sonal estate, received during each year, is more than the assessment of a year, the excess being from outstanding taxes of previous years."

The balance in the treasury on Dec. 1st, 1844, was	$663,851 85
Balance in the treasury, Dec. 1st 1848, was	577,290 39
Deficit in balances in treasury in 4 years,	$86,561 46
Had the law of May 31st, 1844, been complied with by the cancellation of the relief issues, the additional charge would have been made on the treasury of	[illegible]
Which added to the above deficit makes	[illegible]
Deficit [illegible]	[illegible]
Real deficit under existing laws,	[illegible]

in four years, exclusive of extraordinary expenses.

The operation of laws on the part of the national government, framed with a view to the assessment of duties and collection of revenue, is a subject seriously affecting the finances of the Commonwealth. No State in the Union depends to a greater degree on the advantages of wholesome enterprise, and the safe employment of capital, on the stability and agency of laws affording reasonable protection to domestic industry.— Our mountains, filled with rich deposits of iron and coal, invite the manufacturer to employ his skill and capital in these commodities, and when they are in demand the whole productive business of the State prospers. No interest feels the pressure of foreign competition more keenly, none requires more certainly the fostering care of government, none spreads to a larger extent the active industry of all classes of citizens than the peculiar manufacturing establishments of our own State. The system established by the act of Congress of 1846, framed for the purpose of revenue and discriminating against (rather than for) protection. The effect of such laws would necessarily be, if continued, to strike down the manufacturer and to depress every interest which directly or incidentally leans on him for support.

Of the interests favorably affected by the establishment of manufactories, none deserve more especial notice, than the laboring and producing classes. These compose the great mass of our population, and in all respects differ radically, from the same class in other countries. Here, they are a part of the government itself, and as such, are frequently required, in the exercise of the Elective franchise, to decide questions the most momentous, affecting even the stability and duration of our free institutions. In the formation of the government under which they live, they were a component of the Sovereignty which had wrested from a foreign power the independence of the Country, and took with others an equal part in the difficult questions involved.— To enable them to discharge in a proper manner the duties they owe to the Country, to others and themselves, a portion of their time should be given to the examination and consideration of private questions. By the reward of their labor they should be enabled to elevate their condition in society, to command for themselves and families, not merely the necessaries, but the comforts and even the luxuries of life, to give to their children the benefits of reasonable education, and to ensure a competence when age has disqualified them for active employment. The price of labor is regulated by its demand, and the value of the article it produces. [illegible] small, and the produce of that labor in price, the reward of industry is comparatively reduced: when the demand for labor is increased, it rises in value, and receives an adequate reward. Hence, whatever increases profitable labor, is substantially beneficial to the working classes, and affords them the means of comfort; the delights of rational enjoyment, and the opportunity of exalting their condition and performing with safety to the country the duties of citizens.

The manufacturer, if he be sustained in his enterprise, produces this result, by opening to the laborer a new source of employment. It is frequently urged, that the system of protection to domestic industry is of more interest to the manufacturer than to the laborer, as it enables him to dispose of his fabrics for a higher price, and to realize a better profit on his capital; but is not the capital of the laborer also involved in the fabric, and does he not receive a reward in proportion to the value of the article?

Let it be remembered, also, that his daily bread,—the wants of his family,—the education of his children, all depend upon the success of the establishment at which he is employed, and the objection can have but little weight. It is also urged that a reduction of nominal values to a specie standard, would produce a result, requiring for domestic labor, no protection on the part of government. A doctrine of this nature is radically wrong, and at variance with the principles on which our free government is founded. Bring down the standard of prices for labor to a specie standard; allow no greater reward for industry in this country than in England, and the working classes are necessarily forced into the condition of foreign operatives, compelled to labor constantly and diligently to earn for themselves a miserable subsistence.— All the luxuries, many of the comforts and even the necessaries of life, must be denied to them, while the education of their offspring must be wholly neglected. These observations apply to the laborers engaged in the business of mining, and transporting our coal to market, as well as to the operatives more directly employed at manufactories. After the demand for household use is supplied, this article must seek a market in those districts of country, where manufacturing industry abounds, and the demand for it increases or diminishes in proportion to the active operations of these establishments. Hence, every fire that is extinguished, and every wheel that is stopped, lessens the demand for coal, decreases its value in the market, and reduces the prices of labor, by lessening its value to the owner of the article. When to this is added the fact of competition from abroad, underselling in the home market the domestic article, the occupation of the laborer is destroyed, and the ruin is complete. The revenue system invites such a result, while the system of discrimination for protection forbids it.

