

GOVERNOR'S MESSAGE.

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

The past year has afforded us new cause of thankfulness to the Almighty for the moral and material blessings which he has bestowed upon us.

The balance in the Treasury No. member 30, 1862, was \$2,172,844 10
Receipts during fiscal year ending November 30, 1863 4,289,451 65
Total in Treasury for fiscal year ending November 30, 1863, 6,462,295 75
The payments for the same period have been 4,314,964 06
Balance in Treasury November 30, 1863, 2,147,331 70

The operations of the sinking fund during the last year have been shown by my Proclamation of the 8th day of September last, as follows: Amount of debt Commonwealth reduced \$954,720 40
As follows, viz: Coupon Loan Act, May 4, 1862, 100,000 00
Five per cent. 790,716 50
Four and one-half per cent. 68,000 00
Relief notes 963 00
Domestic creditors' certificates 13 00
Interest certificates paid 27 90 \$954,720 40

Amount of public debt of Pennsylvania as it stood on the 1st day of December, 1862, \$40,448,218 82
Deduct amount redeemed at the State Treasury during the fiscal year, ending with November 30, 1863, viz:
Five per cent. stocks \$888,499 78
Four and one-half per cent. stocks 68,000 00
Relief notes 109 00
Domestic creditors' certificates 8 26 \$951,617 04
Public debt December 1st, 1863, \$39,496,601 78
Funded debt, viz:
6 per cent. loans \$400,630 00
5 per cent. loans 35,709,986 45
4 per cent. loans 268,200 00 \$38,678,816 45
Unfunded debt, viz:
Relief notes in circulation \$97,251 00
Interest certificates outstanding 16,866 68
Domestic creditors' certificates unclaimed 4,448 88
Domestic creditors' certificates 724 32 \$117,780 33
Total \$39,496,601 78
Military Loan per Act of May 15th, 1861 \$3,000,000 00
Total indebtedness \$39,496,601 78

By the act of 15th May, 1861 authorizing the military loan of \$3,000,000, a tax of one-half mill was laid on real and personal property, to furnish a fund for redeeming the same. I recommend that the commissioners of the sinking fund be directed to invest the proceeds of the tax in State loan, so that it may be drawing interest, to be in like manner invested, or that they should apply such proceeds directly to the purchase of certificates of the military loan, and cancel such certificates as shall be purchased.
Although our finances are still in a healthy condition, it is necessary to invite the serious attention of the Legislature to the consideration of the means of maintaining them unimpaired in the future.
By the act of 12th June, 1860, it was provided that the interest on the State loans should always be paid in specie or its equivalent, and that the amount of the interest should be less than the value of the specie, the difference in value should be ascertained and certified to the Governor, who should thereupon issue his warrant to the agents or banks authorized to pay such interest on behalf of the Commonwealth, to allow such difference to parties receiving the interest, or at the option of the parties to pay the same in specie.
By the act of 11th April, 1862, it was provided that for the purpose of paying the interest on the State loans, all interest should be paid by the Commonwealth, as required by the act of 12th June, 1860, the several banks who should avail themselves of the provisions of that act, (of 11th April, 1862), and who should demand to redeem their notes in specie, on demand, at any time within ten days upon or after the time when such interest should become due, should thereafter, when required by the State Treasurer, by notice in writing, to the State Treasury, in proportion to the capital stock paid in of each bank, their ratable proportion of such premium for gold or its equivalent, as should have been actually paid by the State.
By the act of the 30th January, 1863, it was provided that the State Treasurer should exchange with the banks an amount of currency sufficient to pay the interest on the State debt falling due on the first days of February and August, 1863, for the same amount of gold, and should give to the banks specie certificates of exchange, not transferable, pledging the faith of the State to return said coin in exchange for notes current at the time, on or before the first Monday of March, 1864, such certificates to bear interest at the rate of 2 1/2 per cent. per annum.
Under the provisions of the act of 1862, certain banks paid into the State Treasury \$140,768 30 as an equivalent for coin for the payment of interest on the public debt.
Under the act of 1863, specie certificates have been given to the banks, amounting in the whole to \$1,968,904 97, which, with the accruing interest, will fall due on the first Monday of March next.
As the provisions of this act were of a temporary character, the only acts now in force on the subject are those of 1840 and 1862, above mentioned, under which it will be the duty of the State authorities to pay the interest on the 1st February, 1864, and thereafter, in coin or its equivalent, and look to the banks that may be liable under the act of 1862 for reimbursement of the premium paid by the Commonwealth.
In the face of all difficulties, this Commonwealth, actuated by a sentiment which does its people honor, has hitherto paid its interest in coin on its equivalent.
Existing circumstances make it necessary to consider now the fair extent of her just obligations.
The exigencies of the times have compelled the Government of the United States to issue large amounts of Treasury notes for circulation, which are not redeemable in coin, and which form the great mass of our circulating medium.
It is our duty as a loyal State—it is our interest as a State whose welfare, and even safety, depend emphatically upon the maintenance of the credit and the success of the military operations of the general government—to do nothing to impair its credit or embarrass its measures. On the contrary, we owe it to ourselves and to our posterity to give an active support to its efforts to quell the monstrous rebellion

which is still raging, and thus restore peace to our distracted country.
It is our own Government, and we could not, without gross indecency, attempt to refuse its currency in payment of taxes and other debts due to the Commonwealth.

