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PITTSBURGH:

THURSDAY MORNING, JAN. 3.

MESSAGE.

To the Honorable the Senators and Members of the House of Representatives of the Commonwealth of Pennsylvania:

GENTLEMEN: In submitting to the General Assembly my last annual communication, it is the source of unfeigned gratification to be able to announce to the People, and to their Representatives, that notwithstanding the present unfavorable crisis in the monetary affairs of this country, and the general prostration of business and credit, the financial condition of Pennsylvania is highly satisfactory.

The receipts at the State Treasury, from all sources, for the fiscal year ending on the 30th of November, 1860, were $3,479,257 31, to which add the available balance in the Treasury on the 1st day of December, 1859, $339,323 09 and the whole sum available for the year will be found to be $1,318,580 40. The expenditures, for all purposes, for the same period, were $3,637,147 32. Leaving an available balance in the Treasury, on the 1st day of December, 1860, of $681,433 08 The following items are embraced in the expenditures for the fiscal year, viz:

Loans redeemed	$564,687 63
Relief Notes cancelled	1,140 00
Interest certificates	2,439 81
Domestic creditors certificates	5 40
Damages on the public works, and old claims	21,644 24
Making, of the public debt actually paid during the year, the sum of	691,767 89

The funded and unfunded debt of the Commonwealth on the first day of December, 1859, was as follows:

FUNDED DEBT.

6 per cent. loans	$400,833 00
5 do	37,622,133 37
5½ do	388,200 00
6 do	150 000 00
Total funded debt	38,613,983 37

UNFUNDED DEBT.

Relief notes in circulation	$101,313 00
Interest certificates outstanding	17,413 82
do unclaimed	4,445 84
Domestic creditors' certificates	307 10
Total unfunded debt	123,721 78

—Making the entire public debt of Pennsylvania, on the first day of December last, $37,960,647 50:

For the principal and interest of this debt, besides the ordinary sources of revenue, the Commonwealth holds the following mortgage bonds, derived from the sale of her public improvements, viz:

Bonds of Pennsylvania Railroad Co	$7,500,000 00
do Sunbury & Erie do	3,500,000 00
do Wyoming Canal Co	231,000 00
Total	10,931,000 00

At the close of the fiscal year on the first day of December, 1857, the public debt of the Commonwealth, funded and unfunded, was $39 851,736 22

It is now, at the close of the fiscal year 1860... 37 960,647 50

Having been reduced, during the last 3 yrs.. 1,911,890 72

The available balance in the Treasury on the first day of December, 1857, was... $828,106 47

On the first day of December, 1860, it was... 681,433 08

Exceeding the former sum in the sum of... 146,326 61

Add to this the sum paid at the Treasury during the past three years, for debts and claims against the Commonwealth arising out of the construction and maintenance of the public improvements, and which was not embraced in the annual statement of the Commonwealth, amounting to... 174,664 83

And we have the sum of... 324 991 42

By adding this sum to the amount paid on the public debt from December 1, 1857, to December 1, 1860, to wit; $1,911,890 72, it will be found that during the past three years the State has not only met all her ordinary liabilities, including the expenses of Government, and the interest on her public debt, but has diminished the actual indebtedness the sum of $2,236,882 15.

When it is remembered that for the last three years the tax on real and personal estate has been but two and a half mills on the dollar, while from 1844 to 1857 it was three mills—that for the past two years and six months the State has received no part on tonnage due from the Pennsylvania railroad company—and that since July, 1858, the interest on the bonds held by the State against the Sunbury and Erie railroad company has remained due and unpaid, it is certainly cause for hearty congratulation, that, without aid from these important sources of revenue, so great a reduction of the public debt has been accomplished in comparatively so short a period. The funded debt of the State is now less than it has been since 1842, and the unfunded floating debt which at that time amounted to upwards of two millions of dollars, has been almost entirely redeemed. It is now reduced to $120, 721 78—and of this sum over ninety-nine thousand dollars consists of relief notes, most of which are undoubtedly either lost or destroyed, and will, therefore, never be presented for payment. The claims against the State, deriving from the construction and maintenance of her canals and railroads, are now reduced to a mere nominal sum; and, in the future, also, provided for the ordinary expenses of government, her revenues and her receipts may be exclusively applied to the payment of the interest, and the discharge of the principle of her public debt.

