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THE LANCASTER INTELLIGENCER. PUBLISHED EVERY TUESDAY, AT NO. 8 NORTH BUREAU STREET, GEO. SANDERSON, PROPRIETOR.

ANNUAL MESSAGE OF THE GOVERNOR OF PENNSYLVANIA.

READ JANUARY 7, 1863.

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

GENERAL STATEMENT.—Notwithstanding the pressure of a calamity which has weighed heavily on the country during the past year, it has pleased Divine Providence not only to enable the people of Pennsylvania to perform in full all their duties to our common government, but to give to this Commonwealth domestic peace, plenty and prosperity.

The balance in Treasury Nov. 29th, 1861, was \$1,561,805 72 Receipts during fiscal year ending Nov. 30, 1862, were \$4,047,822 39

From various banks as an equivalent for coin for the payment of interest on Public Debt 140,768 30 Refunded cash, military 29,566 42

United States Government 606,740 62 6,211,747 63 Total into Treasury for fiscal year ending Nov. 30, 1862, was \$6,768,368 35

And the payments have been as follows: For ordinary purposes, \$3,068,110 06 Paid on State interest as an equivalent for coin, 146,831 22

Military expenses, Act April 12, 1861, 7 62 Act May 15, 1861, 460,548 68 Military expenses, Act May 15, 1861, 1,217 20

Military expenses, Act April 16, 1862, 20,607 04 Military expenses, Act May 15, 1861, 400 64

Commissioners of Sinking Fund, Domestic Creditors 427,881 61 Loans redeemed, 100,000 00

United States Government Direct tax, 850,000 00 4,590,609 25 Leaving balance in Treasury Nov. 30, 1862, \$2,172,844 10

Of which amount one hundred and ninety thousand and five hundred and seventy-eight dollars and twenty-seven cents is the balance of unexpended military loan, as follows: Balance of said fund Nov. 30, 1861, 390,507 41

Expended under Act May 15, 1861, 387,850 00 Paid for military expenses as above, 482,781 14

Paid for redemption of temporary loan, 100,000 00 682,781 14 The healthy condition of the revenues, and the excess of the receipts over the expenditures, secured by the rigid economy which has been practiced, (especially considering the necessary increase of taxes by the National Government), seem to invite the attention of the Legislature to the revision of the revenue laws with a view to lightening the burdens of the people. In this connection it is proper to invite your attention to the justice and expediency of restricting the rate of local taxation.

Amount of public debt of Pennsylvania, as it stood on the 1st day of December, 1861, \$40,880,068 08 Additional amount received at the State Treasury during the fiscal year ending Nov. 30, 1862, on Military Loan, authorized per act of May 15, '61, 387,850 00

Amount of public debt of Pennsylvania, as it stood on the 1st day of December, 1862, \$40,880,068 08 Deduct amount redeemed at the State Treasury during the fiscal year ending Nov. 30, 1862, viz: 5 per cent. State stocks, \$268,809 49 4 per cent. State stocks, 100,000 00

Interest certificates, 17 26 Relief notes, 1,411 00 Domestic creditors' certificates, 64 52 Military Loan per act of May 15, 1861, April 12, 1861, 100,000 00 \$ 520,302 26

Public debt Dec. 1, 1862, \$40,448,213 82 Towards the extinguishment of the public debt, the Sinking Fund holds securities amounting to ten millions seven hundred and eighty-one thousand dollars, as follows:

Bonds of Sunbury and Erie Railroad Company, \$3,500,000 Bonds of Pennsylvania Railroad Company, 7,000,000 Bonds of Wyoming Canal Company, 281,000

Should there be no extraordinary demand on the Treasury, there can be appropriated from the large balance now on hand and the increasing revenues, at least a million and a half of dollars during the coming year towards the payment of the public debt.

The operations of the Sinking Fund during the last year have been shown by my Proclamation of the 8th of September last, as follows: Amount of debt of Commonwealth reduced, \$262,801 67

As follows, viz: State Loans, \$261,178 74 Interest certificates 370 41 Domestic creditors' certificates, 64 52 Relief notes cancelled, 11 88 \$262,801 67

It will be observed that the fiscal year ends on the thirtieth of November, and the Sinking Fund year on the first Monday of September. It is the reason for the apparent deficiency in the amount of debt paid as stated in the Treasurer's Report and by the Commissioners of the Sinking Fund.

Under the Act of 11th of April, 1862, I appointed Wm. McClellan, McClellan and M. Russell Thayer, Esquires, as Revenue Commissioners, who have prepared a report, and will submit the result of their labors to the Legislature, to which I invite attention.

I refer to the reports of the State Treasurer and Auditor General for the details of the financial affairs of the Commonwealth. The reports of the Surveyor General, Superintendent of Common Schools, and State Librarian will exhibit the state of the departments under their care.

In accordance with the Act of 10th of February, 1862, the quota of this State of the direct tax on the United States, amounting to one million nine hundred and sixty-six thousand seven hundred and nineteen dollars and thirty-three cents, was on the 14th of June, 1862, paid in full, partly by a voluntary relinquishment of a portion of the same claimed by this State from the Government and partly by the act of deducting the fifteen per cent. payment. Pennsylvania thus paid her quota of the direct tax before any other State.

Under the Act of 20th of February last, I issued my warrant authorizing the State Treasurer to deliver to the Philadelphia and Erie Railroad Company one thousand of the bonds deposited in the Treasury on the 14th of June, 1862.

On the 20th of November I deposited a similar warrant. Both warrants were duly received and reported from John A. Wright, Esq., the Commissioner appointed for the purpose, that the proceeds of the bonds previously issued had been appropriated in full to the payment of the interest on the bonds of the Pennsylvania and Erie Railroad Company. The company has now received three of five millions of bonds deposited in the State Treasury.

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The interest on the Sunbury and Erie Railroad bonds in specie or its equivalent in conformity with the existing law, at the cost of one hundred and forty-six thousand six hundred and twenty-two dollars and fifty cents, (\$146,622 22), for the difference between specie and paper currency, of which the State has advanced the sum of \$110,000. The balance of said fund on Nov. 30, 1861, 390,507 41

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On the 4th of August, a draft of three hundred volunteer militia, to serve for nine months, was ordered by the President, under the act of Congress of 17th July, 1862, and regulations were made by his authority in accordance with the terms of the call of the President. A large portion of the amount has already been paid. Having accomplished the duty assigned to me, I returned to the State of Pennsylvania, and am enabled to speak of the courage, fidelity and cheerfulness with which the men suffered and endured privations, and bore the fire of the rebels, and the hardships of military life the service that was required of them.

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