286,446 02—total, $309,446 02. The old road east of the plane was sold to the Philadelphia and Reading Railroad Company, by the Canal Commissioners, in accordance with the 39th section of the act of 10th May, 1850, as appears by their report for the fiscal year ending 30th Nov. 1850, (page 9) for the sum of $243,200. They say also that they have reserved property on that portion of the road sold, which, when disposed of, will probably swell the amount received for the road east of the inclined plane to $250,000.

By the 44th section of the appropriation bill of last winter, the Canal Commissioners are authorized to sell that part of the road from the foot of the plane westward to the point of intersection with the road constructed to avoid said plane. I understand from reliable authority that they have sold that portion of the road also, to the Philadelphia and Reading rail road company for the sum of $100,000—which, added to the $250,000 already named, makes $350,000 for the old road alone.

If we add to the $309,446 02, the cost of the road to avoid the plane, the sum of $40,180 00 appropriated by the 40th section of the last appropriation bill, for that portion of the West Philadelphia Railroad occupied and now used by the Commonwealth, we have the whole cost of the road and damages, so far as ascertained, at the sum of $349,626 02—less only by $373 98 than the amount received and to be received for the old road.

The annual expense of keeping up the Schuylkill plane was stated by the Canal Commissioners in their report for the fiscal year ending 30th Nov. 1848, to be equal to the interest at six per cent. of a capital of not less than $450,000—or $27,000. They stated also that at that period there was a loss to each burthen train in the time necessary to make a trip, of from 25 to 30 per cent., in consequence of the delay caused by passing up and down the plane—thus adding much to the cost of transportation.

There were many notwithstanding who violently opposed the appropriation and loan to avoid this plane, on the ground that it would increase the State debt. So far, however, from that being the case, we find it is an annual saving of the amount required to keep the plane in repair, of probably $30,000, to say nothing of the increased revenue of $50,000 more, which it will now yield by reason of the increased capacity of the road for business. This was not an appropriation for the Gettysburg Railroad, the Sinnemahoning extension, the Wisconisco feeder, and other similar projects, which were the *coup d'etat* of Joseph Ritner's administration, upon which millions of money were absolutely lost, as much so as if it had been sunk in the depths of the sea, but a matter of statesmanlike policy and sound economy. Now the proposed loans to avoid the planes on the Portage Railway, and to improve the curves on the Columbia road, would have been equally as sound policy on the part of the Commonwealth.

The expense of keeping up these planes has been immense, annually as much as the revenue derived from the State improvements on the whole mountain section from Hollidaysburg to Johnstown, paying nothing whatever upon the cost of construction.

For the fiscal year ending 30th Nov. 1848, as appears by the report of the Canal Commissioners, the receipts on the Portage road were $241,817 45, and the expenses for motive power, &c., were $247,844 17, bringing the State in debt $6,026 72 on that portion of the improvements.

For the fiscal year ending 30th Nov. 1849, as appears by the same authority, the receipts on that road were $226,466 56, and the expenses $222,663 11, being $2,196 55 more than the receipts.

For the year ending 30th Nov. 1850, the receipts were $219,203 73, and the ordinary expenses were $212,879 77, being $6,323 96 in favor of the Commonwealth. But by referring to the report of the Auditor General for the same period, the fiscal year ending 30th Nov. 1850, we find the ordinary and extraordinary expenditures amount to the sum of $332,529 32, bringing the state in debt by that improvement during the year the round sum of $113,325 59.

The tables of receipts and expenditures are made up by the Canal Commissioners from the actual amount of tolls received during the year, and the entire cost of motive power, repairs, expenses of collection, &c. The exhibits of the accounting departments, the Treasury and Auditor General's office, are made up from settlements to the close of the fiscal year, which explain any apparent discrepancy between them. It sometimes happens that the accounts of one year are finally audited and settled in the next. Hence by the Auditor General's report for the year 1848, the expenses on the portage road were $213,173 11, being $34,671 06 less than the receipts—and for the year 1849, they were by the same report $202,542 14, being $20,120 96 less than the receipts, while for the fiscal year 1850, by the report of the same department the expenses of that road are $113,325 59, greater than the receipts.

Enough, however, is thus seen from these statistics to show that this part of our public improvements, as it stands, is a constant drain upon the treasury of more than the interest of the cost of its construction, which was $1,828,461 35, and that something should be done to remedy the evil.