The people of this Commonwealth have hitherto met, with promptness, the demands made upon them from time to time, for the ways and means of replenishing the Public Treasury; and now, that they see that the onerous debt with which they have been so long burdened, in each year certainly and rapidly disappearing—that the amount required to meet the interest is annually being diminished, that consequently a still greater sum can each year be devoted to the reduction of the principal of the debt without resorting to additional sources of revenue—add that, with a proper husbanding of the resources of the State, the day is not far distant when direct taxation in Pennsylvania will cease altogether—the payment of such taxes may for the time be required to meet the public necessities, will continue to be met with cheerfulness and alacrity. But they will unquestionably hold those to whom are they have entrusted the financial interests of the State to a rigid accountability. That there should, at this particular juncture, when the business and monetary affairs of the country are so greatly depressed, be the strictest economy in public expenditure, is so manifest, that it can scarcely be necessary to call attention to so plain a duty. It is equally clear that any legislation which would tend greatly to lessen the revenues of the Commonwealth, would, at this time, be peculiarly unwise and inexpedient. The exigencies of the future no man can foretell—the prospect before us is beclouded with doubt and uncertainty—it is, therefore, a season for the part of wisdom to guard, with unceasing vigilance, all our present sources of revenue, and thus to be prepared for every possible contingency.

Since July 1858, the Pennsylvania railroad company has refused to pay tax on tonnage required to be paid by the act incorporating the company, and its various supplements; and there is now due to the State on that account, exclusive of interest the sum of $674,296 22. Including the interest the sum now due is about $700,000. Before my last annual message was delivered to the Legislature, a case had been tried in the court of Common Pleas of Dauphin county, between the Commonwealth and the railroad company, involving the question of the constitutionality of this tax, which was decided in favor of the State, and the imposition of the tax pronounced constitutional. In January last, another suit was tried between the same parties, in the same court, involving the same question, with a like result. In December last, a judgment was obtained in the district court of Philadelphia, upon one of the semi-annual settlements, for $110 000. So that judgment has been obtained for $385,000 of the debt, being the whole amount which became due prior to 1860. The first tax which accrued during the past year amounts to $308,820 03. The first settlement for the year is before the Dauphin county court, on an appeal taken by the company; and the second, or last settlement, was made but a few days since, by the accountant department of the Commonwealth.

After the recovery, in the common pleas of Dauphin county, the cases were removed by writs of error, where on behalf of the defendants to the Supreme court of this State, where they were argued in June last, and in October, that tribunal sustained the decision of the court of common pleas, and held the tax to be clearly constitutional; thus uniting with the law making power in affirming the right of the State to tax a corporation under a law to which it owes its existence. But notwithstanding this concurrence of opinion and action on behalf of the constituted authorities of Pennsylvania, the litigation is not yet at an end; for the railroad company has recently removed the cases, by writs of error, to the Supreme Court of the United States, where they are now pending. That the decision of that court will, when made, fully sustain the right of a sovereign State to enforce a contract between the State and a corporation, and entirely vindicate the power of a State to impose such taxes upon corporations, as in her sovereign will she may deem proper, I cannot for a moment doubt.

To complete the history of this important litigation, and to show that every effort has been, thus far, made to compel the payment of this large sum of money into the Treasury of the State, it is proper to add, that the law officer of the Commonwealth, being of opinion that the writs of error were not issued from the Supreme Court of the United States in time to prevent the collection of the judgments rendered in the State courts, executions were issued to the Sheriff of the County of Dauphin, and proceedings are now pending in the Supreme Court of this State, to determine whether the Commonwealth can compel the payment of the judgments already recovered, before the final decision by the Supreme Court of the United States.

