GOVERNOR'S MESSAGE.

To the Honorable the Senators and Members of the House of Representatives of the General Assembly:

[illegible] congratulate you, my friends and fellow citizens, on the auspicious circumstances under which you have convened at the seat of government. A merciful and bountiful Providence has greatly blessed our country during the year that has just closed. The desolation of war—the ravages of pestilence—the wastings of famine have not been witnessed within her limits; nor have the sickly influences of internal strife been permitted to paralyze her prosperity. All the great interests of the Union have received additional growth, and her institutions of government acquired renewed strength. Agriculture, commerce, trade, manufactures, the arts and sciences, have been eminently prosperous, and each been distinguished by some fresh discovery to facilitate its progress.

Another Presidential election has been held. Once more the people of this vast country, through the agency of the ballot box, have designated the citizen, who, for the ensuing four years, is to fill the highest office known to the Constitution. The cheerful submission of the minority, in the result of the contest, and the magnanimity of the majority in the enjoyment of their triumph, afforded gratifying evidence that our civil institutions are not, at this day, endangered from the violence of party spirit. The voice of the majority is honored by implicit obedience, whilst the rights of the minority are protected by the constitution and laws. The officer thus chosen is the representative of the whole people, and is bound by his oath and the obligations of patriotism, to do equal and exact justice to all men of whatever persuasions, religious or political. Each successive test of the elective feature of our government has been followed by renewed confidence in the whole system, and it will doubtless continue to be, so long as the exercise of the right of suffrage be characterised by intelligence and patriotism, as it now is in parts of the civilized world. The people are becoming convinced, not only of the practicability, but of the wisdom and justice of a government founded on the principles of a representative Democracy. Even the firm prejudices of monarchists, are beginning to yield to the powerful evidence furnished by our experience. The mission of the present generation is to secure the future triumph of these principles in other countries, by transmitting to posterity, unimpaired, our model system of government. That this will be done, under a kind Providence, I have a steadfast belief.

At no period since the acknowledgment of our independence as a Nation, have the people of this Union enjoyed a higher state of prosperity, or entertained a brighter hope of the future. At peace with all the world, and freed from internal strife between the several members of the confederacy, by the ready acquiescence of all to abide by the recent Congressional adjustment of the controversies incident to the institution of domestic slavery and the acquisition of new territory, when has this Union been more firm and perfect? We may well exchange congratulations on this auspicious picture, as I am sure we should mingle our thanks to Almighty God for His bounteous goodness and guardian care.

Two statesmen, long eminent in the councils of the Nation, have been called from amongst us within a brief period. Henry Clay and Daniel Webster will be known no more except in history; but their immortal record will make their good works familiar to posterity. The tolling of bells—the sable ensign and the solemn obsequies have manifested the Nation's regret. While thus lamenting the loss of those patriots, we should be consoled by the recollection, that they had been spared to fill the full measure of time allotted to man. According to the beautiful figure of one of them, presented in a discourse at New York, not many months since—measuring time by ideas and events—they had become modern Methuselahs in the extent of what they had seen of the world, and done for their country. Who could expect more, and who is not satisfied with the extent of their labors?

The receipts of the treasury during the fiscal year, inclusive of the proceeds of loans, amounted to the gross sum of $4,561,885 50, which amount added to the balance in the Treasury on the 1st of December, 1852, leaving out the unavailable means which only serve to confuse the account, makes the total ordinary means of the Treasury for the year, $5,104,424 71. The payments, exclusive of the cancellation of State stock—the appropriations of the North Branch canal and the Portage railroad, amounted to the sum of $4,129,262 49, being $976,602 12 less than the receipts. Of this excess, however, the sum of $304,024 96 was applied to the completion of the Western Division—to re-laying the north track of the Columbia railroad, and to other extraordinary repairs on the public works, leaving an actual available balance in the Treasury on the 1st day of December, 1853, of $971,037 72. But it must be observed, in order to a correct comprehension of the relative condition of the Treasury, that the unpaid balance of the appropriations for 1851, amounted to $621,338 95, whilst those of 1852 only reach the sum of $529,801 14, showing a difference in favor of the latter year of near $100,000.