Other classes of society are also injuriously or beneficially affected, as the laws on this subject favor the one, or the other policy. The agriculturist, inclined to measure the general welfare by the prices of his produce, and to remain contented while these are satisfactory, is required, only, the exercise of his practical knowledge, to be informed, that he suffers also, by a policy which strikes down the manufacturer. The home market is his only sure reliance.— The condition of things abroad may afford increased prices for the produce of his farm; the miseries of unhappy Ireland, and the unsettled state of public affairs in other parts of the world, may create a temporary demand for grain, and thereby augment the value of his productions; but it would be unsafe to depend on contingencies of this nature, over which his government has no control. The entire produce of his lands, whether distant or near the foreign market must depend for an uniform and fair price on the home demand. Any other reliance is dependant on the policy of foreign governments, the convulsions of unsettled power, and the unfruitful harvests of other producers.

It is not, however, in enhanced prices alone that he finds his reward. In the home market he is his own factor, avoids the risk of agencies the dangers of transportation and can select his own time for the disposal of his produce. The manufacturer carries to the market, in the fabrics he proposes to sell, the produce of the farmer, who is thereby relieved of the hazard and expense of conveyance.

In another form he is still more largely benefitted. One of the elements of well regulated society, is unity of interest.— Whatever may be said to the contrary, no natural antipathies exist between capital and labor. They are dependent on and supported by, and render vitality to each other. The manufacturer who invests under the fostering care of government his capital in profitable industry, opens a new source of wealth to the farmer, the artisan and the laborer.

An industrious population whose reward affords comfort and competence gathers around him; other classes are attracted, and the store house, the workshop, the school and church are erected; villages spring up; the din of active industry and the sound of enjoyment mingle together; roads are opened, bridges are built, lands rise in value; and the farmer finds a market at his door, not only for his ordinary surplus produce, but also for numberless articles which were deemed unworthy of transportation. From that overflowing fountain by an hundred rivulets, wealth is poured into his treasury.

These are a few of the many advantages of the agriculturist and the laborer, arising from a fair and reasonable protection of the domestic industry of the country. The existing revenue laws of the national government by opening our ports to foreign manufactures, invite the labor of the wretched, starving operatives of Europe to a competition with this healthful and prosperous condition of things. The consequences are ruinous to the interests of the laboring and producing classes, and dry the streams of prosperity in every branch of industry.

It should not be forgotten, that the reliable wealth of a State consists in the profitable industry and capital of the citizens.— Whatever tends, therefore, to prostrate individual prosperity, to diminish the value of produce, to injure productive labor, or to drive from wholesome investment the money capital of the country, strikes with alarming force the best interests of the State [illegible] rived principally from real and personal estate and from our rail roads and canals.— In relation to the former, it may be said, that every dollar shipped for the purchase of foreign fabrics diminishes their value, depresses the home market, reduces the profits of the producer, and hence lessens the amount of revenue paid into the treasury. Capital invested in the various branches of manufactures, sinks in value, in proportion to the depression of the business in which it is employed, and when foreign competition is successful by reason of low duties, in driving from the home market the fabric of the capitalist, his investment is comparatively valueless, and the revenues therefrom are greatly reduced. The profits from our internal improvements are still more seriously affected. The raw material in its transit to the manufactory, and the fabric on its way to a market, are principally conveyed along our canals and rail roads, thereby yielding a handsome revenue to the Commonwealth. When, therefore, the manufacturer, unprotected by the government, is compelled to discontinue his business, not only the laborer, the artisan and the agriculturist, but the State also, is seriously injured in the general depression of business, the diminished wealth of the country, and the reduced value of capital.

The policy of giving fair and reasonable protection to the domestic industry of the country, has heretofore received a support so cordial, from wise and patriotic statesmen who have conducted the affairs of the national government, as well as those who have preceded me in the administration of the Commonwealth, that I cannot refrain from the insertion of a few extracts from their several messages.