The Sunbury and Erie railroad company having failed to negotiate its mortgage bonds in their present condition, the expectations confidently entertained of an early completion of that most important improvement have not been realized. The work during the past year, however, although greatly retarded, has been continually progressing; upwards of one million of dollars having been expended on the line from November 1859, to November 1860. The whole length of the road, from the borough of Sunbury to the harbor on the lake, at the city of Erie is 288 miles; of which 148 miles are now finished and in operation, and 115 miles of the remaining portion of the line are graded; leaving but twenty five miles yet to grade. Pennsylvania is largely interested in the early completion and success of this great thoroughfare, not only because she is the creditor of the company to the amount of three and a half millions of dollars, but for the additional, and more cogent reason, that the improvement, when completed, will open one of the most important channels of trade between the city of Philadelphia and the great lakes of the north west—the harbor on the Erie, entirely within the limits of our own State, which has ever been contemplated. It will, moreover, develop the resources of a large portion of North-Western Pennsylvania, abounding with the richest minerals, and a timber region of unsurpassed excellence, which the munificent hand of the State has hitherto totally neglected. By disposing of her branch canals to that company, in exchange for its mortgage bonds, the State has already largely aided in the construction of this great work; and it may be necessary, to insure its completion, that further legislation should be had in order to render the boon available. It is evident that a liberal policy, on the part of the government, will promote alike the interests of the Commonwealth and of the railroad company; nevertheless, great care should be taken to protect, as far as possible, the debt now due from the company to the State. If all propositions which may be made for a change in the securities now held by the commonwealth, be carefully considered by the legislature, and no more yielded than sound economy demands, with proper protection for the due application of whatever means may be realized, it is believed, that sufficient relief can be granted to the company, to enable it promptly to finish the road, while the security remaining will be fully adequate to insure the ultimate payment of the principal and interest of the bonds of the railroad company now held by the Commonwealth.

I commend this subject to the Legislature, as one entitled to its most careful consideration, as well on account of its great importance to that portion of the State through which the road passes—to the cities of Philadelphia and Erie—and to the railroad company—as to the Commonwealth herself—promising that whatever policy it may be thought expedient to pursue, should be adopted solely with reference to the protection and furtherance of the public interests.

The attention of the Legislature is again invited to the subject of general education. At the present juncture it presents peculiar claims. The experience of a quarter of a century has satisfied the proverbially cautious people of Pennsylvania, of the adaptedness of the common school system to their wants and condition. No less has the severe ordeal of the past three years shown its capability to endure those sudden reverses which occasionally prostrate the other interests of the community. Involving greater expenditure than the rest of the departments of government, and that, too, mainly drawn from direct taxation, it is a proud fact, that, while many of the enterprises of society have been seriously embarrassed, or entirely stopped, the system has not been retarded in any appreciable degree. On the contrary, its operations have been maintained to an extent which plainly indicates that our citizens fully appreciate its value. Contrasting the results during the past year, with those of 1857, we find that the whole number of pupils now in the schools, is 647 414, being an increase of 44,422; these were taught in 11 577 schools, 621 more than in 1857. During an average term of five months and five and one-half days each, at fifty-six cents per pupil, per month, by 14,065 teachers, being 529 more than in 1857. The entire expenditure of the system, for the past year, including that of the School Department, is $2,688,550 80 These figures afford some idea of the magnitude of the operations of the system; but neither words nor figures can adequately express the importance of its influence upon the present, or its relations to the future.

In contemplating the details of a plan for the due training of the youth of a community, its large proportions and imposing numbers of statistics do not display the points of its greatest importance. Pupils may be enrolled by hundreds of thousands; school houses of the best structure and most complete arrangement may be dotted at convenient distances over the whole face of the land; the most perfect order and system may be adopted and the best possible selection of books made; but when are these, without the earnest and skillful, the faithful moral and devoted teacher? Upon this enlightening spirit, all is barren and unavailing. To this vital department, I am happy to announce that the improvement of the common school teachers of the State shows more than advancement, within the past three years, than any other branch of the system. This, therefore, being the point which offers all real progress in learning and culture must originate, and from which the foundation of the whole educational edifice must be laid, the public authorities should be zealously directed.

Our peculiar mode of training teachers under the normal act f 1857 has now stood the test of practical experience; and, against the most adverse circumstances, has produced results decisive of its success. Already it has placed one institution in full operation in the southeastern part of the State, equal in standing and extent to any in the Union. Another, with all the requirements of the law, has just applied for State recognition in the extreme north-west. I commend these noble, and peculiarly Pennsylvania, schools, to your favor. Aid to them will be the best investment that can be made for the rising generation. Good instruction for our children is the strongest guarantee that, whatever else we bequeath them, their inheritance will be a blessing and not a curse; and, if nothing more is left, in the well cultivated minds, the willing hands and the trust in God, of freemen, they will have all that is essential.

