The Somerset Herald.

WEDNESDAY, . . . January 14, 1874.

AMONG the lucky recipients of office at Harrisburg, we see the name of R. S. McMillen of this county, who has been elected Assistant Doorkeeper of the House.

ADVICES from Harrisburg say, that the Republican members of the Legislature after hearing an argument from Attorney General Dimick, have agreed that the first election for the Legislature occurs in November next, and resolutions to that effect have been introduced into both Houses. Thus one of the perplexing questions arising under the New Constitution will be disposed of.

AS THE Legislature has quietly gone to work under the New Constitution, and voluntarily determined, after it had been proclaimed by the Governor, that its provisions were applicable to all legislation from and after the first day of January, we suppose that the patriots who were so fearful that our scoundrelly Legislature, would steal and divide the Commonwealth, before the New Constitution could be made operative, will now sleep well o'nights.

As evidence of the prosperous condition of the financial affairs of the State, and the prudence and ability with which they are managed, the Commissioners of the Sinking Fund have announced, that in addition to the million and a half of the State debt paid off up to December 1st 1873, they have agreed to call in all outstanding certificates of the 5-10 State loan. The amount redeemed under this call will further reduce the debt seven hundred and fifty thousand dollars.

THE President having withdrawn the nomination of Attorney General Williams (at his own request) for Chief Justice of the Supreme Court, he on Friday last, nominated Caleb Cushing of Massachusetts for that position. This nomination is a surprise to the politicians, as since the dissolution of the Whig party, Mr. Cushing has acted with the Democracy. Of his large legal abilities, and entire fitness for the position, there is no cavil from any quarter. Mr. Cushing is now seventy-four years of age, but well preserved, physically and intelectually.

WE see that the Commissioner of Statistics, Hon. Thos. J. Bigham, has kindly undertaken to relieve the Legislature of the trouble of apportioning the State, into Judicial and Senatorial districts, and has furnished a plan ready cut and dry for its adoption. By this apportionment, Franklin county is made a separate Judicial district, and Fulton, Bedford and Somerset another. Just why Fulton is attached to Somerset and Bedford, and not to Franklin is not stated.

Senatorially, Somerset and Fayette are made a district, while Bedford and Blair are thrown together. Mr. Bigham's kindness may be appreciated, and his views adopted by the Legislature, and they may not.

WE surrender much of our inside space,—to the exclusion of our usual news variety,—to the admirable message of Governor Hartranft delivered to the Legislature on Wednesday last.

We trust no one will be deterred from reading this document, by its apparent length. It is full of matter of the deepest interest to all citizens of the State, is frankly and lucidly written, courteous and liberal in spirit, and its entire exhibit of public affairs gratifying to our State pride. In every respect the message is free from partisan bias and will command the respect and attention of the people.

WHILE the Legislature is reforming generally, the laws of the Commonwealth, we hope to see it provide for a more equitable assessment of taxes, than by our present method of township and borough Assessors.—Every tax payer knows that at present, property is not appraised at one half its value, and that owing to the diversity of opinion, of conscientiousness, of business ability, of the ideas of value, and a score of other causes, controlling assessors, that assessments in the same neighborhood, but in different townships, differ astoundingly, while a large amount of personal property, monies, &c., &c., escapes taxation altogether. If all property was fairly and honestly returned and equitably valued, taxes would be much reduced, and all be compelled to bear this burden alike. Let us have the Ohio plan, or the plan formally in use by the Internal Revenue Department, for assessing the tax on incomes, where each individual is required to make a return under oath of all taxable property, and we will have a much fairer and equitable basis than the present one, dependent entirely on the cupidity of the tax-payer and the conscientiousness and integrity to duty, of the Assessor.

THE Legislature was organized on Tuesday of last week by the election of Butler B. Strang of Tioga, for Speaker, Russell Errett of Pittsburg, Chief Clerk, J. R. McAfee of Westmoreland and Thos. Cochran of York Assistant Clerks. Hon. H. H. McCormick of Pittsburg, was elected Speaker of the House. Dr. Shurlock of Beaver, Chief Clerk and Hugh Morrison of Butler and John A. Smull of Harrisburg Assistant Clerks. After the organization, a joint committee of both Houses was held and the votes on the New Constitution opened and counted, there being for the Constitution, 253,774, and against it 108,594. Immediately after the summing up of the vote, the Governor issued his proclamation, declaring the New Constitution adopted and in effect. In the Senate a resolution was unanimously passed, that all legislation be in accordance with the New Constitution. On Wednesday, all the members of the Senate took the oath to suport the New Constitution, the vote for State Treasurer was counted and declared, a joint committee of both Houses was appointed to revise the rules, and a resolution was introduced and referred to the proper committee, to amend the election laws of the State.

On Friday the Senate considered and debated the bill to amend the election laws, and the Governor appeared at the bar of that body, and the Speaker administered to him the oath of office under the New Constitution. At one o'clock the Senate adjourned until Tuesday evening the 13th inst. In the House the day was spent up to the hour of adjournment, in discussing the rules. Both Houses are fully prepared for work, and we presume the serious business of the session will commence this week.

