

# The Montrose Democrat.

A WEEKLY JOURNAL—DEVOTED TO POLITICS, NEWS, LITERATURE, AGRICULTURE, SCIENCE, AND MORALITY.

Chase & Day, Proprietors.

Montrose, Susquehanna County, Penn.; Thursday Morning, January 18, 1855.

Volume 12, Number 3.

## GOVERNOR'S MESSAGE.

To the Honorable the Senators and members of the House of Representatives of the General Assembly.

**GENERAL MESSAGE.**—Whilst the events of the year just closed, present many causes of joy and congratulation, and afford abundant reason for thankfulness to a beneficent Providence for his goodness and mercy—our property and happiness, as a people, I regard as never so well as in the present year. The general growth of the country, the progress of the arts and sciences, and other causes of moral and social comfort, have not been interrupted; but the loss of valuable lives and property, by the casualties of the elements, has been unusual, both in number and extent; and in certain sections of our Commonwealth the afflictions of pestilence and disease have also been sorely felt. Nor should we estimate lightly the sufferings that manifestly exist amongst the poor in our cities and towns. The drought of the season deprived the husbandman, to some extent, of the anticipated rewards of his labor, and lessened the means of human subsistence; whilst the depression in monetary and business affairs, has deprived many laborers and mechanics of their usual earnings. The means of subsistence are thus greatly enhanced in value, at the same time that the opportunity of earning them are much diminished. The field for charity is consequently wider than usual; and to meet its reasonable demands on the part of the blessed with abundance, will be to sustain the Christian character, and measure of merit the continued bounty of Heaven.

The operations of the Treasury for the last year, will be presented to you in detail, by the head of that department. The results are highly satisfactory, showing a steady increasing revenue from nearly all the ordinary sources.

The aggregate receipts for the fiscal year of 1854, including loans and the balance in the Treasury, on the 30th November, 1853, amounted to the sum of \$6,664,912 01. The gross payments for the same period, to the sum of \$5,424,983 29; leaving a balance on the 30th of November, of \$1,240,929 72.

The extraordinary payments consisted of the following items, to wit: Loans repaid, \$235,888 40; to the North Branch Canal, \$206,552 70; to the construction of the new railroad over the Allegheny mountains, \$461,921 03; to the payment of debts on the public works, \$389,946 38. Of the balance remaining in the Treasury, a portion is applicable to the payment of the State debt, and the remainder to current demands.

The ordinary operations of the Treasury for the same period, were as follows, to wit: Receipts, exclusive of loans and the balance in the Treasury on the 30th of November, 1853, realized from permanent sources, amounted to the sum of \$5,218,099 00. The ordinary expenditures, including interest on the State debt and all the payments on the various works of the public works, excluding the payments on new works and loans amounting to \$4,116,744 84; being \$1,101,490 15, less than the receipts.

This statement may be regarded as the workings of the Treasury simplified; and establishing the gratifying fact, that the ordinary operations of the State, exceed the ordinary or unavoidable expenditures, over a million of dollars; and that, relieved from the demands for the construction of new improvements, the Treasury could pay a million or more of the public debt annually. It will also be perceived that the income from these sources is steadily increasing. For the same year, 1854, the receipts are estimated at a million of dollars above the unavoidable expenditures. A portion of this excess will be required to complete the new Portage railroad, and the North Branch Canal; and the remainder should be faithfully applied towards the payment of the State debt.

No more reliable estimate of the Treasury for 1855 can be made, than is furnished in 1854. The ordinary receipts may be safely estimated at a million of dollars above the unavoidable expenditures. A portion of this excess will be required to complete the new Portage railroad, and the North Branch Canal; and the remainder should be faithfully applied towards the payment of the State debt.

The aggregate receipts on the public works for the year just closed, as reported by the Canal Commissioners, amounted to the sum of \$1,101,570 54; leaving a balance of \$774,508 34, from which, however, should be deducted the sum of \$37,000, properly chargeable to the year, for new locomotives and other unavoidable expenditures—thus reducing the net profits to \$737,508 34. If we add to this \$101,000 00 received from the Pennsylvania railroad company for the three toll tax, which is claimed by some as a part of the income from the public works, we find a net revenue of \$838,508 34; a sum equal to the interest on seventeen millions of the five per cent debt of the State. The aggregate receipts were \$57,121 less than for the year 1853, and the reduction in expenditures amounts to over \$159,287 00. The withdrawal of the business of the Denysville railroad from the Portage road, readily accounts for this difference.

Viewed in every aspect, this exhibit is gratifying. Few similar systems of improvement in the country can present a more favorable picture. Some of them, in other States, have recently been reduced to a condition of virtual inutility. The increase of business on the State works for the two last years, has exceeded our anticipations; and but for the reduction in tolls to meet surrounding competition, the revenue would have been largely increased. The general movement now on foot amongst railroad companies, to advance their rates, may perhaps, relieve the State to some extent in this respect.