Nearly eleven thousand of our fellow citizens are now devoting their efforts to the improvement of the common schools, as directors. Than this there is no more meritorious body of men. An increase of the annual State appropriation would not only be a material relief to the districts at this time, but would, to some extent, disembarrass directors in their local operations.

It is not, however, the common school system, vast and honorable to the State as it is, that claims your entire attention, in reference to education. Pennsylvania also boasts her colleges, academical, scientific, professional and philanthropic institutions, and numerous private schools of every grade. In this respect she is second to no member of the confederacy; but from mere want of attention to the proper relation she has thus far been ranked far below her just standard. The present is not the proper time to renew grants to institutions of these classes which heretofore received State aid. If I were, the public authorities do not possess the requisite data for a safe and just extension of liberality. The period will arrive when all public educational agencies must be included in one great system for the elevation of mind and morals; and when the State will, no doubt, patronize every proper effort in the good work.

For the details of the system during the last school year the attention of the Legislature is respectfully referred to the annual report of the Common School Department, herewith submitted.

I desire again, specially, to call the attention of the General Assembly to the Farmers' High School of Pennsylvania, or an institution which proposes to accomplish an object which has never been attained in this country—the supply of a want which has ever been felt by the agricultural community: the education of their sons, at once, to scientific knowledge, habitual industry, and practical skill, to fit them for the associations of rural life, and the occupation chosen for them by their fathers The gains of the farmer, however certain, are small. The education of his sons should, therefore, be measured by the nature of his business. There seems to be no practical mode of cheapening education but by combining an amount of capital, within the ability of the farmer, with the daily labor of the student, so as to make the institution so nearly self sustaining as to bring it within the reach of that class who constitute so important a branch of the industry of our people. The original design of this school embraced the accommodation of four hundred students, a number essential to the economical working of the system; and although the applications for admission are numberless, the utmost efforts of the trustees have not enabled them to complete more than one-third of the building, or to accommodate more than a corresponding number of students. Many individuals throughout the State, convinced of the merit of an institution which promises so much good, have contributed liberally to what has already been done; and the board of trustees have labored with a zeal which cannot fail to command itself to the kind feeling of all our citizens Scientific education has advanced the interests of every avocation of life—agriculture far less than any other—and for the manifest reason that it has not resolved it to the same extent, and never will reach it, unless the body be educated to the plow, as well as the mind to the philosophical principles which the plow's work developes

I have always looked upon the Farmers' High School with peculiar favor, as well because of my own convictions of its promised usefulness, as the favor which has hitherto been shown to it by the Representatives of the people. Its charter requires an annual exhibition of its receipts, expenditures and operations generally, and these will doubtless be laid before you.

By the act passed by the last Legislature, establishing a system of free banking in Pennsylvania, and securing the public against loss from insolvent banks, radical changes were made in the banking laws of this State. Instead of corporations created by special laws, voluntary associations are authorized to transact the business of banking, without further legislation, and as an indispensable prerequisite to the issuing of bank notes for circulation as money, ample security must be deposited with the Auditor General for their prompt redemption. The law makes provision, not only for the incorporation of new banking associations, but enables banking institutions now already in existence, to continue their business for ever, or for any term of the expiration of their present charters, upon complying with its provisions, by withdrawing their old circulation, and giving the securities required for the redemption of their new issues. The public, I am sure, will rejoice that no further necessity exists for legislation upon this subject, either on the subject of creating new, or re-chartering old banks; and that the time and attention of their Representatives will now, happily, be no longer monopolized in the consideration of a subject hitherto productive of so much strife and contention, if not of positive evil.

The rapid increase of private banks, through out the State, makes it eminently right that they should be placed under proper legislative restrictions, and that the large amount of capital thus employed should be made to contribute its fair proportion to the revenues of the Common wealth. Their business, in the aggregate, is now believed to amount to a sum almost, if not quite, equal to the whole business of the regularly chartered banks, and yet it is entirely unrestricted, and, with the exception of a merely nominal license tax, is free from taxation. This is unjust to every other class of our tax paying citizens, and especially so to the banking institutions holding charters from the commonwealth for which they have each paid a liberal bonus, and are, in addition, subject to a very large tax on their dividends. I respectfully recommend this subject to the attention of the Legislature

A high sense of duty impels me again to call the attention of the Legislature to the inadequacy of existing laws, regulating the receiving, keeping and disbursement of the revenues of the State. The public moneys are now paid directly to the State Treasurer, who disburses them, at his own discretion, whenever and wherever he chooses, and pays them out in whole, either small or great, upon his own unattested check alone, solely. The amount thus received, kept and disbursed is annually between three and four millions of dollars, with balances on hand, at times, exceeding one million of dollars; while the bond of the State Treasurer is for only eighty thousand dollars. His accounts are settled annually by the Auditor General, by whom he receipts for the money which the Treasury are countersigned, and these are the only safeguards provided by law to prevent the illegal and improper use of the money of the State, by the State Treasurer.