MESSAGE

OF

GOV. JOHN F. HARTRANFT,

TO THE

General Assembly of Pennsylvania.

January 7, 1874.

Gentlemen of the Senate and House of Representatives:

Since your last meeting a grievous public calamity, in the guise of a financial panic, has visited the country, having in its train a series of disasters. The industrial pursuits and monetary interests of the State have become greatly depressed, the wealth of many of her leading capitalists and most public spirited citizens has been wholy swept away, the business of her corporations paralized, the machinery of her manufactories arrested, her mineral, iron, oil and other productions greatly depreciated in value, and poverty and want brought to the humble houses of thousands of her honest and industrious citizens, who toil for their daily bread. To remedy these evils under which all our industries are languishing, so far as relief can be administered by legislation, it is barely necessary to suggest, should be the first duty of our honorable bodies—a duty which I feel assured will be undertaken with care and deliberation, invoking to its aid a fair share of humanity and the highest practical wisdom. In any measures looking to this object it will be my pleasure heartily to co-operate.

FINANCES.

It is gratifying to observe that many of the most substantial securities in the market were more or less depressed during the recent panic, the finances of the State were unshaken, exhibiting unmistakable evidence of the stability of the State credit. The following statement showing their satisfactory condition, will challenge attention:

Debt Redeemed

during fiscal year ending November 30, 1873:

Six per cent. loan	$1,308,800 00
Five per cent. loan	153,112 46
Chambersburg certificates	42,760 24
Total	$1,504,672 70

Receipts

during fiscal year ending November 30, 1873:

Balance in Treasury Nov. 30, 1872	$1,482,455 61
Receipts	7,076,723 20
Total	$8,559,178 81

Disbursements

during fiscal year ending November 30, 1873:

Ordinary expenses	$3,066,325 67	
Loans redeemed	1,504,672 70	
Interest paid on loans	1,563,029 20	
		$6,134,027 57
Balance in Treasury Nov. 30, 1873		$1,425,151 24

PUBLIC DEBT.

Funded Debt.

Six per cent. loans	$20,540,580 00	
Five per cent. loans	4,972,354 01	
Four and a half per cent. loans	87,000 00	
		$25,599,934 01

Unfunded Debt.

Relief notes in circulation	$ 96,249 00	
Interest certificates outstanding	13,049 02	
Interest certificates unclaimed	4,448 38	
Domestic creditors' certificates	44 67	
Chambersburg certificates outstanding	84,829 64	
Chambersburg certificates unclaimed	267 22	
		$ 198,887 93
Total public debt Nov. 30, 1873		$25,798,821 94

Bonds in Sinking Fund.

Bonds of the Pennsylvania R. R. Company	$ 5,700,000 00	
Bonds of the Allegheny Valley Railroad Co.	3,500,000 00	
		$ 9,200,000 00
Cash in Treasury Nov. 30, 1873	1,825,151 24	
		$11,025,151 24
Indebtedness unprovided for		$14,773,670 70

In 1874 the receipts from all sources will be $1,520,000 less than the receipts of 1873, while the expenditures will not be diminished. This loss of revenue is largely due to the repeal of taxes bearing heavily upon the industrial interests of the Commonwealth, and partly to the prostration of business. The receipts in 1875 may be about the same as those of 1874, but the expenditures will be greater, owing to the outlay necessary for schools, Legislature and Judiciary, under the new Constitution, which will then be in full force. Notwithstanding this enormous decrease in the receipts, and increase in expenditures, it is hoped and believed, that by the most rigid economy in every branch of the government and moderate appropriations, the revenues in the future will be sufficient to meet all the demands on the Treasury, and leave a balance to reduce the indebtedness of the State, as required by the Constitution. I am in accord with those who believe as the debt decreases there should be a correspondiog relief afforded to those interests that bear the burden of taxation: but at this juncture I would regard any further reduction of the revenues as unwise. In our list of taxes, however, may be found some that are not strictly "uniform upon the same class of subjects," and very unfair in their operation, and I think, therefor, a revision of our tax laws is now desirable if not necessary.

SINKING FUND.

In compliance with the constitutional amendment of 1857, the Legislature in 1858, created a sinking fund for the payment of the interest on the State debt, and for an annual reduction of the principal in a sum not less than $250,000 per annum. In addition to the securities designated by the amendment, the revenues arising from certain taxes were assigned to this fund. From that time, each succeeding year, the interest on the debt has been punctually paid, and a portion of principal redeemed instead of amounting to $250,000 has grown to the immense sum of one to two millions per year The reason is a simple one. The revenues set apart for the sinking fund, by the natural growth of these special taxes, have become annually much larger, while the amount required to be paid on account of interest, by reason of the rapid decrease of the public debt, has every year become smaller, and in this way the annual credits to the sinking fund have swollen to proportions never contemplated by the original friends of the measure. As an illustration, it is simply necessary to say, that the revenues flowing to this fund were last year over half the entire income of the State of $3,500,000, while only $1,500,000 were needed to pay the interest on the debt. In the meantime, the annual revenues allotted for general purposes have been less than the amount of the annual appropriations of the Legislature, and the Legislature never having made provisions for the difference by a reconstruction of the revenues, it became necessary for the Treasurer to pay the deficiences of appropriations out of the funds properly due to the sinking fund or suspend payment. This condition of affairs placed the Sinking Fund Commissioners in an anomalous position, from which it is manifestly the duty of the Legislature to relieve them.