In his eighth message, Washington deemed it proper to bring the subject to the attention of Congress:

"Congress have repeatedly, and not without success, directed their attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible."

The eighth annual message of President Jefferson, contains the following reference to the subject:

"The suspension of our foreign commerce produced by the injustice of the belligerant powers, and the consequent losses and sacrifices of our citizens, are subjects of just concern. The situation into which we have thus been forced, has impelled us to apply a portion of our industry and capital to internal manufactures and improvements.— The extent of this conversion is daily increasing, and little doubt remains that the *establishments formed and forming will— under the auspices of cheaper materials and subsistence*, the freedom of labor from taxation with us, and *of protecting duties and prohibitions*—become permanent."

President Madison calls the attention of Congress to the subject, *in the following* terms:

"*Although other subjects will press more immediately on your deliberations, a portion of them cannot but be well bestowed on the just and sound policy of securing to our manufactures the success they have attained and are still attaining in some degree, under the impulse of causes not permanent.*"

And again, *in his special message of February 20, 1815, he says:*

"But there is no subject that can enter with greater force and merit into the deliberations of Congress, than a consideration of the means to preserve and promote the manufactures which have sprung into existence, and attained an unparalleled maturity throughout the United States during the period of the European wars. This source of National independence and wealth, I anxiously recommend, therefore, to the prompt and constant guardianship of Congress."

In his seventh annual message, he again recurs to the subject, as follows:

"In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures will necessarily present itself for consideration. However wise the theory may be, which leaves to the sagacity and interests of individuals, the application of their industry and resources, there are in this, as in other cases, exceptions to the general rule. Besides, the condition which the theory itself implies, of a reciprocal adoption by other nations, experience teaches, that so many circumstances must concur in introducing and maturing manufacturing establishments, especially of the more complicated kinds, that a country may remain long without them, although sufficiently advanced, and in some respects even peculiarly fitted for carrying them on with success. Under circumstances giving a powerful impulse to manufacturing industry, it has made among us a progress, and exhibited an efficiency which justify the belief, that with a protection, not more than is due to the enterprising citizens whose interests are now at stake, it will become at an early day not only safe against occasional competitions from abroad, but a source of domestic wealth and even of external commerce."

And again:

"It will be an additional recommendation of particular manufactures, where the materials for them are extensively drawn from our agriculture, and consequently impart and ensure to that great fund of national prosperity and independence an encouragement which cannot fail to be rewarded."

President Monroe in his first inaugural address says,

"Our manufactures will likewise require the systematic and fostering care of the Government. Possessing as we do, all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. While we are thus dependant the sudden event of War, unsought and unexpected, cannot fail to plunge us into the most serious difficulties. It is important too that the capital which nourishes our manufactures should be domestic, as its influence in that case, instead of exhausting, as it may do, in foreign Lands, would be felt advantageously on agriculture, and every other branch of industry. Equally important is it, to provide at home, a market for our raw materials, as by extending the competition it will enhance the price, and protect the cultivator against the casualities incident to foreign markets."

His Excellency, Simon Snyder, Governor of this Commonwealth, in his message of December 8th, 1815, says,

"[illegible] *manufactures, from full* experience during the restrictive system and the war is now so well understood, as respects the practicability of advantageously carrying them on, as to the kind of goods which may be made and the quality and durability of the articles which have had a fair experiment amongst us, that it is deemed unnecessary to urge arguments in their support. The general government, fully aware of the importance of the subject, will, it is confidently hoped, follow the dictates of political wisdom, and protect our manufactures against injurious foreign competition or combination, a contrary course would protract the long and anxiously sought real independence of our country and again impose on us a dependence of our country and again impose on us a dependence almost colonial."

His Excellency William Findlay, referring briefly to the subject, says:

"As agriculture and manufactures are the great sources of wealth, and the only solid foundation of our comforts and independence, they are particularly entitled to the fostering care of the government."