The receipts into the Treasury for the coming year may be safely estimated at $4,626,500. Taxes from real and personal estate and tolls on the public works, are the only sources of revenue in which there can be any considerable variation from this estimate. The former of these I have estimated at $1,400,000, and the latter at $850,000. To the above estimate must be added the sum of $681,037 77, the balance remaining in the Treasury on the 1st day of December, 1853, and thus swelling the whole means of the Treasury for 1853, to the sum of $5,297,537 72. The ordinary expenditures for the same period, including everything except new work, may be estimated at $4,028,670, which will leave a balance in the Treasury on the 1st of December, 1853, of $1,271,206. In this expenditure is included $300,000 for the sinking fund which added to the foregoing balance, makes the sum of $1,571,206; deducting from this, $671,037 72, the amount in the Treasury on the 1st of December last, we shall find an actual balance of $898,630, applicable to the payment of debts and the completion of the North Branch canal and the Portage railroad. The result of these estimates demonstrate most clearly to my mind that when the improvements just named shall have been completed, should all new schemes of expenditure be sternly resisted, as they shall be, so far as I am concerned, the Treasury will be in a condition to cancel at least one million of dollars of the public debt annually.

In accordance with the provisions of an act of the Legislature, approved the 2nd day of April 1852, I proceeded to borrow, on the faith of the Commonwealth, eight hundred and fifty thousand dollars for the completion of the North Branch canal. The maximum rate of interest named in the law is 6 per cent. The loan was awarded to Messrs. Harris & Co., for C. H. Fisher, of Philadelphia, Duncan, Sherman & Co., New York, and George Peabody, of London, on the 12th of June last, as follows: $200,000 at an interest of 4½ per cent., and $650,000 at an interest of 5 per cent., and the bonds of the State issued accordingly, in sums of one thousand dollars each, free of taxation, with coupons attached, re-imbursable in thirty years after their date.

The 100th section of an act to provide for the ordinary expenses of the government and other purposes, approved the 4th day of May, 1852, declares "that the Governor and State Treasurer be, and they are hereby authorized and empowered to borrow on the faith of the Commonwealth, during the year 1853, at such times, and in such amounts, as they may deem best for the interest of the State, any sum not exceeding five millions of dollars, and issue the bonds of the Commonwealth for the same, bearing a rate of interest not exceeding five per cent per annum, payable semi-annually, which bonds shall not be subject to taxation for any purpose whatever, and shall be re-imbursable in twenty-five years from their date; and the sum so borrowed shall be applied to the payment of the 6 per cent. loans, that are payable at the option of the Commonwealth, after the years 1846 and 1847; to the cancellation of the certificates issued to domestic creditors, and the outstanding and unclaimed interest certificates, in the manner hereinafter provided; and the balance of said five millions shall be applied to the extinguishment of any of the five per ct. bonds of the State, now outstanding, and for no other purpose."

In compliance with this and the other sections of the law relating to this subject, the State Treasurer, Auditor General, and myself, proceeded to make the loan of five millions. The detail of our action will be found in the State Treasurer's report.—The 6 per cent. bonds, the domestic creditor certificates, and the certificates for outstanding interest, have been cancelled as fast as presented, and the money is now in the Treasury to pay off the entire balance. On opening the bids on the 7th of September, we discovered that only $3,410,000 had been bid for, and owing, as we thought, to a slight misunderstanding between our Government and that of Great Britain on the Fishery question, which seemed to disturb the monetary world for a short season, the bids were not so favorable as we had anticipated; we nevertheless, felt bound by the terms of our public notice, to accept the amount offered. The remainder of the five millions has been used in the cancellation of the 6 per cent. bonds, by the exchange for them of new bonds, bearing a like interest, for which exchange the Commonwealth has received a cash premium of 5 per cent., which is a more advantageous loan for the State than were the bids opened on the 7th of September.

The premiums received on this loan amounted to $134,534 00, which sum, in accordance with the terms of the law, has been paid over to the Commissioners of the Sinking Fund, to be applied to the cancellation of the public debt. In addition to the premiums, there will be annually saved to the Treasury, by the reduction in the rate of interest on the renewed debt, the sum of $20,436 62, which for twenty-five years, the period which the loan has to run, will amount to a saving of $510,915 50. This result is not quite equal to my expectations; but when it is remembered, that all this has been accomplished without the exaction of a dollar from the people, we have much reason to be gratified with the issue.