Happily the revenues of the Commonwealth have hitherto been safely kept, properly disbursed, and promptly accounted for, by those in charge of the Public Treasury; but in view of the serious defalcations which have occurred elsewhere, and in other States, this fact should furnish no reason why we ought not to guard against loss in the future. Referring to my former annual messages, I respectfully, but most earnestly, recommend that provision be made by law

1st That no money shall be deposited by the State Treasurer in any bank or elsewhere, without first requiring ample security to be given to the Commonwealth for the prompt repayment of such sum as may be deposited: and that such securities shall be prohibit or protect all conditions, and be deposited in the office of the Auditor General

2d. That all checks issued by the State Treasurer shall be countersigned by the Auditor General, before they are used, and that daily accounts shall be kept of the moneys received, deposited and disbursed, in the Auditor General's office, as well as in the Treasury Department.

3d. That condensed monthly statements, verified by the signatures of the Auditor General and State Treasurer, shall be published in one newspaper in Philadelphia and one in Harrisburg, showing the balances in the Treasury, and where deposited, with the particular amount of each deposit; and

4th. That the bond of the State Treasurer be increased to the sum of two hundred and fifty thousand dollars

Our various charitable and reformatory institutions—the State Lunatic Hospital, at Harrisburg—the Western Pennsylvania Hospital for the Insane, at Pittsburgh—the asylums for the blind, deaf and dumb, at Philadelphia—the House of Refuge at Philadelphia and Pittsburgh and the Pennsylvania Training School for Idiotic and feeble minded children, at Media, will present to the next annual session claims upon the bounty of the State. These excellent charities are continually dispensing blessings and pleasures upon suffering and erring humanity, which can scarcely be overrated. They are heartily commended to the discriminating liberality of the Legislature. I refrain, as I have heretofore done, from recommending, in proper objects for appropriations from the State Treasury, other charitable and benevolent institutions, but because they are undeserving the confidence and patronage of the public, but because they are local in their character, and in my judgment have no claim upon the common fund which can be admitted, in justice to the rights and interests of other portions of the Commonwealth.

The inspectors of the State Penitentiary for the Eastern District of Pennsylvania, in their annual reports for the years 1858 and 1859, called the attention of the Legislature to the necessity of such parts of the penitentiary buildings as were destroyed by their own fires and those of the neighborhood, and recommended that roofs of such of the corridors as were covered with shingles, and needed renewal, should be replaced with slate or metal. On visiting the institution, my attention was called to the subject by the inspectors. The necessity for the change was so apparent and urgent, that I advised them not to hesitate in having the old, dilapidated and dangerous wooden roofs of such portions of the buildings as required renewal, replaced with some substantial fire proof material. This has accordingly been done, and I respectfully recommend that a small appropriation be granted to defray the expense incurred.

I commend to your consideration the report of the State Librarian, whose attention to the interests of the library system of exchanges, with the different States of the Union, and with foreign governments, commenced and prosecuted under his auspices, has resulted in great advantage to the Library, and deserves the continued countenance of the Legislature. The increase of the library, at a comparatively small expense to the State, has been such, that it now needs enlarged accommodations for the safe keeping of the volumes, and, if the increase continues, will soon require a separate building for its exclusive use.

The reports of the State Treasurer, the Auditor General, the surveyor General, the adjutant General and the Attorney general, will inform you, in detail of the operations of the government, as presented by these several departments, for the last fiscal year. They are submitted to the attentive consideration of the Legislature.

Before the expiration of my official term, upon the recommendation of my predecessor in office, a board, of which I was one appointed in this city by the members of the Governor of the Commonwealth. The purchase included several valuable and heavy furniture, then in the building, and a small appropriation was made to complete the necessary furnishing of the house, so as to make it a fit and convenient residence for the incoming Executive. I cheerfully recommend the recommendation of a bill making a suitable appropriation for this purpose.