THE CENTENNIAL.

The progress of the work of preparations for the Centennial is realizing fully the expectations of our people. The distinguished gentlemen charged with the details of this vast undertaking are striving zealously, with great intelligence and industry, to perfect all the arrangements in a manner commensurate with the important and conspicuous position our Republic occupies among the nations of the earth. A becoming regard for the dignity and honor of the country, we can hope, will now induce the general government, and all the States, to extend to the commission such material aid as will secure this enterprise from every possibility of failure. The city of Philadelphia, whose generosity, in different ways, in behalf of the Centennial, has elicited commendation from all quarters, ceded to the Commission an eligable site in the midst of her beautiful park, whereon the proposed buildings for the exhibition, the plans of which have been adopted, are to be erected. This site was formerly transferred and dedicated to its special uses on the 4th of July last, in the presence of a large concourse of citizens. Upon that occasion proclamation of the President was made, wherein the celebration and exhibition were commended to the people of the United States, and a cordial invitation given to all nations who may be pleased to take part therein.

With this act the project became a national one, and co-operation was invited and expected from the whole nation; and it is a pleasure to observe that the different States and Territories are earnestly moving with a view to such contributions as will place the celebration not only upon a sound financial basis, but make it a successful exhibition of their various resources and industries. To stamp the Centennial, however, with the character of a national enterprise, it must receive assistance direct and substantial from the national government. Congress must set the seal of its approbation upon the work of the Commission, and manifest not only an interest in this great undertaking, but a determination that in its proportions and grandure the American Exposition shall eclipse all those which have preceded it in Europe, as the development of our resources, the expansion of our grand railway system, and the diversified employment of the arts and sciences in all the avenues of our industry surpass those of the old world.

Pennsylvania must not neglect this opportunity for the display of her rich, varied and inexhaustible products, nor relax her efforts to rescue the exhibition from every mischance to which difference or distrust may expose it. It is true her contributions have been large, but she must not forget that the nation has signally honored her people by designating her metropolis as the place for the proposed celebration, and she must show by renewed exertions that she appreciates the distinction.

THE NEW CONSTITUTION.

Pursuant to an act of the General Assembly, approved June 2, A. D. 1871, the people by a large majority voted in favor of calling a Convention to amend the Constitution of this Commonwealth, and the General Assembly, by an act approved April 11, 1872, provided for the calling of the same, and in compliance with its provisions the delegates elected thereto assembled at the the State capital, at Harrisburg, on the second Tuesday of November, 1872, and adjourned *sine die* on Saturday, December 27, 1873. The Constitution adopted by the Convention was submitted to the qualified electors of the Commonwealth, on the third Tuesday of December, 1873, and by certificate of the said Convention, on file in the office of the Secretary of this Commonwealth it appears 253,560 votes were given for, and 109,198 against the new Constitution.

In the schedule of the new Constitution it is provided that it shall take effect on the first day of January, 1874. In the act calling the Convention it is provided that the returns of the votes cast for and against the new Constitution "shall be opened, counted and published as the returns for Governor are now by law counted and published," and when so ascertained and certified, "the Governor shall declare by proclamation the result of the election." The Constitution of 1838, as well as the new Constitution, provides "that the returns of every election for Governor shall be sealed up and transmitted to the seat of government, directed to the President of the Senate, who shall open and publish them in presence of the members of both Houses of the General Assembly.

The Constitutional Convention, the last day of its session, passed the following resolution:

"WHEREAS, it appears by the returns of election in the several counties of the State, held on Tuesday the 16th day of December, A. D. 1873, that the new Constitution has been adopted by a majority of one hundred and forty-four thousand three hundred and sixty-two; therefore,

"*Resolved*, That His Excellency, the Governor, be informed by the President of the Convention of the result, and that he be respectfully requested to issue his proclamation therefore without delay."

I respectfully call your attention thereto, that there may be no unnecessary delay in the counting of the vote cast for and against the new Constitution; that I may, in conformity with the provisions of the act calling the Convention, and in compliance with the resolution of the Convention, promptly issue the proper proclamations.

The new Constitution having been approved by a very decided majority of the people, it is expected that all citizens will yield cheerful obedience to its behests, and unite to strictly and faithfully enforce its provisions.