This is the more important at this crisis of our affairs than ever, from the fact that a rival improvement, the great Central Railroad, is now steadily pushing across the Alleghenys, and being built without planes, will take the trade and travel entirely off the State road at that point; and not only so, but seriously injure the Pennsylvania Canal. It is well known that the Central road diverges from the line of canal at Petersburg on the Juniata, about forty miles below Hollidaysburg, and follows up the Little Juniata to Altona, some seven or eight miles from the former place, and from thence will cross the mountains some distance from the Portage road. It is not to be supposed that a road with planes, and their attendant hinderances and expense, can compete with a road without them. The transportation and travel would naturally therefore take the Central Railroad route, and passing from Johnstown down to Petersburg by the way of Altona, across the mountains, would leave some forty miles of the canal, from Hollidaysburg to Petersburg, and the Portage road thirty-six and seven-tenth miles in length, comparatively unoccupied, to the serious detriment of the revenues of the Commonwealth. Besides, if a transhipment did not take place at Hollidaysburg before reaching Petersburg, even of heavy articles, they would most likely continue on the Central road to its point of intersection with the Harrisburg, Mt. Joy and Lancaster road, or the Columbia road, and thus cripple the revenues of the Commonwealth on the whole line of canal from Hollidaysburg to Columbia.

I consider, therefore, an avoidance of the planes on the Portage road as vital to the interests of the Commonwealth, and I shall sustain that measure as long as I have the honor to represent, in part, the people of this county at the seat of government.

But its construction would be an immediate saving to the Commonwealth of some ninety thousand dollars annually in actual outlay, enough to pay the interest on a debt of $1,500,000, as can be satisfactorily proved, not to mention the accessions of revenue in retaining and largely increasing the travel and transportation upon the State improvements. It is said by experienced engineers that with the necessary sidelings, five times the tonnage could be passed over a single track without planes, that is now passed over the present road, and with less confusion.

Besides the great rival for the trade and travel of the West within our own borders, the Central Railroad, we have also the Baltimore and Ohio Railroad on the South, and the New York and Erie road on the North, both penetrating the heart of a most extensive and fertile region, that has heretofore been principally tributary to our own improvements.

If any other considerations were necessary to move the Legislature in this matter, there is an additional fact entitled to great weight, which is, that the Portage road is now in such a state of dilapidation and decay, as to require to be newly laid within less than two years, at a cost of perhaps $300,000, nearly one-half of what would be necessary to avoid the planes entirely.

An exertion, therefore, would seem to be absolutely necessary to maintain the revenues and credit of the Commonwealth. The only remaining question is to ascertain whether the avoidance of these planes is practicable, and within the means of the treasury.

In addition to the statistics I have already furnished as to the expenses of the Portage road, I would refer to the estimated cost for motive power, trucks, cars, running expenses, &c., and for repairs on this road for the present year, ending 30th Nov. 1851, made by the present able Superintendent of that division of our improvements, William S. Campbell, Esq. This estimate is for motive power, &c., $222,606 28—for repairs, $63,825 00—total, $286,431 28—which is probably rather below than above what will be the actual outlay.

By the report of Robert Faries, Esq., the engineer appointed in pursuance of the act of 10th May, 1850, to make a survey of a rout to avoid the Inclined Planes on the Allegheny Portage Railroad, submitted to the Board of Canal Commissioners, January 29th, 1851, and communicated by them to the House of Representatives, February 7th, 1851, he states that the road can be made with a single track, at a maximum grade of sixty feet, for $1,125,000—at a maximum grade of seventy-five feet, for $1,015,000—at a maximum grade of eighty-five feet for $927,500—at a maximum grade of ninety-five feet, for $895,834.

The estimate for expenses and repairs on the Portage road as we have before stated, for the year ending 30th Nov., 1851, is $286,431. The cost of construction of the road at a grade of sixty feet being $1,125,000, the interest on the cost, at six per cent., would be $67,500. The expenses of motive power, cars, trucks, repairs of road, &c., as calculated from the same expenses on the Columbia road, would be $136,625—making the interest on the cost of construction, and the expenses of the road at $204,125—being an annual saving of $82,306. By the same calculation we find that on a road with the grade of seventy-five feet, the annual saving would be $88,588—on that of a grade of eighty-five feet, it would be $93,689—and on that of a grade of ninety-five feet, it would be $94,875.