The extraordinary and alarming condition of our national affairs demands your immediate attention. On the 20th of December last, the convention of South Carolina, organized under the authority of the Legislature of that State, by a unanimous vote, declared that the Union now subsisting between South Carolina and the other States, under the name of the United States of America, is hereby dissolved; and the whole relation subsisting between South Carolina and the States constituting the United States, is hereby dissolved.

On behalf of the advocates of secession, it is claimed that the Union is merely a compact between the several States composing it, and that any one of the States, which may feel aggrieved, may, at its pleasure, declare that it will no longer be a party to the compact. This doctrine is clearly heterodoxy. The constitution of the United States is something more than a mere compact, or agreement, between the several States. As applied to nations, a compact is but a treaty, which may be abrogated at the will of either party; especially to the other party for its bad faith in refusing to keep its engagements, but entirely inapplicable to any superior tribunal. A government, on the other hand, whether created by consent, or by conquest, when clothed with legislative, judicial and executive powers, is necessarily in its nature perpetual; and from this sovereignty flows its right to enforce its laws and decrees by civil process, and, in an emergency, by its military and naval power. The government owes protection to the people, and they, in turn, owe it their allegiance. Its laws cannot be violated by its citizens, with no accountability to the tribunals created to enforce its decrees and punish its offenders. Organized resistance to it is rebellion. If successful, it may be purged of crime by revolution. If unsuccessful, the persons engaged in the rebellion, may be executed or imprisoned. The government of the United States, within the limits assigned to it, is as much sovereign as any other government in the civilized world. The constitution, and laws made in pursuance thereof, are expressly declared to be the supreme law of the land. Under the Constitution, the general government has the power to raise and support armies, to create and maintain a navy, and to provide for calling forth the militia to execute its laws, suppress insurrection and repel invasion. Appropriate statutes have been enacted by Congress, to aid in the execution of these important governmental powers.

The creation of the Federal Government, with the powers enumerated in the Constitution, was the act of the people of the United States, and it is perfectly immaterial that the people of the several States acted separately within the territorial limits of each State. The form of their action is of no consequence, in view of the fact that they created a Federal Government, to which they surrendered certain powers of some sanity, and declared those powers, thus surrendered, to be supreme, without reservation to the States, or to the people, the right of secession, nullification or other resistance. It is, therefore, clear that there is no constitutional right of secession. Secession is only another form of nullification. Either, when attempted to be carried out by force, or any of the States, or the people thereof, may be treated as such, by those who administer the laws, suppress insurrection and repel invasion. Appropriate statutes have been enacted by Congress, to aid in the execution of these important governmental powers.

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It is certainly true, that in cases of great extremity, when the oppression of government has been so intolerable that civil war is preferable to longer submission, there remains the revolutionary right of resistance, but where the authority of the government is clothed in a written Constitution, and each department is held in check by the other departments, it will rarely, if ever, happen that the citizen may not be adequately protected, without resorting to the sacred and inestimable right to resist and destroy a government which has been perverted to a tyranny.

But while denying the right of a state to absolve its citizens from the allegiance which they owe to the Federal Government, it is nevertheless highly proper that we should carefully and candidly examine the reasons which are alleged by all or those who have advised a determination to destroy the Union of these American States, and it shall appear that any of the causes of complaint are well founded, they should be unhesitatingly removed, and, as far as possible, repairs be made for the past, and security given for the future; for it is not to be tolerated, that a government created by the people, and administered for their benefit, should be converted into a means of injury to them.

After asserting her right to withdraw from the Union, South Carolina, through her Convention, among other reasons, declares that she is justified in exercising, at this time, that right, because several of the States have by their legislation failed to fulfill their constitutional obligations, and have enacted laws either nullifying the Constitution, or rendering useless the acts of Congress relative to the surrender of fugitive slaves—that they have permitted the open establishment of societies, to disturb the peace of other States; that the people of the non-slaveholding States have aided in the escape of slaves from their masters, and have failed to surrender insurrectionists—those that remain—and have announced their determination to exclude the South from the common territory of the Union. And in the Representatives of the people of Pennsylvania, it becomes a solemn duty to examine these serious charges, made by the authority of a sovereign State. And the punishment of arrests

Pennsylvania is included in the list of States that are charged with having refused compliance with that mandate of the Constitution of the United States, which declares, "that no person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up, on claim of the party to whom such service or labor may be due." So far from admitting the truth of the charge, I unhesitatingly aver, that, upon a careful examination, it will be found that the legislative and judicial action of Pennsylvania, whether as a colony, as a member of the old confederation, or under the existing Constitution of the United States, has been almost invariably characterized by a proper appreciation of her own obligations, and by a high regard for the rights, the feelings and the interests of her sister States.