As each day's experience reveals the methods of administration, the conviction grows stronger in my mind that good government depends not so much upon written laws as upon the disposition of the people to comply with the demands of the laws, and the determination of those delegated to execute them to see that their mandates are enforced. Reform it will be conceded, cannot be obtained by mere constitutional enactment, nor surrounding offices and trusts with additional restraints.

The world's history from the earliest ages, has shown that no code of laws, however comprehensive or restrictive, will evade man's ingenuity if bent upon overstepping their bounds; and wise and necessary as the provisions of the new Constitution may be, they will never secure the ends designed unless sustained by a strong, active, healthful and intelligent sentiment that will interest itself in public affairs. It will not suffice to enact that integrity and fitness are essential qualifications for office, unless the people see to it that none without these qualifications are selected. It is the indifference and inattention of electors to their primary political duties, connected with nominations and elections, that despoil the law of its sanctity and afford security to those who wilfully disobey its requirements. Men do not fulfill the obligations of citizenship by merely enjoying the protection our institutions afford. To perform his whole duty to the State, every citizen should actively engage in political concerns when the recurring elections invoke his attention and interference. In our system of government every man entitled to vote is invested with a grave public trust, and if, through indifference or neglect, he fails to discharge the sacred duties it imposes, he is almost as culpable as the other who deliberately violates the law. With this new departure in organic law let there also be an accompanying resolution on the part of all good citizens that they will attend diligently and conscientiously to the selection of men for office whose dignity of character and intellect will be an adequate guaranty that the new Constitution will be safe in their keeping.

Upon the present Legislature devolves a duty involving great care and labor, and which if discharged, as I believe it will be, with a proper regard for the public interest, will redound to its credit and honor. To you is committed the important trust of molding existing regulations into conformity with the change about to be inaugurated in the fundamental law of the State. Bring to the performance of this high and responsible duty all the wisdom you possess, divest yourselves of all selfish considerations, devote time and thought to the work, and with the new Constitution as your constant guide, bind up a good and symmetrical system of laws, and let us so far as it lies in our ability start the State forward upon her future career, clothed with ample powers to extend her enterprise, and fulfill her great destiny.

To another consideration I invite public attention. All special enactments are not necessarily bad laws, while it may be equally accepted as true that all general enactments are not good laws. I enjoin upon the people of the whole State increased vigilance in their watch over all legislation. Attempts will doubtless be made to obtain special objects through the instrumentality of general laws, which while they may benefit one interest or locality, might prove very oppressive to others. Let every citizen who has the interest of the State at heart, lend his assistance to the Legislature and Executive, to detect and frustrate such schemes.

SCHOOLS.

The interesting report of the Superintendent of Common Schools will command your thoughtful attention, because of the important subject of which it treats and the many valuable suggestions it contains. Pennsylvania, it will be observed, is making decided progress in the cause of education, insreasing the number of schools, enlarging each year the sphere of instruction, extending the time within which schooling can be obtained, and supplying more of the conveniences necessary for the comfort and health of the scholars and teachers. For years, in this State, doubts of the practicability of a system of public schools beset and crippled the cause of education but judicious and careful management has happily dissipated this mistrust, and our people are now united in the conviction of the utility and wisdom of free and universal instruction. Those concerned in the administration of public affairs are expected to devote to the vital problems of education the time and consideration they deserve, and I have no doubt that the present Legislature will look into and provide remedies for many of the deficiencies that still exist in our present school system. Prominent among the defects is the lack of proper training and other qualifications of the teachers of the schools. "Of the 15, 603 teachers receiving certificates to teach during the year, only 374 were found to have a *thorough* knowledge of reading, writing, arrithmetic, geography and grammar, and that practical preparation for their profession which insures success," is the startling declaration made by the Superintendant of Common Schools. There must certainly be a radical change in this regard, if we would have our children attain even the rudiments of an ordinary education. The necessity of establishing normal schools wherein students are specially qualified and trained for teaching is conspiciously shown in these statistics, and is a gratification to know that twelve of these useful institutions have been erected, or are in process of erection, in various parts of the State, and when all are furnished with an able corps of instructors, we can confidently hope the graduates therefrom will largely contribute to supply this pressing need of good and competent teachers. To afford some inducement, however, to teachers to prepare themselves for the duties of their profession, and some assurance of the public appreciation of the difficult responsible and delicate work they perform, I am satisfied they should receive increased compensation.

Dissatisfaction exists also, and complaint is made about the frequent change of school books, entailing expense upon parents, and subjecting pupils to novel and perplexing methods of acquiring lessons that mystify more than they instruct.

There seems to be an urgent demand for more training of a technical kind, that will fit children for mechanical pursuits and the practical duties of life. I suggest, therefore, that school boards be authorized to make provisions for giving instruction in industrial and mechanical drawing, both in day and evening schools; also that schools be established wherein trades may be taught, or arrangements made for such instruction in connection with schools already established, so that skilled mechanics can be graduated, and the principle inculcated that there is nothing ungraceful or undignified in honest and hard labor, and that the handiwork of the skillful artisan will confer in the future as noble a title as any to be achieved in professional callings.