The value of the old materials on the old road is estimated by Mr. Faries to be $248,650—engines $16,000—total $264,650—which deducted from the lowest estimate of the cost of the road, $895,834, would leave for the actual cost of the new road $631,184—the interest of which would be only $37,871 04. The annual saving as I have shown in the actual expenses of the two roads is nearly $100,000, sufficient to pay the interest and in a short time liquidate the principal. But the great gain to the commonwealth, would be the increased revenue such an improvement would bring upon the whole line of our public works, from Philadelphia to Pittsburg, amounting, perhaps, to nearly one half a million of dollars annually. I venture the assertion that the increased revenue would pay for the whole improvement in less than three years.

The same beneficial effects will ensue from the proposed improvement of the curves on the Columbia rail road. The capacity for business of that road will be thus vastly increased, and produce a large accession to the revenues of the commonwealth. This improvement is the more necessary from the Central road acting as a feeder to this State work, which will tax its utmost capacity, by the increased travel and transportation thus thrown upon it.

Notwithstanding all the clamor of the Whig presses of the State about the Democrats desiring to increase the State debt, we thus find the action of the Democratic members of the Legislature sustained by facts and figures—while nothing whatever is said by these unscrupulous prints against Governor Johnston and the Whig members of the Senate and House of Representatives, for endeavoring to force upon the people of the State a *relief loan*, in the shape of an unconstitutional issue of "bills of credit," of ONE MILLION OF DOLLARS. The justice of the policy of the Democratic members is fully vindicated by the result of the $400,000 loan and appropriation for avoiding the Schuylkill plane. Everybody now admits the sound policy of that measure. And by looking at the appropriation bill of last session, of 15th April, 1851, you will find in the 48th section an absolute appropriation of $175,000 for the completion of the North Branch canal, and $175,000 also to avoid the planes on the Allegheny Portage railway—and any further unappropriated money in the treasury, to be equally divided between these two improvements. So here you have two absolute appropriations of $350,000, binding the State to that amount of indebtedness, but providing no means at the time the appropriations are made for their liquidation. I hold that it is the duty of any legislative body when it contracts debts, to provide at the same time for the means of payment. It leads to caution on the part of the representative, and holds him to a strict accountability. Had that policy been pursued in Pennsylvania, her public debt would at this hour be less than $20,000,000. When appropriations of the people's money are made, let the means of payment be immediately provided, either by making a loan or by increased taxation, and then the people will know what their representatives are doing, and I venture to say that under such a system the representative will not be likely to vote for a foolish appropriation. The policy of the Whig party in this State seems to have been to make extravagant appropriations but to provide no means of payment. That was the Ritner and Stevens policy. They contracted any amount of debt, but because no loans were made by them to meet it, they seemed to think it was no debt at all, although the faith and honor of the commonwealth were pledged for its payment. That also appears to be the Johnston policy. He was willing to expend a million of dollars in the shape of "relief notes" if no bonds were issued by the commonwealth for its redemption. It was then, according to this new fangled policy, no increase of the State debt.

But besides the absolute appropriation of $350,000 by the 48th section of the act just referred to, for the Portage railway and the North Branch canal, there is also by the 55th section of the same act a loan of $98,000 at the rate of six per cent. authorised, reimbursable after the first day of December next, which loan is to be immediately applied to improving the curves on the Columbia rail road. So here are three appropriations made of $448,000 in the aggregate, two of them without loan and one with, which were supported by the Whigs and approved by the Governor, about which their presses and orators are dumb—while the vote of the Democratic members for an appropriation of $250,000 to avoid the planes on the Portage road, and $98,000 to straighten the curves on the Columbia railway, amounting in all to only $348,000, being $100,000 less than is contained in the bill approved by their own Governor—that vote, I say, is to be held up as an unpardonable sin, and the name of my humble self in glaring capitals.

I voted against the appropriation bill, which finally became a law, because it appropriated more money than the first bill, and appropriated it to the wrong places, and finally because it was shaped to avoid responsibility, and run the State in debt without the people knowing it.