In the first message of Governor Wolf he speaks as follows:

"The protecting policy hitherto sustained by the general Government cannot, under existing circumstances, be abandoned or relinquished with the approbation or consent of the people of Pennsylvania.— Their interests, their prosperity, and, I may add, their comforts are at this time essentially identified with that policy. The diversified branches of industry in which our citizens are engaged, the character of the productions peculiar to our soil; the state of the foreign markets to which we had heretofore been accustomed to resort for the sale and exchange of our staple commodities and the interdicting duties by which the produce of our agriculturists is excluded from those markets leave us no alternative as to the course to be pursued. We must either suffer our surplus produce to perish upon our hands, or we must establish a market for its consumption at home. We must either submit to the humiliating condition of becoming tributary to foreign industry, or by affording encouragement to our own, render ourselves independent of *foreign imposition* and exaction. Under the encouragement and protection now afforded, our manufacturing establishments are assuming a vigorous and healthful appearance, and give reasonable promise of promoting the general prosperity of the country, and of accomplishing the great end and design contemplated by the friends and advocates of the protecting system.— *Happily for us in Pennsylvania*, we have no constitutional difficulties to embarrass us in *reference to this system*. Our statesmen, who have *hitherto represented* us in the National Legislature, as well as in that of State, have uniformly *expressed their opinions* affirmatively, and in *terms by no means* equivocal, that this nation possesses the right, under the constitution, *to protect its* industry by salutary enactments of its own, against the injurious *consequences of* foreign legislation, and that the acts of Congress imposing *duties on imports* are constitutional; *and their constituents have as* unequivocally responded to those opinions."

Governor Porter, also, refers to the subject *in the following manner: "It is unworthy the great State of Pennsylvania*, to depend on the manufactures of other States, or of foreign countries, to supply her citizens with those articles for the various purposes of life which they can produce themselves as well, as cheaply and abundantly as any other people on the face of the globe. Our vallies teeming with plenty, our hills with exhaustless deposites of coal and iron; —our streams abounding with water-power, for all purposes unsurpassed by that in any other country; and our citizens stimulated by enterprise and possessing means to render it effectual, should awaken in us that spirit of independence which disdains to seek at the hands *of others*, that which it can furnish with its own. It is with no feelings of envy *or of local* jealousy of others, that I bring this subject to your notice, but with an honest feeling of State pride and *generous emulation*, which should inspire us with a determination not to be indebted to *others for those solid and useful* means of promoting our prosperity and independence which *Nature has* bounteously lavished *on our citizens*."

A question of the greatest magnitude, involving the honor of the State, and the interests of the citizens, will arise in the consideration *of the public debt. The regular* payment of the annual interest, and the formation of a sinking for the final liquidation of the principal, should receive the early and careful attention of the Legislature.— It will give me unfeigned pleasure to unite with you in any rational mode calculated to facilitate and object so desirable.

The present debt of the State is as follows:—

6 per cent stock	[illegible]	
5 do do	[illegible]	
4 1-2 do do	[illegible]	[illegible]
Relief Notes in circulation	$702,664 00	
Interest certificates outstanding	[illegible]	
Do do unclaimed	[illegible]	
Interest on unclaimed and outstanding certificates to be [illegible]	[illegible]	
Domestic Creditor	[illegible]	
		[illegible]
Total on [illegible]		[illegible]

Of the above there is due and demandable at the Treasury as follows:—

Relief Notes,	$702,664 00
Domestic Creditors,	89,318 95
Interest certificates of all kinds,	239,403 79
	$1,031,386 74

It is presumed the gradual process of cancellation of the relief notes, or their redemption as heretofore indicated, will remove to that amount the pressing necessities of the Treasury.

The residue of said sum of $1,031,386 74 to wit,—

$328,722 74 is due and demandable [illegible] demandable of funded debt as follows:

June 1st,	1841,	$20,951 80	
Aug. 1st,	1846,	1,998,509 35	
Aug. 1st,	1847,	22,335 06	
			$2,045,796 21
			$2,37[illegible] 518 95