As early as 1705, the provincial authorities of Pennsylvania, after reciting in the preamble, that "the importation of Indian slaves from Carolina, or other places," had been observed to give the Indians of this province some umbrage for suspicion and dissatisfaction," passed an act against the importation of Indian slaves from any other province, or colony, in America, but at the same time declared, "that no such Indian slave, as departing his master's service elsewhere, shall fly into this province, shall be understood or construed to be comprehended within this act." And when, in 1780, more than eight years before the Constitution of the United States went into operation, Pennsylvania passed her law for the gradual abolition of slavery, mindful of the rights of her sister confederates, she declared that "this act, or anything in it contained, shall not give any relief or shelter to any absconding or runaway negro or mulatto slave, or servant, who has absconded himself, or shall absent himself from his or her master, master or mistress, residing in any other State or country, but such owner, master or mistress, shall have like rights and remedies to demand, claim and take away his slave, or servant, as he might have had in case this act had not been made." A provision much more unequivocal in its phraseology, and direct in its commands, than those found, on the same subject, in the Constitution of the Union. The act, by its terms, was made inapplicable to domestic slaves attending upon delegates in Congress from the other American States, and those held by persons while passing through this State, or sojourning therein for a period not longer than six months.

In 1788 it was made a high penal offence for any person, by force, violence or fraud, to take out of this State, any negro or mulatto, with the intention of keeping or selling the said negro or mulatto as a slave, for a term of years. Soon after the passage of this act, the Supreme Court of Pennsylvania decided that it did not apply to the forcible removal of a slave, by the owner or his agent, but that its object was to punish the forcible or fraudulent abduction from the State of free negroes, with the intention of keeping or selling them as slaves Thus, at that early day, giving judicial sanction to the doctrine that a master had the right to take his slaves wherever he could find them.

The first act of Congress providing for the rendition of fugitives from justice or labor, was passed in 1793, and it originated from the refusal of the Governor of Virginia to surrender and deliver up, on the requisition of the Governor of Pennsylvania, three persons who had been indicted in Pennsylvania, for kidnapping a negro, and carrying him into Virginia. And when it was found that this Congressional statute did not afford a simple, speedy and efficient remedy for the recovery of fugitives from labor, the Legislature of Pennsylvania, at the request of the adjoining State of Maryland, in 1820, passed her act, supplemental to the Congress of the United States relative to fugitives from labor, for the protection of free people of color, and to prevent kidnapping." This excellent and well considered law met all the existing emergencies It required the judges, justices of the peace and aldermen of the State, upon the oath of the claimant, to issue their warrant for the arrest of any fugitive from labor escaping into this State; directing however, that such warrants should be made returnable, by whomsoever issued, before a judge of the court of common pleas, and to publish those who, by fraud, force or violence, were guilty of kidnapping, holding or selling free men as slaves. This the State had a right to do; and nothing but a unanimous Pri[illegible] could have induced the decision forbidden by the Constitution between South Carolina and the other States, under the name of the United States of America, is hereby dissolved; and the whole relation subsisting between South Carolina and the States constituting the United States, is hereby dissolved.