But, gentlemen, perhaps I have detained you too long in reference to a matter which was perfectly plain, (to those who have the documents to which to refer;) without explanation. My apology is, that I desire to place in the hands of the Democracy of Cumberland "the facts and figures," in reference to the policy of the Democratic party in the last Legislature, so that each man for himself can confound the sophistical declarations of our Whig friends—who are very apt to get over wise on the finances of the State on the eve of an election, and who, we must all acknowledge, are sometimes a little unscrupulous as to the means employed when a political object is to be attained.

I come now to speak of the

State Debt,

so far as it has been attempted to be made a political weapon in this campaign. Our opponents are anxious to throw the blame upon the Democratic party of creating that debt, and it is asserted in high quarters that the Whigs have no part nor lot in the matter. It is even asseverated by no less a personage than Governor Johnston, that the administration of Joseph Ritner, an administration notoriously prodigal and profligate, did not increase the State debt one dollar. Governor Johnston himself is the witness in this case, and if we discredit his evidence in a matter in which he has taken upon himself to testify, we will satisfy the public that he is unworthy of belief in all things else. The Governor has recently been making speeches in the western part of this State, and a reliable correspondent of the *Pennsylvanian*, in a letter dated at Mercer describes a speech made by his Excellency at that place.—Among other topics he descanted largely upon the State debt, and according to this correspondent "He undertook to show that the State debt had not been increased under Ritner's administration; that when Porter came into office in 1839 the State debt was only $25,000,000, and that when Shunk died in 1848, it was about $41,000,000, and said with great emphasis that during these two administrations, not a single mile of canal or railroad had either been put under contract or finished, and that he defied his opponents to show that a single foot of the public works were any nearer completion at the end than they were at the beginning of this period, notwithstanding the enormous increase of near two millions annually to the State debt. What the Democrats had done with all this money, and the revenue during this time, was not for him to say, but the people might judge for themselves."

Now this is pretty bold, and I would be inclined to doubt whether the Governor had been correctly reported were it not for the fact that we have the report of a speech delivered by him so late as the 20th of this month, in the city Allegheny, published in a Whig paper, and which report we are bound to believe authentic, in which his Excellency makes the same statement in substance that I have already spoken of. In this latter speech he is reported as saying:

"The system of internal improvement left a debt hanging over us of about $40,000,000. When Gov. Ritner closed his administration, the public debt was rising $25,000,000. When I came into office it had accumulated to forty millions and a half, through the instrumentality of our opponents while in power, who had misapplied the public funds. The time was approaching when you would be forced to repudiate your public debt, or bear a burden which would be intolerable, unless some remedy was applied. The debt was increasing and would have swelled to such an amount as would have rendered its liquidation an utterly hopeless task. I looked upon it as important that something should be devised to relieve the people from the increasing burden, which not only affected the wealthier class, but another class of the community—citizens who had children to educate, and who were interested in a system of public schools. More than half a million of the public debt has been paid since he who now addresses you has been in public office."

Now this is bold indeed. He says the debt had accumulated from something over twenty-five millions of dollars, to forty millions and a half, *"through the instrumentality of our opponents* (the Democrats) *while in power, who had misapplied the public funds."* Bold assertion, indeed, unless sustained by proof to make good so hazardous a position.

Well then, gentlemen, we must go to "the law and the testimony," and see who is right and who is wrong, in this controversy. I intend to make no assertion that cannot be sustained by official records.

When the Federal and Anti-masonic party got into power, in 1835, by the election of Joseph Ritner, the State debt, as shown by the report of the State Treasurer, of 4th December, 1835, amounted to $24,995,435 56. The amount required to finish all the lines of improvement then under contract, as shown by the report of the Canal Commissioners, was $167,030 46, as appears by the journal of the House of Representatives for 1835-36, vol. 3, page 148. So that the State debt at that period after the completion of the lines of improvement then under contract was only $25,162,465 02.

Within two months after the inauguration of Governor Ritner, when the same party had a majority in both branches of the Legislature, the act chartering the United States Bank was passed, by the provisions of which act the following new lines of improvement were put under contract. See Pam. Laws 1835-36, page 365; the Erie Extension, at an estimated cost of $3,384,835 22; North Branch Extension $3,553,600 86; Sinnemahoning Extension $1,398,199 15; Gettysburg Railroad $2,550,000 00; Wisconisco Canal $416,316 51; Allegheny Feeder $652,603 00—amounting in all for work contracted to be done on these several improvements to $11,955,554 74. Towards the payment of these contracts there was appropriated, in Governor Ritner's term the sum of $1,940,000—leaving six new lines of improvements under contract and a debt virtually contracted thereon when Governor Porter came into office, of $10,015,554 74.