More thorough examination of the subject strengthens me in the conviction that the State must adopt some mode to compel the attendance of those children whose parents are unwilling or unable to allow their offspring to avail themselves of the benefits our school system affords. The solution of this important question presents grave difficulties, but I expect to see them all surmounted. Some plan must be devised to snatch these children from the career of idleness and crime to which ignorance will consign them. By far the greater portion of the inmates of our penitentiaries never attended schools, or had the advantages of education. Is modern civilization unequal to the task of rescuing the children of the indigent and the criminal from such a fate?

The views expressed in the report of the Superintendant of Common Schools upon this very point, embrace, in my opinion, a feasible plan to secure the attendance at school of every child in the State, and I earnestly solicit your consideration of that part of his report, with the additional suggestion, that when these poor vagrant children are gathered into schools or homes, that the industrial plan be engrafted upon the conduct of these institutions, so that those taught may also acquire useful trades. Observation shows that a man thoroughly acquainted with a trade is secure against many of the temptations that open the doors of the prison to great numbers whose hands are unskilled, and who are unused to any steady or exacting labor. In the able and comprehensive report of the Inspectors of the Eastern Penitentiary for 1872, among other details of value is found this significant statement: That of the 240 convicts admitted to the prison during the year 1871, 99 per cent. had never been apprenticed, and 56 per cent. had never attended school. These figures are eloquently and painfully suggestive of the relations indolence and ignorance bear to crime.

SOLDIERS' ORPHANS.

No act of the State ever secured her more honor than that which pledged her people to the care and education of the orphans of the soldiers who fell in her service, and no part of her policy has reflected so much credit upon her people as the fidelity with which they have been redeeming that promise. The generosity which former Legislatures have displayed in providing for the maintenance and instruction of these orphans will now, I am pursuaded, bespeak for them like consideration and favor. I feel constrained also to renew my proposition that some measure should be taken to furnish these children with trades.

BOARD OF PUBLIC CHARITIES.

During the past year the gentlemen composing the Board of Public charities have fulfilled the important trust committed to their care with their wonted fidelity and zeal. The results of their labors clearly demonstrate that true philanthropy, well guarded and directed, can be of great practical service to the State.

The numbers of the original, pauper, insane, and other defective classes that are in some degree dependent on public support, must always be large, and the problem of caring for these multitudes in a way to decrease their number, and so add to the productive force of the community, is one which addresses itself with great force to the attention of the Legislature

PRISONS.

In the light of the reports of the Board of Public Charities and Prison Inspectors, and of my own investigation, I am firmly of the belief that the sytem of commutation wherby the term of a prisoner is shortened by reason of his good conduct, has been productive of reformatory results. By examination, also, I am possessed of this other conviction, that for the purpose of awakening the self-respect of a prisoner, and to provide him with some incitement to good behavior and industrial habits, every inmate of a prison should be instructed in a trade. When competent to do the work belonging to his particular trade the convict should then receive while in prison as compensation for his labor, a portion of his earnings, to be given to his family if necessitious or if he has no family, to be reserved for his own uses when released. Accustomed in this way to toil for those dependant upon his support, the prisoner, when liberated, will be apt to carry into life the skill and habits of industry thus acquired, and make of himself a useful citizen. Society is as much interested in the reformation as in the punishment of the criminal, and experience shows that teaching him a trade contributes to that end.

INSANE HOSPITALS.

The hospitals for the insane, under the control of the State are steadily accomplishing the beneficent work for which they are intended. The hospital at Harrisburg has been full during the whole year, and at the time of the last report the inmates were considerably in excess of the number that can be properly cared for in this institution. The building will have to undergo a series of repairs and improvements to make it a safe and comfortable home for those placed there for treatment.

The hospital at Danville has been in operation about a year, and at the latest reports had 160 patients, and at the rate at which patients have been admitted, will have more than its complement before another year has elapsed. It is desirable that the additional wings to this hospital should be pushed forward to completion at the earliest possible day, to provide for those greatly in need of accommodation.

To insure the delicate and peculiar treatment required for the insane, too much care cannot be exercised to prevent these hospitals from becoming crowded.

The commissioners appointed under the act approved August 18, 1873, to select a site and build a hospital for the insane of the ten northwestern counties of the State, fixed upon a property at Warren as the most eligible for the purpose, and their selection has been approved. This property contains 330 acres of land, 300 acres of which are arable land and cost $33,000. The number of the insane in the northwestern section of the State, who imperatively require the accommodations to be furnished at this hospital, admonish us of the necessity for the immediate construction of the buildings.

THE CRIMINAL INSANE.