On behalf of the advocates of secession, it is claimed that the Union is merely a compact between the several States composing it, and that any one of the States, which may feel aggrieved, may, at its pleasure, declare that it will no longer be a party to the compact. This doctrine is clearly heterodoxy. The constitution of the United States is something more than a mere compact, or agreement, between the several States. As applied to nations, a compact is but a treaty, which may be abrogated at the will of either party; especially to the other party for its bad faith in refusing to keep its engagements, but entirely inapplicable to any superior tribunal. A government, on the other hand, whether created by consent, or by conquest, when clothed with legislative, judicial and executive powers, is necessarily in its nature perpetual; and from this sovereignty flows its right to enforce its laws and decrees by civil process, and, in an emergency, by its military and naval power. The government owes protection to the people, and they, in turn, owe it their allegiance. Its laws cannot be violated by its citizens, with no accountability to the tribunals created to enforce its decrees and punish its offenders. Organized resistance to it is rebellion. If successful, it may be purged of crime by revolution. If unsuccessful, the persons engaged in the rebellion, may be executed or imprisoned. The government of the United States, within the limits assigned to it, is as much sovereign as any other government in the civilized world. The constitution, and laws made in pursuance thereof, are expressly declared to be the supreme law of the land. Under the Constitution, the general government has the power to raise and support armies, to create and maintain a navy, and to provide for calling forth the militia to execute its laws, suppress insurrection and repel invasion. Appropriate statutes have been enacted by Congress, to aid in the execution of these important governmental powers.

The creation of the Federal Government, with the powers enumerated in the Constitution, was the act of the people of the United States, and it is perfectly immaterial that the people of the several States acted separately within the territorial limits of each State. The form of their action is of no consequence, in view of the fact that they created a Federal Government, to which they surrendered certain powers of some sanity, and declared those powers, thus surrendered, to be supreme, without reservation to the States, or to the people, the right of secession, nullification or other resistance. It is, therefore, clear that there is no constitutional right of secession. Secession is only another form of nullification. Either, when attempted to be carried out by force, or any of the States, or the people thereof, may be treated as such, by those who administer the laws, suppress insurrection and repel invasion. Appropriate statutes have been enacted by Congress, to aid in the execution of these important governmental powers.

It is certainly true, that in cases of great extremity, when the oppression of government has been so intolerable that civil war is preferable to longer submission, there remains the revolutionary right of resistance, but where the authority of the government is clothed in a written Constitution, and each department is held in check by the other departments, it will rarely, if ever, happen that the citizen may not be adequately protected, without resorting to the sacred and inestimable right to resist and destroy a government which has been perverted to a tyranny.

But while denying the right of a state to absolve its citizens from the allegiance which they owe to the Federal Government, it is nevertheless highly proper that we should carefully and candidly examine the reasons which are alleged by all or those who have advised a determination to destroy the Union of these American States, and it shall appear that any of the causes of complaint are well founded, they should be unhesitatingly removed, and, as far as possible, repairs be made for the past, and security given for the future; for it is not to be tolerated, that a government created by the people, and administered for their benefit, should be converted into a means of injury to them.

After asserting her right to withdraw from the Union, South Carolina, through her Convention, among other reasons, declares that she is justified in exercising, at this time, that right, because several of the States have by their legislation failed to fulfill their constitutional obligations, and have enacted laws either nullifying the Constitution, or rendering useless the acts of Congress relative to the surrender of fugitive slaves—that they have permitted the open establishment of societies, to disturb the peace of other States; that the people of the non-slaveholding States have aided in the escape of slaves from their masters, and have failed to surrender insurrectionists—those that remain—and have announced their determination to exclude the South from the common territory of the Union. And in the Representatives of the people of Pennsylvania, it becomes a solemn duty to examine these serious charges, made by the authority of a sovereign State. And the punishment of arrests

Pennsylvania is included in the list of States that are charged with having refused compliance with that mandate of the Constitution of the United States, which declares, "that no person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up, on claim of the party to whom such service or labor may be due." So far from admitting the truth of the charge, I unhesitatingly aver, that, upon a careful examination, it will be found that the legislative and judicial action of Pennsylvania, whether as a colony, as a member of the old confederation, or under the existing Constitution of the United States, has been almost invariably characterized by a proper appreciation of her own obligations, and by a high regard for the rights, the feelings and the interests of her sister States.

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ASSETS OF THE COMPANY,

November 1, 1860.

United States Treasury Notes and Interest due	$249,963 34
Philadelphia City 6 per cent. Loan	225 393 87
Pennsylvania State Loans	211,918 00
Bills Receivable	171 346 42
Bonds, Mortgages and Real Estate	99,145 36
Pennsylvania Railroad 6 per cent. Mortgage Bonds	45,000 00
Tennessee State 6 per cent Loan	36,000 00
Stocks in Penna. R. R. Gas and Insurance Co's	24,901 69
Balance due at Agencies, Premiums on Marine Policies, Interest and other debts due the Co	51,569 02
Cash on hand and in Bank's	20,168 51
	$903,406 21

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