It is well recollected that when the United States Bank was chartered by Governor Ritner's administration, that there was a tax of one mill on the dollar upon the valuation of certain property by the act of 25th March, 1831, which was as well a source of revenue as a salutary check upon extravagant legislation. The act chartering the Bank was passed the 18th February, 1836, and was entitled "An act to repeal the State tax on real and personal property, and to continue and extend the *improvements of the State by railroads and canals, and to charter a State Bank, to be called 'the United States Bank.'"*

By the charter of the United States Bank and other banking institutions, there was paid to the State during this administration for bank bonuses the sum of $3,236,977 67. There was also received during his term of office from the general government, on account of surplus revenue divided among the States, (and which by the terms of the act of Congress granting it, may be recalled at any time) the sum of $2,867,514 78—making in the aggregate received from these sources during Gov. Ritner's administration, the sum of $6,104,492 45.

In view of these large receipts into the treasury, and the change introduced by him in the financial policy of the State, he says in his last annual message dated 27th December, 1838, with some complacency—"The State tax which was then in existence," (refering to the commencement of his administration) "without hope of termination, has ceased to be collected, and nothing but the utmost profusion can make it again necessary."

And yet we find in this same message, an implied admission that his administration had been conducted in such an extravagant and lawless manner that he despairs of the credit of the Commonwealth, and doubts whether she will be able to meet her engagements. He says—"Thus has it come to pass that notwithstanding a succession of circumstances the most fortunate, and of receipts the most ample and most unexpected, the Commonwealth is left without means to continue her own works and redeem her own faith. The contractors—her citizens—and the public generally, are, I fear, about to possess good causes of complaint that she has entered upon undertakings that she cannot accomplish; or as the only alternative, the means to complete and render productive the projects of private speculation, which have already proved so burdensome to the Treasury, and so insatiable in their demands, must continue to be granted without regard to consequences." As the Canal Commissioners were then dependent on the will of the executive for their tenure of office, it is difficult to conceive to whom he referred, when he speaks of "the projects of private speculation" which had become "so insatiable in their demands," unless this was intended as a delicate hint to the High Priest of Anti-masonry, who was one of his Canal Commissioners, and had much to do and say throughout his entire administration. Had he selected more trustworthy officers, perhaps these "demands" of private speculation, would have been less "insatiable." Be that as it may, he admits that the treasury is bankrupt, and unable to redeem its plighted faith when he is about to lay down the reins of government.

And when Governor Porter was inducted into office, the State debt, and debts due, amounted to the enormous sum of $32,789,754 22, as appears by the Senate Journal of 1838-39, vol. 1, page 303—in detail as follows: Debts contracted for public improvements, $22,229,003 23; loans not relating to canals and railroads, $1,680,000; loans for Eastern Penitentiary, by act of 21st March, 1831, $120,000; loan for Union Canal Company, $200,000; temporary loan by act of 10th June 1836, $200,000; temporary loan by act of 14th April 1838, $800,000; debts due on appropriations to miscellaneous objects, $1,545,729 86; debts due by appropriations to internal improvements, $532,057 01; debt due the United States on account of conditional loan of surplus revenue, $2,867,514 78. Amount of public debts, $30,174,304 97. To which may be added the following debts then due, and the amount necessary to put the improvements in navigable order, for which no provision had been made. (See appropriations made, Pam. laws of 1838-39;) interest on public debt due 1st February, 1839, $602,250; debts due for repairing Huntingdon breach, $380,000; debts due for repairs on improvements, $145,000; debts due for damages on improvements, $150,000; debts due contractors on the Erie extension, North Branch, West Branch, Allegheny Feeder, and Wisconisco canal, $320,000; amount drawn from the treasury by the canal officers, appointed under Gov. Ritner's administration, out of appropriations made after Governor Porter came into office, $163,812 25; amount stated in report of Gov. Ritner's Canal Commissioners "as necessary for the permanent repair of the public improvements, $749,387;" making a grand total of the State debt, and debts due at the close of Gov. Ritner's administration of $32,789,754 22—being an actual increase of the public debt of the commonwealth during the three years of his administration, although no permanent loan was negotiated during that period, of $7,627,289 20—and an actual expenditure of $10,864,266 89, counting the amount received from the sale of bank charters, and being an actual outlay of better than three millions of dollars per year over and above the ordinary receipts of the government.