Permanent liability of Treasury. Loans due at public debt taking due

March 1st,	1849,	$659,551 46
Dec. 1st,	1850,	909,411 15
April 10th,	1851,	135,211 00
Dec. 1st,	1853,	1,998,407 09
Jan'y 1st,	1854,	798,171 41
Dec. 1st,	1854,	2,997,[illegible]49 55
Aug. 1st,	1855,	1,[illegible]9,461 70
July 1st,	1856,	2,580,808 26
March 4th,	1858,	3,008,705 17
July 1st,	1858,	2,510,010 56
July 1st,	1859,	1,195,928 94
Aug. 1st,	1859,	19,998 25
July 1st,	1860,	2,611,777 61
Mar. 20th,	1861,	420,000 00
July 1st,	1862,	2,265,059 75
April 10th,	1863,	200,000 00
July 1st,	1864,	1,378,375 90
June 27th,	1864,	1,131,332 70
Aug. 1st,	1864,	800,680 89
July 1st,	1865,	959,540 79
June 1st,	1865,	868,873 14
July 1st,	1868,	2,523,617 61
July 1st,	1870,	1,934,581 65
Bank charter loans,		678,375 96

Total amount of funded debt not demandable at the Treasury,	$37,315,551 03
	$39,[illegible]672 98
Interest on the public debt, $1,[illegible] at 6 per cent per annum,	$ 113,252 91
37,[illegible] at 5 " "	1,865,[illegible] 00
200,000 at 4½ " "	9,000 00
	1,98[illegible] 99
Regular annual interest on the loans as they stood Dec. 1st, 18[illegible], On a portion of the above loans, there will be to pay 1½ years interest on February 1st, 1844, which it is estimated will increase the amount,	7,000 00
In whatever amount of interest certificates may be funded between the 1st of February and the 1st of August next, there will be due at the latter period 4 years interest, estimated at	12,000 00
Probable amt. of interest for 1849,	$2,006,512 99
To which add guaranteed interest on Danville and Pottsville Rail Road, and Bald Eagle and Tioga Navigation Companies,	32,500 00
	$2,0[illegible]012 99

The estimated revenue for the current year *is as follows:—*

Lands,	$20,000
Auction Commissions,	23,000
Auction Duties,	65,000
Tax on Bank dividends,	120,000
" *Corporation stocks,*	150,000
" Real and personal estate,	1,350,000
Tavern licenses,	35,000
Retailers' "	150,000
Pedlers' "	2,500
Brokers' "	5,000
Theatre, Circus and Menagerie licenses,	1,000
Pamphlet laws,	400
Militia fines,	20,000
Tax on writs, &c.,	40,000
Tax on certain offices,	20,000
Collateral inheritances,	60,000
Canal and Railroad tolls,	1,650,000
Canal fines, old materials, &c.,	3,000
Tax on enrolment of laws,	3,500
Tax on loans,	115,000
Dividends on bridges and turnpike stocks,	2,000
Accrued interest,	4,000
Refunded cash,	5,000
Escheats,	1,000
Fees on Public offices,	1,500
	$3,851,900

Estimated expenditures for the current year:

Public improvements,	$800,000
Expenses of Government,	220,000
Militia Expenses,	30,000
Pensions and gratuities,	23,000
Charitable institutions,	30,000
Common Schools, including non-accepting districts,	250,000
Interest on loans and guaranties of interest,	2,040,000
Domestic creditors,	12,000
Cancelled relief notes,	200,000
Damages on Public works,	30,000
Special commissions,	300
State Library,	1,200
Public buildings,	3,500
Weigh-lock at Beach Haven,	3,600
Penitentiaries,	23,000
House of Refuge,	4,000
Nicholson,	200
Escheats,	500
Abatement of State Tax,	40,000
Miscellaneous,	5,000
	$3,716,600
(Estimated revenue over expenditures,)	$135,300