In our efforts to effect a conversion of the five per cent. loan into new bonds bearing 4 per cent. interest free of taxation, with coupons attached re-imbursable in 30 years, under the 105th section of the law already referred to, after consultation with a number of the most experienced commercial men of the State, we deemed it our duty to send an agent to Europe, where most of the five per cent. bonds are held, to promote, as far as possible, the desired end. Accordingly, we assigned to Col. John I. M'Cahen, of Philadelphia, the performance of this duty. This gentleman immediately repaired to London, and subsequently to Paris, and devoted himself, for some weeks, to the objects of his mission with zeal and untiring energy. Whilst it is true that we can claim for his efforts the credit of no definite result, we are nevertheless decidedly of the opinion, that his mission has been of great service to the State. His minute knowledge of the whole history of the financial difficulties of Pennsylvania, their cause and the remedies applied, enabled him to remove many unfounded prejudices which were cherished in the money circles of that country, against the integrity and honest purposes of the descendents of Penn. Mr. M'Cahen thinks he could have effected a conversion of a large portion of the loan at 4½ per ct. but the officers of the government had no power under the law to allow a greater interest than 4 per cent.

I respectfully recommend the passage of a law similar to that of the 4th of May 1852, authorizing the officers of the government to cancel the old five per cent. bonds, by the creation of new ones, free of taxation, with coupons attached, bearing a less rate of interest or bonds bearing 5 per cent. on which not less than 5½ per cent. of cash premium shall be paid. The State can, in this way, I believe, confidently, save a large amount of money, and finally cancel all her present bonds, and be clear of the trouble and expense of keeping loan books and transferring her stock. This consideration alone is a most desirable end, and would go far towards compensating for all the labor and trouble of renewing the bonds for periods of five, ten, and twenty five years.

The financial operations of the year, including the North Branch loan of $850,000, I am greatly gratified to discover, has left but little additional burthen upon the Treasury. The interest on this loan will amount to $41,500, annually. Deducting from this the sum of $20,436 62, the yearly saving secured by the cancellation of our six per cent. debts, and we have a balance of interest on the North Branch loan to provide for of $21,063 38. The receipts to the Sinking Fund from ordinary sources, up to the close of the fiscal year, amounted to $221,493 74, which when added to the premiums received on the five million loan, and the tax from the Pennsylvania railroad company, make a total of $377,298 40, the interest on which, at 5 per cent. will make an annual saving of $18,864 92, and thus together with the interest saved by the five million loan, as above stated, will entirely exhaust the whole amount of the interest on the North Branch loan, less $2,194 46.

It is proper to remark, in this connection, that a considerable portion of the State stock, purchased for the Sinking Fund, was not delivered at the State Treasury until after the close of the financial year, and hence this investment is not stated in the report of the Auditor General.

The receipts from the public works for the fiscal year 1852, as appears in the report of the Canal Commissioners, amounted to the sum of $1,896,811 42, and the ordinary expenditures for the same period, to the sum of $1,029,341 23, leaving a net revenue to the State of $867,470 19. This result when compared with that of the last and preceding year presents a somewhat flattering picture. It must be remembered, however, that we have had a most fortunate season. The general prosperity of the State has tended to swell the amount of tonnage, whilst no interruptions of business or injury to the works have resulted from fire or floods. It might, perhaps, in view of these things, and the energetic competition which has grown up around us, be unsafe to anticipate any increase on this net income for any year hereafter, until the North Branch canal and the Portage railroad shall have been completed.

Pressed on all sides by rivals of vast power, the necessity for an economical, energetic and skillful management of the public works is made manifest. The utmost vigilance to prevent interruptions by breaks, the greatest skill to regulate the rate of tolls, and other details, so as to secure an increased amount of tonnage, and the prompt abolition of every unnecessary office or other cause of expenditure, is demanded by the exigencies which surround us.

The law passed at the last session, forbidding the creation of debts by the officers on the public works; requiring the payment of cash for all labor and materials, and monthly returns of all receipts and expenditures has already and will continue to exercise a salutary influence. As a consequence, the expenditures will be much decreased, and the receipts transmitted to the Treasury with the greater promptitude. The administration of this law, however, I regret to say, has not been as efficient as it should be hereafter. Its failure was owing, into some extent, to a deficiency in the appropriations and to other difficulties incident to the introduction of a new system of business. This and other reforms so wisely commenced within a short period, with such additional retrenchments as experience may have shown to be practicable, will doubtless be rigidly carried out in future, by the officers controlling that branch of the public affairs.

The net increase of profits on the Columbia road for this year over the profits of last, is but little short of one hundred thousand dollars, whilst the net losses on the entire operations on the Portage road have exceeded that sum. The direct unavoidable and incidental expenditures on this latter road, must necessarily be very heavy. Whether it be practicable to arrest this monstrous demand upon the Treasury, by any other means than the avoidance of the planes, is a question I am not prepared to answer, for I have not looked into the details of the subject.—Certainly a more honest and devoted public servant could not be found, than the gentleman who superintended the operations of this work for the last year. Both he and the Canal Commissioners concur in the opinion, that this growing expenditure is owing to the increased business and the dilapidated condition of the road.