The Delaware division makes a most gratifying exhibit. The gross receipts exceed \$365,325 07, and the expenditures \$59,738 57, showing a net profit of \$305,586 50; a sum equal to the interest on six millions of the public debt, and to 20 per cent. on the original cost of the work, including expenditures for new works.

The North Branch Canal and the Columbia railroad also present favorable results.—The business and tolls on the former have increased with marked rapidity; and the management on both these branches bear the marks of skill and economy. The expenses on the Allegheny Portage road have been largely reduced, and the business better regulated than at any former period. As a whole, I feel constrained to say, that the condition of the public works has been improved during

the last year; in no particular, so valuable an extent, as in the matter of contracting debts, which it seems has been almost entirely avoided. The officers on the respective lines report that they have paid all expenses, and some of them have gone so far as to pay for the Canal Board that they will be personally responsible for any debts that may hereafter be discovered. This is truly a great reform—for nothing has cost the State so much as the pernicious practice of making debts on the public works; I still think it should be interdicted by positive law.

In my last message I gave my views at length, as to the principles and rules that should control in the management of the State improvements, and I need not repeat them in this. I would respectfully suggest, however, that so much of the law as binds the Canal Commissioners to a fixed rate for the whole season, should be repealed. The officers directing the operations of the public works should, it seems to me, be left free to meet the exigencies in trade and commerce, as they may arise.

The work on the Mountain railroad has progressed slowly, and it is obvious that it will not be fully completed before the summer of 1855. I must confess myself sadly disappointed as to the time and money consumed in the construction of this work. The expenditures, since I came into office, have greatly exceeded the whole amount estimated as necessary to complete the line; and yet, it is but justice to say, that the Pennsylvania railroad, lying parallel with it, has cost a still larger sum per mile.

I have endeavored during my service, to guard against the commencement of schemes of this or any other character, to entail future liabilities on the Treasury. This ought to be the settled policy of the State. No new improvements should be undertaken, upon any pretext whatever. The payment of the debt, and that only, should absorb the surplus revenues of the Treasury. If this policy be pursued, no other financial scheme, to pay the debt, will be necessary. The large annual surplus will reduce the State's indebtedness with sufficient rapidity.

I regret, exceedingly, the necessity of announcing to you that the North Branch Canal is not yet in full operation. It is now more than a year since the Canal Commissioners directed the water to be let into the main trunk of that improvement, and declared their confident belief, that it would be in successful operation by the middle of last summer; but their sanguine expectations, as well as those of the people, have, in this respect, been sadly disappointed. A variety of causes, so difficult to present, have retarded the way of the attainment of this end. The old work, constructed some twelve or fifteen years since, as well as some sections of the new, located on the hill side, near the margin of the river, when tested by the admission of water, turned out to be porous, and totally insufficient in its material and formation. In some of the most important works, the bottom of the canal, covered only by a few inches of earth; thus presenting but a slight obstruction to the passage of the water into the bed of the river. This is especially the case in many of the old works, in which the reconstruction of the bottom of the canal, could prove sufficient; and this was necessary a tedious and expensive process. There is still a considerable portion of the work to be remodeled in this way; but it is confidently believed that it will be ready for use in the early part of the coming season.

The rights of the State, in the matter of reconstruction of the bottom of the canal, are certainly a very important one, and one that should be carefully guarded. It is not to be supposed, however, that the State should be obliged to bear the expense of such a reconstruction, when the private owners of the canal, could be induced to do so. It is certainly a very important one, and one that should be carefully guarded. It is not to be supposed, however, that the State should be obliged to bear the expense of such a reconstruction, when the private owners of the canal, could be induced to do so.

At the time I came into office, the sum necessary to complete this work was estimated at \$772,000. Since that time the sum of \$1,200,000 has been expended, and it will still require, as estimated by the Canal Board, \$600,000 to put it into complete operation.

Whilst I regret this enormous cost and outlier, I cannot refrain from repeating my unfeigned confidence in the wisdom of the policy that dictated the completion of this work. The large increase of business and the fact that the tolls for the year just closed, on the older portions of the work, indicates what we may safely anticipate from the new; and, I cannot doubt, that the gross amount of business it will command, and the revenue it will yield, will exceed the most sanguine expectations of its advocates. The inexhaustible mines of coal with which that section of the State is abounded, the products of which are destined to pass through this avenue to a limited market, will furnish us with a never failing supply of business and tonnage. I desire, its completion will be an act of justice to the industrious and enterprising inhabitants of that part of the Commonwealth, who have heretofore willingly contributed towards the construction of the other improvements of the State, from which they could derive but little advantage. It will, also, add to the general prosperity of the adjacent country; the value of property, and consequently to the revenues of the State.

At the time of my induction into office, the fund for the canal, including accrued interest, amounted to the sum of \$10,154,457 48.