From the foregoing statement it would appear, should the estimates of receipts and expenditures be correct, and they doubtless approximate the truth, and should no unforeseen casualty occur, that the revenues will at least equal the expenditures of the year. Admitting however the correctness of the estimates it is apparent the State is placed in a condition no better by the lapse of time, as no material diminution of the public debt is effected. Indeed, even the payment of the annual interest has depended, and will depend on the anticipation of revenues properly belonging to the next fiscal year. A system of providing means to meet the liabilities of the State, which pays no part of the debt and meets the payment of the annual interest by drafts on a fund raised for the discharge of another duty, and which collects from the people upwards of two millions of dollars yearly requires supervision and amendment. A careful revision of the revenue laws of the Commonwealth, increasing the tax on such items as will bear it without injury in addition to their present burdens, with due economy in the appropriations and expenses of government, would not only place the treasury on a sound basis with regard to the annual payment of the interest, but would also, if set apart for that purpose create a sinking fund to meet the amount now due and demandable at the State. A result of this character would be honorable to the Commonwealth, and gratifying to the citizens. Confidence would be immediately restored to the community, public credit would be permanently established and the Treasury relieved of a portion of the public debt. The amount now demandable is $2,326,518 94. When the faith of the State is involved no time should be lost in adopting measures to restore its credit.

To form a fund for the liquidation of the residue of the public debt is an object not less important than the one just suggested. Pennsylvania should no longer bear the burthens which now oppress her citizens without, at least a vigorous and manly effort, to relieve herself from her liabilities. To the legislature belongs the duty of devising such means, and enacting such laws as will best promote the interest of the people, and efforts so laudable will at all times receive the approbation of, and be aided by such suggestions as may present themselves to the Executive. A more favorable opportunity may present itself at the present session than will soon again be offered. Many of the banks of this state have given the requisite notice, that they propose to apply for a renewal of their charters. It would [illegible], should it coincide with your views, the policy of exacting from each of those institutions that may be [illegible] by the legislature, the payment of a certain percentage on its capital, in addition to the taxes already assessed on banks by existing laws. A sum raised in this way might form the nucleus of a sinking fund, which, however small, would regularly increase in importance and value by the assistance it might receive from that and other sources. The charters of all the banks in the Commonwealth will require renewal. The increased prosperity, population and business of the country, may require additional banking facilities, and during each year a small amount could be added to the fund. The investment of the fund thus created in the purchase of state stocks, (the present revenue laws of the state being preserved) and the interest on stocks purchased to be again invested in the same way would increase the fund which it would [illegible] until all would appreciate its importance and consider it with favor. Should our sources of revenue become of great value as may be reasonably anticipated, large balances over the expenditures of the government will accrue to the treasury, a fixed proportion of which could properly be added to the fund. Thus would it increase in triple proportion, until the enormous debt, with which we are encumbered, would be finally extinguished. Whatever may be the views of the legislature in regard to the plan suggested, it is ardently hoped it will distinguish its proceedings by the adoption of means to attain an object so desirable.

In the revision of the laws on the subject of revenue, with a view to increase taxation, the farming interest of the state should not be further burdened. The state, county, school, road and poor taxes, levied upon land, and the reduced price of the products of the agriculturalist, occasioned by the present revenue laws of the national government, operating to the injury of the home market, should justly and equitably relieve it from additional taxation.

For many years no settlement of the accounts of the Commissioners of the Internal Improvement fund has been made. It is worthy of consideration, whether a commission to consist of a Clerk from the Auditor General's and the state department, with a third to be appointed, authorized to make an examination of said account; as also to ascertain precisely the condition of the treasury and its disbursing agents, what monies are due to the state from corporations, individuals and counties, and if balances are found to exist, the reason why collections are delayed; might not by a careful report, suggest alterations beneficial in the manner of conducting our financial affairs. In this connexion it is also proper to mention, that a change in the manner of drawing money from the Treasury should be adopted to afford more ample checks; the present system being deemed defective.

The Report of the Canal Commissioners will enable the Legislature to form an accurate judgment of the state of the public improvements. Notwithstanding serious interruptions caused by the destruction of the Freeport Aqueduct, and other casualties, the revenue from this source, has been so large and so constantly increasing, that these works should be carefully guarded and preserved as a means useful to the citizens and highly advantageous to the State. In referring to the Internal Improvements of the State, I cannot allow the opportunity to pass without alluding to the North Branch Canal. *It is supposed* that a million of dollars would *complete this work*. Its present profitless and rapidly going to ruin. After the State expended upwards of [illegible] millions, which while it remains so is absolutely lost. The country through which this canal passes is rich in the *article of coal and iron, and in* agricultural products. Its completion by the increased amount of tolls received on it, and the additional freight thrown on to other parts of the public improvements, would amply secure the interest on the cost of its completion. Under a deep sense of the correctness of these views, I could not avoid bringing the subject to your early consideration. In this relation it is also proper to refer to the importance of avoiding the Schuylkill inclined plane. Surveys and estimates by a skillful Engineer have been made of three different routes, and the result will be laid before you in the report of the gentlemen to whom was entrusted the duty. It is well to observe, that these estimates are not to be included in the estimate of expenditures of the current year as given in a former part of the message.