The avoidance of those planes—the completion of the North Branch canal, and the re-laying of the north track of the Columbia railroad, are subjects which will claim your early attention. These measures were all in progress when I came into office. In a special message to the last Legislature, I declared the opinion, that they were necessary to the public welfare, and should be speedily consummated. I still entertain these views.

Should the General Assembly adopt this policy, it will be for them to provide the means to sustain the Treasury under this increased demand udon its resources. In another part of this communication, I have given you my views touching its future condition. No permanent loans, it seems to me, should hereafter be made for any purpose whatever; nor should the Sinking Fund be diverted from its legitimate ends. The General Assembly may, however, in view of the pressing necessity for the immediate completion of these improvements, deem it wise to authorise the anticipation of the surplus which may accrue in the Treasury for one or two years.

When the foregoing schemes shall be completed, the government, in my opinion, should abandon entirely the policy of constructing improvements of this character. The circumstances which made it right and wise for the State to participate in such work, have passed away. Grand avenues have been constructed through nearly all parts of the State, whilst individual capital has increased, and is rapidly occupying every feasible scheme of the kind. With my present impressions, I shall under all circumstances, resis the commencement of any new project of this character.

An unpleasant misunderstanding has existed for somb time between the Board of Canal Commissioners and the Pennsylvania railroad company. The points in the controversy have been passed upon by the highest judicial tribunal in the State, and the decision on each made known to the public.

The management of the public works is an independent branch of the public service, and has been confined to the care of agents selected by the people. It might seem unbecoming, therefore, in an officer of this department of the government to discuss the action of the highly competent gentlemen who at present discharge the troublesome duties appertaining to the office of Canal Commissioner; nor can any good result from a discussion of the policy which has heretofore governed the Pennsylvania railroad company.

As a citizen, and as a public officer, I I have ever felt a deep interest in the success of the great enterprise commenced by this company, and have inclined to facilitate its objects so far as they may be consistent with the interests of the State. This corporation should be allowed to enjoy its legitimate rights without being permitted to infringe those of the State.

It is cause of regret that feelings should have been excited, calculated to lead to an unnecessary rivalry between the main line of the State improvements and the Pennsylvania railroad. These avenues of communication between the east and the west should be made to move in harmony, so far as that may be practicable. They will doubtless be competitors for certain kinds of tonnage, but in the main, under proper regulations, the conflict conflict could not be very injurious to either. The railroad, with a single track, cannot have the capacity to transport more than one-half the tonnage destined from the west to the east, nor is the State line adapted to that branch of business most desired by the railroad. I can see no reason why one of these great improvements should be so controled as to destroy the other. In all their elements, their objects and consequences, they are both eminently Pennsylvanian, and should, it seems to me, be so controled as to promote the trade, commerce and general prosperity of the State.

The interest which the State has in the receipts from this branch of her improvements should be guarded with jealous care; in doing this, however, we should not forget that this is not the only interest involved—that those of trade and commerce, are quite as important to the people. A policy looking exclusively to the former of these considerations, might measureably destroy both interests. We have no income for the coffers of the government without trade and tonnage. We may have the latter without the former. Our efforts should be to secure both. If the force of competition from foreign rivals should defeat us in this, we should then yield much of the revenue to save the trade, rather than lose both. I am not inclined to excite alarm in reference to the success of the State line. I believe that it will continue, under the worst circumstances anticipated, to receive a fair share of the through and local tonnage. What is most to be desired is, that the facilities possessed by those great artificial highways shall be united, as far as possible, to counteract the influence of their rivals outside of the State.—The exercise of a wise discretion, such as should, and doubtless will, govern the action of those interested with the control of this subject, may, it is hoped, lead to the attainment of this desirable end.