Some debts were contracted during the interregnum of the Buckshot War, which are not taken into account in the foregoing estimate. The expenses of that treasonable conspiracy alone, against the rights and sovereignty of the people, amounted to the sum of $147,000. The amount of the whole public debt therefore, which was contracted prior to the day of Governor Porter's inauguration, on the 15th of January 1839, as estimated from the official records, was $34,141,663 80. On this subject Governor Porter in his first annual message says—"This aggregate State debt (with the exception of $180,000 appropriated at the last session of the Legislature to the survey of a railway from Harrisburg to Pittsburg—to stock in the Franklin railroad, and to stock in the Penn'a. and Ohio canal) was contracted *prior* to the 15th January, 1839, the day of my inauguration. It is true that the sum of $6,524,000 was authorized to be borrowed since that period, but the whole of this large amount (with the above exception,) was appropriated to the payment of debts and liabilities due and falling due in the year 1839, for the payment of which no provision had been made when I entered upon the duties of my office."

But the idea appears to have entered Governor Johnston's head, and to be prevalent among the especial friends of his administration, that no contract or appropriation made by the State, is a debt upon the commonwealth, unless it is funded or in the shape of a permanent loan. Thus they have not only the temerity to assert that Governor Ritner's administration did not increase the public debt, but that the debt was increased during the administration of Francis R. Shunk. Nothing but the grossest ignorance or a reckless disregard of truth could prompt such an assertion. It is true that a portion of the public debt has been funded during Gov. Shunk's administration. It is well known that the State failed to pay the interest on her public debt which fell due 1st August 1842, 1st Feb. and Aug. 1843, and the 1st Feb. and Aug. 1844, and that certificates of the amount of interest due were issued to each holder of the State loan, bearing six per cent interest. These certificates were not redeemed, and as they formed no part of the funded debt of the State, an act was passed by the Legislature on the 16th April 1845, providing for funding them at five per cent per annum. The amount of certificates issued for interest on loans, and for guarantied interest due Bald Eagle and Spring Creek Navigation Company, and the Danville and Pottsville Railroad Company, was $4,502,824 01, as per Auditor General's report for 1850, page 122. During the year 1845, $1,784,734 23 were funded. In 1846 there were funded *to the amount of $2,010,044 37. In 1847, the sum of $349,838 99. In 1848, the sum of $133,166 91.* In 1849, the sum of $45,616 61, as will be seen by the reports of the Auditor General for those years. There is still a considerable amount of these certificates not yet funded. Now any one can perceive that the funding of these certificates is nothing more than changing the form of the indebtedness and not creating the indebtedness itself—and yet to such sophistry and chicanery are the adherents of this administration driven.

As a distinct and positive answer to the charge of an increase of the State debt under the last Democratic administration, I read to you the following statement of the entire amount of that debt for the years mentioned, as appears by the annual report of the Auditor General.

Page		Total Debt.
46	1st Dec. 1844,	$40,835,013 60
49	1st Dec. 1845.	40,986,393 22
85	1st Dec. 1846,	40,789,577 00
85	1st Dec. 1847,	40,628,949 51
94	1st Dec. 1848,	40,474,736 93
100	1st Dec. 1849,	40,397,673 92
135	1st Dec. 1850,	40,316,362 44

Now from the gradual increase of the value of real and personal estate, subject to taxation, and the increase arising from new objects of taxation (about which we hear so much) there has not been a proportionate reduction of the State debt since the inauguration of Gov. Johnston—although the Governor repeatedly boasts of having paid off more than a half a million of dollars of that debt. The statistics I have read to you (and they are authentic) prove directly the reverse. They show that during the first year of Gov. Shunk's administration, that debt was reduced $196,816 22—the second year, $161,627 49—and the third year, $154,212 58. While during the first year of Gov. Johnson's administration the debt was reduced only $77,063 01, and the second year only $81,311 48. These are facts and figures which cannot lie. They present the whole truth of the case and are irrefragable.

Let me now, gentlemen, refer to one other branch of this, perhaps to you uninteresting subject, which has been much discussed during this canvass by the present Governor and his friends,

The Sinking Fund.