The suggestions of the committee of the Medical Society of Pennsylvania, appointed to prepare a memorial to the Legislature in reference to the proper care and treatment of insane criminals, which will be submitted to you, merit your respectful consideration. The hardship and impolicy of associating this class of the insane with those sent to hospitals for medical and moral treatment must occur to every rational mind. The restraints necessary to secure the few criminal insane in every hospital bear with like rigor upon all the occupants, to many of whom the unusual confinement is extremely hurtful, while it is obvious that if the ordinary discipline is observed this criminal class are liable to escape and renew their depredations upon society. Nor do the intimate relations that must exist between the innocent and the criminal insane when confined together improve the morals of the former, while some sensitive minds among these poor unfortunates feel degraded by enforced contact with those who have been expelled from society for their crimes. It seems to be the duty of the State therefore to provide for the separate confinement of the criminal insane.

STATE BANKS, SAVINGS, TRUST COMPANIES.

I will adhere to the principles laid down by Mifflinburg and Wood's Run vetoes of last session. Recent events have demonstrated the necessity of fixing proper limitations to the powers conferred on those moneyed corporations, and have afforded a practical illustration of the wisdom of rigidly confining them to objects that are recognized by the people as distinctively belonging to such institutions. When a bank of discount is permitted to become also a saving fund, a trust company, an insurance company, to buy and sell real estate, and to have the rights and privileges of a building association, it is difficult to determine what are its functions, or what security a community has for the safety of its deposits. I have always entertained serious doubts as to the propriety of banks of discount paying interest on deposits, and am now convinced that this pernicious practice should be prohibited. Money will always flow to banks paying interest on deposits, and the large surplus thus aggregated, seduced by attractive offers, is sent to the great money centers, where it gives more impulse to speculation, while the sections from which it is drawn suffer in all their enterprises from the higher rates they are compelled to pay for the money remaining at home. This system of purchasing deposits was confessedly one of the principal causes of the financial crisis of 1857, and of this year. When banks have large deposits on call and have their loans on time, in the event of any great stringency in the money market, disaster is almost inevitable.

Within a few years many State banks have been chartered, with the captivating names of savings banks, designed to attract deposits. These banks and savings funds are entirely distinct in organization and purpose, and should never be associated in their management. The one is a bank of discount, intended to supply the wants of business, the other is simply a repository for people's money, limited to small amounts to each individual, the aggregate of the amounts thus received to be invested in mortgages on unincumbered property worth double the amount of the mortgage, and in secure public stocks, in safe proportions. A bank is conducted with the avowed object of benefit to its stockholders; a savings fund is presumed to be managed entirely in the interests of depositors among the laboring classes, or those of limited means and business qualifications, and the essential requisites of which are such prudence and safety in the disposition of the funds as will best enhance their value for the benefit of those classes of depositors. Men in charge of savings funds should have no personal ends to serve; should be above temptation, and receive their highest reward in the good accomplished by inducing a saving habit which, once fixed, leads to prosperity.

The objects of trust companies should be equally specific and well defined. Some of these companies are invested with very extensive powers, are the depositors of immense sums of money and charged with the keeping and management of vast and important trusts. It should be the duty of the State to see that their affairs are administered with fidelity, not only to the individuals who confide in their management, but to the public who are interested in the security and stability of these companies as barriers to wild speculation and its consequence financial panics.

Allow me to suggest, therefore, that all State banks, savings funds and trust companies be made subject to the examination of a committee appointed by proper authority; that these institutions be required to publish quarterly statements, under oath, of the amount of their assets and liabilities and the names of their officers; that by a general law their stockholders be made personally liable for double the amount of stock held by them; and that they be compelled to have constantly in their vaults a cash reserve of ten per cent. of their net liabilities. These examinations, reports and restrictions cannot be hurtful to institutions of established credit and high character, while they will disclose the unsoundness or mismanagement of those that ought not to exist.

INSURANCE.

The Department, established by an act approved April 4, 1873, for the supervision of the insurance interests of the State, went into operation on the first Monday of May last. By the terms of this act the Department is self-sustaining, and in no way a burden upon the public treasury.

While Pennsylvania can boast of some and substantial insurance companies it must be acknowledged that the want of system in the organization and management of these corporations, and the reckless manner in which the Legislature has granted special charters, together with the entire absence of restraining supervision, have introduced defects that cannot be too soon remedied. The capital with which fire insurance companies have been permited to begin, and continue business, is in most cases entirely inadequate, and immediate steps should be taken to place insurance in this State upon a firm and enduring foundation. To this end I recommend the enactment of a law providing for the organization and regulation of insurance companies, both fire and life, which shall require a certain amount of capital as a prerequisite to commence business, and designate the kind of investments to be made. It may also be advisable to compel companies already organized to have, within a reasonable time, the entire amount of their nominal capital actually paid in and invested in good securities. Fire insurace, excepting that conducted within a limited sphere upon the purely mutual plan requires capital, and this capital should be actual and not in the illusory form of stock notes. Taking into consideration the enormous sums paid annually by the citizens of this State in the shape of premiums to insurance companies, they have a right to demand the largest measure of protection against recklessness and fraud.

FISH COMMISSION.