There are still in circulation about six hundred thousand dollars of the relief issues, a considerable portion of which have become so defaced and ragged as to render their future use almost impracticable. About $250,000 of the old notes were cancelled at the Treasury during the past year, under the provisions of the act of the 16th April, 1849, and a like amount of new notes issued by certain banks, for which the State paid these institutions two per cent. The efficiency of the law of 1850, prohibiting the circulation of the small issues of other States, has been greatly weakened by the continued use of the relief issues under the denomination of five dollars. The presence of these notes familiarizes the people to the use of small paper, and prevents the circulation of coin; whilst the officers of the law, in many instances, make this a pretex to evede the duty of scrutinizing their currency. The law of 1850 never will, I fear, be thoroughly vindicated so long as this depreciated paper is permitted to supply the channels of circulation. To remedy this evil, three modes have suggested themselves to my mind. The first is—to allow all holders of these notes to convert them into State bonds, bearing a rate of interest not exceeding four per cent., in sums of not less than one thousand dollars. The second is—to apply the means of the Sinking Fund to their cancellation. These notes are as much a debt against the State as are her bonds, and it would be the legitimate work of this fund, to take them out of existence. The third is—to apply to this purpose, all the premiums that may be received from a farther conversion of the present debt into new coupon bonds, as suggested in another part of this communication. Should the latter idea meet your approbation, the Sinking Fund can be made the instrument of performing the practical work of cancellation. By the adoption of this policy, this illegitimate currency would be removed from the channels of circulation without entrenching upon the present means of the Treasury, or imposing new burthens on the people. With the necessary legislation, I confidently believe that this end can be accomplished.

I hope, therefore, most sincerely, that the General Assembly, in the exercise of its wisdom, may devise some mode of bringing about a speedy cancellation of these notes.

The currency of the State generally, seems to be in a sound condition, and to be sufficient in the aggregate amount, to answer the ends of trade and commerce. An increase of paper circulation at this time, would, in my opinion, be unwise policy. The legitimate ends of business do not seem to demand such increase.—Indeed the fact cannot be disguised, that to a considerable extent the present upward tendency in the prices of goods and property, is the consequence of the abundance of money. This advance in nominal values is rapidly approaching an unnatural elevation and should excite jealousy rather than confidence. The indications that we are on the eve of a dangerous inflation of prices and an artificial expansion in commercial and other business affairs, are too clear, it seems to me, to be misunderstood. This tendency should not be stimulated by an increase of paper money. It is the part of wisdom to restrain, rather than heighten this excitement. To the influence of the unparalleled amount of gold furnished to the world by the mines of California and Australia, during the last year, may undoubtedly be attributed, in no inconsiderable degree, the production of this state of nominal values. The careless observer may regard this result as a real advance in the value of goods and property, when in fact, it is only a cheapening of the standard by which these things are measured. Like all other commodities, money will depreciate so soon as an excess of it be placed in the market.

A common effort, it seems to me, might be wisely made, throughout our vast country to prepare the channels of circulation for this great increase of coin. Bank notes of a less denomination than five dollars, now occupying a large space in these channels, should be forced to give way for the precious metals. Pennsylvania, I am confident, will most cheerfully, now and hereafter, perform her share of this great work; and I hope to witness, at no remote period, a general movement of all the States on this subject—first to remove from circulation all notes under five dollars and next the fives also.

I am fully aware, that in declaring this sentiment I am encountering a strong adverse feeling, nor am I insensible to the difficulties which would surround its practical adoption; but, entertaining the conscious belief, as I do, that it is the true policy of our country, as regards her commercial rivalry with other nations, I should be unworthy of your respect, or of the confidence of the people, if I did not so declare.

The dissemination of the precious metals to points remote from our commercial emporium, should be facilitated by every proper means. Such distribution cannot be fully accomplished, so long as the channels of circulation are supplied with small paper issues. Every merchant should endeavor to draw coin into the interior of the country; not only because it is the best currency for the use of the people, but because of the great protection it affords against the consequences of commercial revulsions. When these come, and the banks at the seaboard close, and country paper depreciates, the merchant can then fall back on this coin for relief. But if we desire to have the precious metals amongst us we must make room for them. Both will not circulate at the same time, in the same channel. There is, perhaps, no principle in political economy more completely settled, than that which demonstrates that two kinds of currency, differing in value, cannot circulate at the same time. The less valuable of the two will be constantly on the surface and obtruding itself upon the use of the public, whilst the more precious article will retire to quiet vaults.