The attention of the Legislature will be called to the subject of the currency in connexion with the Banking institutions of the State. These institutions have become so intimately identified with the business and interests of the citizens, and furnish such a portion of the circulating medium that a necessity is created for their proper management and control. The standard of the value of things, among civilized nations is conceded to be the precious metals. The constitutional currency of this government is gold and silver.— Whenever the convenience of trade and business, the encouragement of industry and the purposes of the natural growth and developments of the country, require additional [illegible] public functionaries to be watchful, that the representative of the precious metals should maintain the fund and value. The citizen having in his possession a note issued by a Bank of the Commonwealth should be secure that he holds the equivalent of gold and silver. In order to obtain this result care should be taken by the legislature in the grants of authority to these corporations to prevent them as possible from issuing a less reliable currency. Banking institutions have long existed among us and have been, when properly restrained and judiciously managed, largely conducive to the best interests of the people. Their notes when kept at par are [illegible] more convenient currency than the precious metals, are equally valuable in all financial concerns and promote the active industry of the country. [illegible] institutions [illegible] to meet their liabilities and redeem their notes, in a state of things such as is here alluded to, thus during extraordinary depression, commercial excitement. That the increase of banking facilities is instrumental in relieving the country in times of commercial distress is a belief as prevalent as it is unfounded. [illegible] The active [illegible] the issues of the banks. In periods of great commercial and manufacturing prosperity [illegible] with the general welfare. [illegible] the location of the existing bank is unsuited to the convenience of the business portion of the citizens for whose benefit it was established a wise policy would dictate a refusal to re-charter and the establishment of a new institution with the same amount of capital, at a place more advantageous to the citizens. The old and well established banking institutions, whose credit and solvency are undoubted and where the wants of the community in which they are located require it, should receive a renewal of their charters: but in no instance ought a charter to be renewed until a complete, a thorough examination of the affairs of the institution, and a full statement of its business with satisfactory evidence of the *bona fide* value of its assets, shall have convinced a committee appointed for that purpose, of its entire solvency and ability to redeem all its liabilities. Such statements, duly authenticated, should be filed on record in the State department for the inspection of all persons interested.

The several laws in force to prevent the use and circulation of notes of a less denomination than five dollars, do not appear to have produced the result intended. A large portion of the currency of the State consists of notes of a lower denomination, many of them spurious and defaced, issued by foreign institutions, about whose solvency no knowledge can be possessed by the citizens. This circulation, while it inflicts injury on the community, is in direct contravention of the express terms of the law. As it is manifest the existing laws will not remedy the evil, it is suggested, that an act preventing, under severe penalties, the banks and brokers dealing in money, from receiving on deposit, exchanging, or paying the same from their counters, would have a beneficial effect in driving those notes from circulation. Should the circulation of notes of a less denomination than five dollars be desirable, it is infinitely to be preferred that they should be issued by our State banks, whose solvency is known, rather than foster a circulation issued by institutions whose abilities to redeem them may be uncertain. With these slight modifications of our present system, taking care that no unnecessary and unadvised increase of banking capital be made, and in all cases, either of new institutions, or the renewal of those now existing, that their entire solvency should be undoubted, and that no danger to the citizens will arise from these grants of power, I should deem it right to leave the present policy in relation to these corporations, as it has been maintained in former years.