The operations of the Fish Commissioners have excited a lively interest among our people, on account of the novelty of the enterprise and the benefits to arise from the successful prosecution of their labors.

Fish culture, it is now conceded, has passed beyond the realms of experiment, and its success in the future is only to be measured by the wants of our people and the capacity of the streams, rivers and lakes of the country.

Pennsylvania is singularly blessed in the superior advantages she possesses for the culture of fish. Abounding in waters admirably adapted to their needs, in the insect and other food they supply, there is no reasonable obstacle to stocking our rivers and streams with innumerable and delicious fish of various and even rare kinds.

The work assigned to the commission has been diligently pursued and promises substantial results. Availing themselves of the use of Mr. Seth Green's patent, the commissioners succeeded in hatching, at Newport, Perry county, where the water is peculiarly fitted for the purpose, about 2,700,000 shad, which were turned into the Juniata river at that point. Two thousand six hundred black bass were also distributed in the Susquehanna, Lehigh and Juniata rivers during the months of July and August last, and through the kindness of Professor Spencer F. Baird, United States Fish Commissioner, 27,000 California salmon have been planted in the Susquehanna and its tributaries. The bass are not migratory fish and are very prolific. Two or three hundred were placed in the Susquehanna, near Harrisburg, in 1870, and the rapidity with which they multiply is manifest in the great numbers of this beautiful and choice fish that are now found in the river in that vicinity.

The law of 1873 authorizing the Fish Commission, directed that four fish-ways should be constructed at different dams on the Susquehanna and Juniata rivers, so as to enabled shad, on their spring incursions from the sea, to make the ascent of these streams. The question whether shad will ascend an artificial way is still, however, a mooted one, and encountering this doubt, the commission, in the exercise of what will be deemed a sound discretion, concluded to erect but one fish way, and that at the Columbia dam. This way is 120 feet long by 60 feet wide, is very gradual in the incline, and made as nearly conformable as possible to natural ways over which shad do undoubtedly pass, and will afford a practical test of this experiment. If in the spring it is found shad do pass up this fish-way, the others required by law will be constructed without delay.

The hatching-house erected by the Commissioners, near Marietta, and supplied with water from an inexhaustible spring, is said by those familiar with the subject to be complete in its arrangements and furnished with all the necessary appliances for the propagation of fish. The capacity of the house is equal to the proper care of 70,000 young fish, and is susceptible of enlargement, if required. The Fish Commissioners of New Jersey recently had a conference with those of Pennsylvania, with a view to obtain from their respective States such concurrent legislation as will best promote the shad and other fisheries in the Delaware river, and to so harmonize the laws of the two States as to prevent a conflict of authority. Any suggestions resulting from this conference, and submitted for your action, will, I trust, be respectfully considered.

BUREAU OF STATISTICS.

The report of the Commissioner of Labor and Statistics for the current year, embracing many instructive details, will be read with interest. The organization of this bureau within a very limited period has, of course, precluded it from making any extensive investigations, but enough has been done to demonstrate the necessity for such a department and the service it can render the people by enlarging continuously the knowledge of our resources, trade, internal improvements, and the various processes of education and enlightenment in our midst.

This bureau was created with the special object of investigating the relations of labor and capital, to discover the cause of the frequent contests between employers and employed; to determine what share labor has in the progress and prosperity of the State; to examine with a view to its proper adjustment the question of wages, and to compare and collect facts that will afford a better understanding of the duty of the State to the laboring classes, having in view their protection, amelioration and happiness.

No more worthy object invites research or should command public support, when we consider how numerous are these classes in this Commonwealth, how various are the fields for their labor, and how much they have contributed to develop and build up our present grand industries.

In this connection, the propriety of a State census, to be taken in 1875, presents itself with great force. It is of the utmost importance that in 1876, the Centennial year, we should have the most reliable and recent information possible of the extent of our population and products, and of the condition of our labor, agricultural and industrial interests, that we may acquaint the world with all our capabilities and needs, and thus prepare the way for the expansion of our trade and commerce.

NATIONAL GUARD.

The wisdom of the new militia law is already apparent in the increased efficiency of the several commands, and the enthusiastic spirit aroused among the troops. Rigid inspections have been conducted by the Adjutant General, and the companies not meeting the requirements of the law have been promptly disbanded. Still more encouraging and satisfactory results may be expected from the operation of the new system during the ensuing year, and I invoke the National Guard to renewed efforts to increase its efficiency and perfect its discipline, that it may deserve the confidence and support the public are now willing to extend, and be worthy of the great State whose safety and honor in some future crisis may depend upon the character and valor of her citizen soldiery.

STATE ARSENAL.

The State having purchased the properties adjoining the Capitol grounds, with a view to their extension, I recommend the removal of the arsenal situate thereon, and that an appropriation be made to purchase a site and erect an arsenal in some other locality. The service requires a building of this kind, and the cost of the repair of the present arsenal would probably be equal to the expense of erecting a new one, while the beauty and symmetry of the public park will be greatly enhanced by the removal of all buildings from that portion of the grounds.