The efforts of a single State, however, it must be apparent, can do but little in this great reform. To be complete, it must be the work of the whole country.—Forced vacuums in the channels of paper circulation in one State, are readily supplied by the issues of another and thus the effort to introduce coin is defeated. No other feature in the policy of our country, I sincerely believe, so deeply concerns all our great interests as this subject of the currency. In vain will the manufacturer rely on the tariff laws for protection against foreign competition, so long as the nominal values are greatly inflated by an excessive issue of paper money. All his theorizing about specific duties and home valuations will avail him nothing, if the upward tendency of prices out runs the rate of duty. The paralizing effect of an inflated currency upon all our State and national interests when closely pressed by foreign competition cannot be concealed. "It virtually opens our ports to invite such rivalry against all these pursuits, and no rate of tariff that the wisdom of Congress can devise, within any reasonable limit, can counteract its influences. It greatly enhances the nominal prices of goods and commodities in this, above what they will bear in other countries, whilst at the same time, it retards rather than facilitates their production. It thus gives the foreign producer the opportunity of manufacturing at the low rates of his own country, and selling at the inflated prices of ours; for he receives his pay, not in our depreciated paper but in gold and silver. It is this State of the currency more than any other feature in the policy of this country, that enables the foreign manufacturer to compete with, if not to undersell the American producer in our own markets."

Special legislation to create corporations has usually occupied much of the time of the General Assembly. This business will doubtless be pressed upon your consideration during the coming session. It is right and proper, therefore, that I should declare to you fully and frankly my views touching this whole subject.

These artificial bodies are created by extending to an association of individuals powers and privileges not enjoyed by the mass of the people under the general laws of the State. One important class of these seems to result from public necessity and to have no object but the promotion of public convenience. Another, however, seems to look solely to the private gain of the parties interested. Among the former may be classed corporations to facilitate the construction of roads, bridges, railways, canals, &c., the direct tendency of which is to promote the comfort and prosperity of the people generally. To accomplish these ends, the association of capital under the corporate powers, imposing only a limited liability on the corporators, may be wisely encouraged. In reference to such, the policy of the State seems to be well settled. In the latter class may be placed all kinds of corporations to promote the ends of individual gain, as connected with the ordinary business enterprise of the country. With regard to such, the legislation of the Commonwealth has been extremely uncertain.

I entertain the opinion that, as a general rule, corporations of this character are not essential to the public weal—that whatever legislation may seem necessary to facilitate the business of mining and manufacturing and the various other pursuits for which corporate powers are usually sought, should, as far as possible be general in its character and be available alike to all. There is, it seems to me, no evidence to be found in the history of our Commonwealth, or in that of any other State, that these great interests are more successfully managed by special corporations than by individuals or associations under general laws. Whilst in the experience of all, it is made very apparent that individual efforts and experiments are much less liable to entail injury upon society at large. That energy, independence, integrity and purity which usually characterizes individual operations, are not, as a general rule, so well maintained in the efforts of artificial bodies. Ambition, pride and responsibility, the great incentives to action, seem, to some extent, to lose their proper influence over individuals thus associated together. Carelessness, inefficiency and prodigality are too often the fruits of a light interest and limited responsibility on the part of those entrusted with the management of incorporated companies.

But why should these special privileges be desired? Are they intended to shield the parties interested from the full force of the loss where an enterprise may prove unsuccessful? If so, how shall we grant such great advantages to one citizen and deny them to another? Equality of rights to all is an elementary principal of our government. If, therefore, for mining, manufacturing and other pursuits, corporate powers are to be granted, how shall the Legislature refuse similar privileges to the farmer, the miller, the hatter, and the shoemaker? If one class of citizens are to have the opportunity of experimenting in their chosen business, on only a limited liability for the losses, all can justly claim a like advantage. We should thus be led step by step, in the creation of these artificial bodies, until the field of personal enterprise would be occupied by privileged classes—individual enterprise by completely prostrated beneath the power of concentrated wealth and special privileges, and the relative position of the people rendered less equal than before the system was commenced. We must notice, in addition, the palpable injustice of its practical operations as compared with those of the individual citizen. A corporation is organized on the principle of a limited liability of the stockholders—its business is unwisely chosen, or unskillfully managed, and it results in failure and loss. The stockholders, in such case, lose the amount they may have paid in, and the remainder of the loss falls upon innocent parties, who, misled by its great nominal capital have become the creditors of the institution. An individual engaged in a similar enterprise, meets a like fate, and the last item of his personal estate is sacrificed to pay the debts he has thus incurred.

But it is said that capitalists will not invest their means in hazardous enterprises, if required to bear more than a limited liability. I am confident that you will agree with me, that this reasoning in favor of special privileges has no foundation in correct principle, and is not, therefore, entitled to favorable consideration. In a mere business point of view, the position is not a sound one. If a given enterprise be hazardous, it is the less liable to competition and the more lucrative, if successful. But if it be a dangerous business, and, there-