Governor Johnston has not only charged the worst portions of our public debt upon democratic administrations, but claims especial credit for having largely reduced it during his term of office by means of the financial policy, of which he avows the exclusive paternity.

In order that you may properly understand this subject, it will be necessary for me to give you a condensed history of our tax laws from the time our debt has arrived at its present enormous bulk, and the means devised from time to time to procure its gradual liquidation. Nearly all the laws for the purpose of raising revenue, were passed before Gov. Johnston was elected to his present office.

In addition to the laws then already in force, so far back as the 11th June, 1840, an act was passed "To create additional revenue to be applied towards the payment of interest and the extinguishment of the debts of the Commonwealth." Pamphlet Laws, 1840, page 612.

The 1st section of the act imposed one half mill tax on every dividend or profit of one per cent. on bank stock in addition to any taxes, rates or levies now imposed by law, and one half mill for every additional one per cent. dividend or profit.

The second section imposed an additional mill for every dollar of the actual value of all real and personal property, persons, trades, occupations and professions, then taxable by existing laws for county rates—also upon all mortgages, monies at interest, debts due from solvent debtors, by promissory note, penal or single bill, bonds, judgments, and all stocks held by citizens of this Commonwealth in any other State, one half mill on every dollar of the value thereof, on which one per cent. dividend may accrue, and an additional one half mill on every dollar of the value thereof for every additional one per cent. per annum—also upon household furniture, exceeding $300, five mills upon every dollar—also upon pleasure carriages one per cent. on every dollar of the value thereof—upon gold lever or other watches of equal value, one dollar each—upon every other description of gold watches, and silver lever watches, and other silver watches of equal value, seventy five cents—upon every other description of watches of the value of $20 and upwards, fifty cents each—upon all salaries and emoluments of office, created or held by virtue of any law of this Commonwealth, one per cent. upon every dollar of the value thereof.

The 8th section provides for the amount thus collected to be paid into the treasury of the Commonwealth, and to be vested in the Commissioners of the internal improvement fund; and so much as is required, to be applied to the payment of the interest, and the remainder, to the debts or liabilities chargeable to that fund.

By an act passed on the 3d May, 1841, commonly called the "relief law," entitled an act, "to provide revenue to meet the demands on the treasury and for other purposes"—it is provided by the 9th section, that a tax of one per cent. on persons, trades, occupations and professions, shall be imposed on every dollar of the value thereof above $200, in lieu of the one mill tax of the 11th June, 1840, and in lieu of the tax of one per cent. upon salaries imposed by that act, a tax of two per cent. was assessed on every dollar of the value thereof above $200, to be paid and applied as provided by the act of 11th June, 1840.—Pamphlet Laws, 1841, page 310.

By the 7th section of the act of 27th July, 1842, entitled an act "to provide for ordinary expenses of the government, payment of the interest upon the State debt, and for other purposes," an additional tax was imposed upon all real and personal estate, now made taxable for State purposes, of one mill upon every dollar of value. Pamphlet Laws, page 444.

By a supplement to the act of 11th June, 1840, passed 31st March, 1843, joint stock associations, upon which dividends are declared or made, were subjected to the provisions of that act. Pamphlet Laws, 1843, page 121.

By a resolution of the 19th April, 1843, the collectors of county and State taxes are required, upon the settlement of their books, to make an oath or affirmation, that they have made a true and just return of all monies by them collected, whether taxes upon real or personal property, or persons, in order to secure a more efficient execution of the revenue laws. Pamphlet Laws, 1843, page 394.

By the 32d section of the act of 29th April, 1844, entitled an act "To reduce the State debt, and to incorporate the Pennsylvania Canal and Railroad Company," all species of real and personal property then taxable by existing laws, are declared subject to taxation for all *State* and county purposes. Pamphlet Laws, 1844, page 497, &c.

By the 33d section of this act, the capital stock of all banks, institutions and companies incorporated by or under any law of this Commonwealth, on which a dividend or profit of six per cent. or more is declared, shall be taxed at the rate of one half mill on each one per cent. of such dividend or profit, and the tax shall be assessed and paid as provided in the act of 11th June, 1840; and all banks, institutions or companies which shall fail to make or declare any dividend or profit, or shall make or declare a dividend or profit of less than six per cent., shall be taxed three mills on every dollar of the actual value of the stock, estimated and appraised by their officers as therein provided.