During the last session of the Legislature an act was passed regulating the hours of labor in Factories and specifying the age at which minors shall be admitted therein. It is respectfully submitted, whether this law does not require amendment, so as to prevent special contracts to labor more than the time fixed by the act. The operation of the law as at present in force gives to those violating its spirit an advantage over him who faithfully carried it into effect, by permitting the owner and operative to enter into such contracts in relation to the extension of time as they may deem proper. If it be right *to limit the hours of labor in* Factories, (and who that desire the education and comfort of the citizens can doubt it,) the law should be so changed as to operate alike in all such establishments. Should the Legislature concur in this opinion, *it would be proper to repeal the provisions allowing special contracts* by parents and guardians for the labor of minors above the *age of fourteen years*. They should not be left in a condition of more hardship than the *adult*. I have brought this subject to the notice of *the legislature*, as well because of the justice and propriety of the suggestion, as that *my friendship* for the measure was well known to the people, and has been approved by them at the late general election.

It gives me unfeigned pleasure to announce the fact that the common school system is at length adopted throughout the State. The friends of *education* must be deeply gratified, that a consummation so desirable, promising such *advantages to the* citizen and security *to the State, has been* attained. It may well be considered as a conspicuous epoch *in our history*. The blessings of rational and moral cultivation dispensed throughout *the Commonwealth* will improve *the condition of the people*, enlarge their sphere of usefulness, and give to our State a character for *intelligence and* virtue. The report of the Superintendent will furnish valuable *information to the* Legislature for the further *improvement of* the system and will enable it to remedy existing defects.

The Adjutant General's report on the subject of the Militia, *contains many* important suggestions well worthy the consideration of the Legislature. *It is the* production of a practical military *officer*, who has bestowed much thought on the subject, and will be found *interesting and* valuable, particularly as pointing out a mode by which the vast *expenditure of the* present system may be *saved to the Treasury*.

In the reports of the Auditor General and Surveyor General you will find a detailed account of the several *operations of the* year ending on the 1st of December last. To these reports I would *refer you for a full* statement of the condition of the affairs of the Commonwealth in these several departments.

The acquisition of New Mexico and California presents again to the *National Congress* the important question of the *extension* or restriction of human slavery. At the formation of the national *Constitution*, the [illegible] of what was then considered an evil was strongly agitated, and resulted in a compromise, permitting it in the states where it at that time existed. The Constitution being submitted to the States was adopted with others by Pennsylvania, and after the lapse of more than half a century it remains the great fundamental law of the Union. *To preserve and* protect it, to acknowledge *its supremacy*, to maintain and defend its principles and to hold fast to its compromises— the duty of each citizen is pledged, [illegible] to press [illegible]. This fundamental law recognizes the right to hold slaves in the State which were parties to the *compact*, but it makes no further acknowledgment. It bears on its plain and expressive page no agreement, express or implied, for the further extension of human slavery. That this original wrong has been extended with the progress of population, is not an *argument in favor of* its justice, its constitutional right, or of the salutary effects it has produced in the territories where it has been admitted. Shall it be still further extended? To the Congress of the United States belongs the authority to settle this important question. Before it shall have been determined the opinions of our citizens on the subject should be fully and distinctly made known, through their public functionaries, to the confederate States. The right to instruct our Senators, and request the Representatives in the National Councils ought not to be used on light and *trivial occasions*, while on subjects gravely affecting the well-being of the country, it becomes a duty which no one will venture *to decline. In the exercise* of this admitted right, the legislature will find the *opportunity* to express in terms not to be mistaken, the position which is held by *Pennsylvania on this grave and momentous question*.

While the compromises of the Constitu*tion should be maintained in good faith* against our Southern brethren, it is our *duty to see that they are observed with* equal fidelity to ourselves. No encroach*ments, however sanctioned* by use, should *be acknowledged as precedents* for further wrongs against the interests, prosperity and *happiness of the non-slaveholding States of* the Union. If slavery be, in itself, an in*fraction of human rights—if it be directly* opposed to the enlightened spirit of our *free* institutions—if it destroy the equality of power in the general government, by enlarging where it exists the constitutional representation—if it possess a direct or indirect influence against Northern and Western policy and interests, by promoting a system of laws destructive to domestic industry, and vitally affecting free labor—if it retard the natural growth of population and improvement, by the appropriation of large tracts of land, for the benefit of the few, to the injury of the many—if it be in open defiance of the spirit of the age, the march of national truth, and the enlightened policy of mankind—it is time to arrest its further progress. These, it is believed, are the settled convictions of our citizens, and