Add to this the loan of April, 1852, to complete the North Branch Canal, \$500,000 00

Deduct payments, as follows: Interest on loan, \$50,063 39 Receipts from the canal, \$1,067,856 15

Total funded debt, \$9,586,597 14

The floating debt, and unpaid appropriations, at the period already indicated, \$1,421,059 15

Deduct the available balance then in the Treasury, 750,000 00

The floating debt, temporary loans, unpaid appropriations, except for repairs after the 1st December, 1854, 1,630,000 00

Balance in the Treasury, November 30, 1854, after deducting the amount applicable to the old public debt, and the relief issues then on hand, 865,929 00

During the same period the following appropriations and payments have been made towards the construction of new improvements, to wit: For the reconstruction of the Columbia railroad, \$514,407 66

For the new railroad over the Allegheny mountains, 1,117,955 93

For the completion of the West-ern reservoir, 52,398 00

For the North Branch Canal, 1,206,552 70

Few locks on the Delaware division, 100,319 99

Sundry special payments, 95,353 71

Total, \$3,086,778 05

The foregoing figures exhibit the astonishing fact, that the Treasury has been annually paying over a million of dollars towards the construction of new improvements at the same time accomplished a small reduction of the public debt.

As made my duty, by an act of the Legislature, approved the 27th of April last, providing for the sale of the main line of the public works, sealed proposals for its purchase were invited, up to the first Monday of July last. No offers were made under this invitation; and public notice was again given, on the 14th of November last, in accordance with the 29th section of the act, for proposals, to be submitted to the General Assembly, on the 27th of April next, to purchase the same; but none have been received. This improvement is, therefore, still the property of the State, subject to such disposition as the Legislature may deem necessary.

My mind has undergone no change, on the subject of selling the public works, since the period of my last message. I think the policy of the measure depends mainly upon the price that can be obtained, and the conditions on which purchasers may be willing to hold these works for the use of the public. With a full and fair consideration, and on terms amply protective of the rights and interests of the people, in the future enjoyment of these highways, a sale might not prove injurious to the public. But it is certainly neither wise nor politic to assume, that they must be sold for whatever can be obtained; or that they should, in any event, be given away. Nothing could have a more prejudicial effect upon the interests of the State, as involved in these improvements, than the removal of such a determination. Nor is it less unwise to dispose of the property of the Commonwealth, at the very moment of putting it in market for sale. No intelligent private citizen would so act, in reference to his own estate. He would hardly give notice to capitalists, in advance that he would sell his farm for a fair price, but if unwilling could have it for half the money. Nor would such a person proclaim that, of all the farms in the country, his was the least productive.

It is certainly the wish of many good citizens, that the public works should be sold; but this desire is evidently based upon the assumption that the measure would be one of real economy; that it would lessen, without the hazard of increasing, their annual taxes. The realization of such an object, it must be perceived, then, depends entirely upon the price and terms. These who desire the sale of such a measure, should be the grainer in their determination. No other important or sufficient reason for parting with this property has been assigned.

It is usually said that the works should be sold to pay the public debt and lessen the burdens of the people; but it must be observed that a sale might be made at a price far too low to effect such a result. It is far more likely to produce the desired result, should the gross sum received be equal to that on which the net earnings would pay the interest, then the effect would be to increase, rather than diminish these annual burdens. This is not what the people desire, as accomplished by a sale; nor will they be satisfied with such disposition of their property.

The real value of the public works, is a proposition full of difficulty; and, I doubt not, the General Assembly will approach the inquiry, duly impressed with its importance. Ten millions of dollars was fixed by the law of last session, as the price for the main line. This minimum is said by some to be too high, and the failure to sell regarded as the consequence. Others attribute the absence of bidders to the condition of the money market; to the stringent restrictions imposed upon the law, and to the efforts that had been previously made to disparage the value of the line. But it is obvious that more than one of these causes may have operated, and a great number of them may have done so. It is a future time, I feel very confident that the latter consideration was not without its influence. But, be this as it may, it is certainly wiser to fail to sell from any one of these causes, than to hazard the works in the market, without any restriction or limitation as to price or conditions. A bad sale would be a greater misfortune than no sale at all.

The benefits resulting to the people from these improvements, have been numerous and diversified. They have facilitated trade and commerce; stimulated productive industry in every department; and have not only enabled the farmer to reach a ready market for the fruits of his labor, but have furnished convenient outlets for the rise and mineral wealth of the State. Without them, the miner would be deprived of his occupation, the transporter be left in helpless destitution, and the Commonwealth itself be permitted to retain a parsimonious possession of vast masses of natural and unproductive riches. Our predecessors were wise in opening these avenues to trade and commerce; and if we wish to be rated well hereafter, we shall not hastily and heedlessly throw away the advantages of their future use. This, to the full extent, in the event of a sale, can only be secured by a jealous protection of the right of the people to enjoy it. The very first conditions of such a measure should be, that the works, and every branch of them, be kept at all times in good order and in operating condition, and remain forever public highways, for the use of all persons who may wish to transport goods or merchandise over them, upon rates not greater than those charged upon other

similar improvements. No corporation should get possession of these valuable avenues, except for repairs after the 1st December, 1854.

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