The 34th section imposes the same tax on carriages as was imposed by the act of 11th June, 1840, viz: one per cent on every dollar of the value thereof; and the same tax on watches as imposed by that act; and the same tax upon all salaries and emoluments of office above $200, as was imposed by the act of 3d May, 1841, viz: two per cent.; and the same tax upon trades, occupations and professions whose value is above $200, as was imposed by this latter act, viz: one per cent.; and upon all other property heretofore made taxable for State purposes, or that is so made by the 32d section of this act before referred to, three mills on every dollar of the value thereof. This act repealed all laws heretofore passed for levying taxes *for State purposes; but by the 6th section of the act of 16th April, 1845, the repealing clause is construed* to repeal only the laws relating to the subjects of taxation mentioned in said 34th section.

The 36th section of this act authorized the appointment of a Board of Revenue Commissioners, for the purpose of equalizing the assessments and taxes for the use of the Commonwealth in the different counties.

Formerly the taxes had been assessed very unequally, some counties paying for State purposes less than they received for school purposes out of the treasury. Its workings have largely increased the revenue, and equalized the burthens upon the different portions of the Commonwealth.

By an act of 16th April, 1845, (Pam. Laws, page 532) entitled an act "To increase the revenues and diminish the legislative expenses of the Commonwealth," several new sources of revenue were devised:

1. Taxes on private acts of legislation, as follows: on bank charters; iron, coal and manufacturing companies; canal, railroad and insurance companies; new counties; renewing or extending charters by courts; divorces; relating to private estates or corporations; changing names.

2. On licenses, and public amusements.

3. A tax on the public loans and stocks issued by the Commonwealth, at the rate of one half mill on each and every dollar of the par value thereof, on which one per cent. per annum of interest shall accrue to the holder, and an additional one half mill on every dollar of the par value, for every additional one per cent. per annum of interest.

On the 22d April, 1846, a very important act was passed, entitled an act "To provide for the reduction of the public debt." Pamphlet Laws, page 486.

By the 1st section of this act, a tax of three mills on each dollar is assessed upon all stages, omnibuses, hacks, cabs and other vehicles; also upon all annuities over $200, except those granted by this Commonwealth or the United States, and upon all property, real or personal, not then taxed under existing laws, held, owned, used or invested, by any person, company, or corporation, in trust for the use, benefit, or advantage of any other person, company or corporation, excepting only such property as shall be so held for religious purposes.

The 8th section imposes a tax upon all loans and State stocks, the interest of which is guaranteed by the State, of one half mill on each dollar of the par value on one per cent. per annum of interest, which shall or may be paid by the Commonwealth, and one half mill for every additional one per cent. so paid.

The 12th section authorizes the appointment of appraisers of mercantile taxes throughout the different counties of the Commonwealth, being supplementary to the act of 16th April, 1845, authorizing such appraisers to be appointed for the counties of Philadelphia and Allegheny.

The 14th section increases the collateral inheritance tax, from two and a half per cent. (as it existed under the provisions of the 1st section of the act of 7th April, 1826, entitled "An act relating to collateral inheritances,") to five per cent.

Now the importance of this section may be estimated from the fact that under its provisions, the amount of collateral inheritance tax paid into the sinking fund in the years 1849 and 1850, was by the Auditor General's reports $282,507 48. The whole amount paid into the sinking fund during those years, as appears by the same authority, was $424,832 75, leaving only $142,325 27 as paid from all other sources—so that two-thirds of the whole amount paid that fund in 1849 and 1850 was derived from this collateral inheritance tax, which was devised by Governor Shunk's administration, long before Wm. F. Johnston was Governor of this commonwealth.

On the 16th March, 1847, an act was passed, authorising the State Treasurer, Auditor General, and the Secretary of the commonwealth, to prepare a bill, revising the revenue laws of the State, with such alterations and additions thereto as they may deem advisable, and report the same to the next Legislature within ten days after it shall convene. Pam. Laws 1847, page 404.

This act shows an anxious desire on the part of Governor Shunk's administration to liquidate the State debt and maintain the credit of the commonwealth.

Under the salutary laws enacted on the subject of the revenues of the commonwealth, which I have thus described, the State was enabled during the year 1845 to pay the interest on the public debt as it fell due, and to meet all other liabilities of the State without borrowing a dollar. This appears to

[*Continued on 2d page.*]