POWDER MAGAZINE.

Your attention is particularly directed to that part of the report of the Adjutant General which refers to the sale of the old and purchase of a new site for a powder magazine in the city of Philadelphia, with a suggestion that the new site be sold, on account of its unfitness for the special use designed, and the additional reason that to build a new magazine would subject the State to an expense of at least $25,000. The parties storing powder, under any proper restrictions by the city authorities of Philadelphia, will doubtless gladly avail themselves of the privilege to erect store houses or magazines of their own, and the State will thus be relieved of a charge which may hereafter be the cause of the destruction of property and a consequent claim for damages.

LAND DEPARTMENT.

The report of the Surveyor General gives a detailed and very satisfactory exhibit of the business and condition of his department. Attention is called to the valuable suggestions made in reference to granting warrants to survey lands and the enlargement of the right of pre-emption, both being shown by experience to be necessary to the better protection of those holding titles from the Commonwealth, and as the subject is of importance to a large class of our people, I earnestly commend the same to your careful consideration.

GEOLOGICAL SURVEY.

In my inaugural address mention was made of the rich deposits of minerals found in every part of the Commonwealth, and a suggestion offered that it should be our earnest aim to determin the extent of these deposits and make them available and productive. To provide the highest possible knowledge of the character and location of our valuable minerals, we should first institute a thorough geographical survey under the supervision of gentlemen whose scientific attainments will be a sufficient warrant that the work will be properly performed. To attain this desirable end, therefore, I earnestly recommend that a geological survey of the State be made under the superintendence of a commission to be composed of ten scientific or practical gentlemen representing different interests and localities, who understand the necessities for this survey and under whose direction it shall be conducted, the commission to serve gratuitously and to have the selection of a geologist who shall receive such compensation as may be fixed by law.

This survey should be made to embrace a chemical analysis of the different soils and sub-soils of the State, and a simple and intelligent classification and description of the same, from which our farming community may gather some easily comprehended principles to guide them in the cultivation of their land, and so prevent its impoverishment and increase its productiveness.

COLONIAL RECORDS.

The late Governor William F. Johnston, in his annual message in January, 1851, advised the selection and arrangement for publication of the large body of original papers in the State Department connected with our Colonial and Revolutionary history.

In accordance with his advice an act was passed, and during subsequent administrations supplementary acts were passed which resulted eventually in the publication of the invaluable repository of Pennsylvania history known as the "Colonial records," and "Pennsylvania Archives." The minutes of the Board of War and Navy Board could not at that date be found, and have only been recovered since the commencement of my official term. They cover an important period of our Revolutionary history, and are accompanied by vouchers and correspondence; including muster rolls of soldiers and the names of officers, marines and vessels of the Pennsylvania Colonial navy.

As these minutes and accompanying documents are valuable in an historical point of view, and the Colonial Records and Archives incomplete without them, I respectfully call the attention of the Assembly to the propriety of publishing and preserving them.

AMERICAN STEAMSHIP COMPANY.

The American Steamship Company, an enterprise in which our commercial and industrial interests are so largely concerned, may now be considered an assured success. The beautiful and capacious steamers of the company have been making the passage of the ocean in the same time as those of the old and established lines, and the number of passengers and the freight carried are steadily on the increase. Philadelphia is now in direct communication with Europe, through the enterprise of a line of splendid steamers of her own, and this time a new impulse will be given to her commerce that will be felt in every channel of trade throughout the State.

PARDONS.

A year's experience in the exercise of the pardoning power has confirmed me in the opinion, expressed in my inaugural, that it is unwise and unjust to impose this responsibility upon a single individual. The importunities of distressed relatives, the personal appeals of men of character and reputation, the inconsiderate and indiscriminate manner in which petitions are signed by responsible parties, the absence of protests in almost every case, and the disproportion between the offence and the penalties frequently imposed, are all calculated to embarrass and prevent a right conclusion. When it is considered, also, that the Executive, in any application, is forbidden to solicit his sympathies, while his discretion is presumed to be proof against ingenuity and falsehood, the perplexity of his situation can readily be conceived.

It has been my constant endeavor to balance considerately the interest of society and the claims of humanity, to sift carefully the evidence presented, and to arrive at a determination only after all the means of information had been exhausted. To compass this later end, it has been the practice to procure the views of the judge and attorneys of the court who tried the offenders, and almost invariably have their opinions influenced my decisions. Appended herewith will be found a report of the pardons granted during the year.

FOREST TREES.

I especially invite your attention to an evil of considerable magnitude which every year grows more extensive, and in certain regions is, on the occasion of frost, approaching and fast tending to the wholesale destruction of our forests, by stripping our mountains and hills of their trees, resulting in an enormous diminution of water for manufacturing, fertilizing purposes, and in sudden changes in the normal conditions of temperature and moisture affecting the general health and productiveness, bringing about devastating floods. These consequences, as the result of the indiscriminate waste, are deplorable, and a wise legislation should fo