In 1840 the case was very different. The difficulties then arose from the suspension of specie payments by our State banks, more local and private corporations, and the State very properly by the act of that year, intended to provide against loss to its creditors by reason of such suspensions. An exigency like the present could not then have been foreseen by the Legislature, and it is to be inferred therefore that they could not have intended to provide for it.
We derive our system of public loans from Europe, and the true extent of our obligation is to be ascertained by referring to the known and the practice of European governments prior to the date when our loans were effected. I mean of course such of those governments as were held to have maintained their national credit.
It is believed to have been the uniform practice of such governments to pay their interest in paper currency, however depreciated, during a legalized suspension of specie payments. An observable instance of this is afforded by the course of the British Government, which during twenty-five years, from 1797 to 1822, during which the bank was prohibited by law from paying out coin for any purpose, paid the interest on its public debts in bank notes, which during a great part of that time were at a heavy discount, sometimes amounting to 80 per cent. or thereabout. Their necessities then were not greater than ours are now.
Among ourselves, at the present time, Massachusetts (whose debt is believed to be very small) pays the interest in coin. Ohio and Indiana pay in currency. In New York it is not known what will be done. Her Legislature, by concurrent resolution, ordered the interest to be paid in coin to foreign stockholders, in April last.
At the present rate of premium on gold, the sum necessary to pay on an amount sufficient to discharge the annual interest on the State debt would be more than \$1,000,000, and to meet this, additional taxation to that extent would be unavoidable. The demands on the Treasury for other necessary purposes must probably be such as to render it imprudent to throw any part of this expenditure on the existing surplus. To borrow money from year to year to pay the interest on past loans would, of course, be to discharge the annual interest on the State debt in force, and attempt to throw the payment of this large premium annually on the banks, would be not only flagrantly unjust, but quite impracticable. I recommend the whole subject to the careful and immediate consideration of the Legislature. Some legislation ought to be had on it before the close of the present month. In my opinion the Commonwealth will have discharged her obligations by providing for the payment of her interest in the currency of the Government. If the Legislature should think fit to continue to pay it in coin, it will be their duty to levy forthwith the heavy taxes necessary for that purpose. I must in passing observe that the plan, adopted by one of the States of paying coin to foreign, and currency to domestic loan holders, appears to me to be wholly unjust, and founded on no legitimate principle.

At the close of the last session, nineteen bills renewing the charters of certain banks for another period of five years were presented to me. Of these I have (for reasons which will be hereafter communicated,) withheld my signature from one and approved the remainder. I have been led to sign them by the consideration that the banks of the Commonwealth pay a large revenue which the State can ill afford to lose; and that in the present condition of the country, it would be impolitic to drive so much capital out of active use or force it into new employments.
If the National Banking system afford sufficient security, capital will voluntarily take that direction. It is proper to observe that the charters of most of the banks in question expire at an early period, while in consequence of the invasion of the State, during the last summer, they could not have been reasonably expected to give the necessary notice of renewed applications for re-charting.
I recommend an extension of the time during which the banks are not relieved from paying interest, not paying their obligations in coin.
The increased expenses of living invite attention to the salaries of our public officers. Those of the Secretary of the Commonwealth, Auditor General and State Treasurer, and of the Clerks in their employment are, in my opinion, too low, especially as the exigencies of the times have greatly enhanced the labor and responsibility of all, and in the case of the heads of those departments, enforce a constant attendance at Harrisburg, which was not formerly required.
Under the Act of 18th April, 1862, and its supplement passed 22nd April, 1863, the Adjutant General, Quartermaster General and Commissary General have been acting as the Board of Military Claims. They have, up to this time, approved claims to the amount of \$106,416 81, and others have been already presented for their consideration to the amount of \$392,120 29, which have not yet been acted on.
Under the Act of 22nd April, 1863, (P. L. 520,) the Court of Common Pleas, appointed three appraisers to ascertain the damage done in the counties on the Southern border by the militia called into service in September, 1862, and by the Rebels in their raid on the 10th and 11th of October, 1862.
The appraisers have not yet completed the performance of their duties. When their report shall have been made to the Court of Common Pleas and affirmed, in whole or in part, by that court, it will be the duty of the Governor to claim the payment of the amounts from the General Government, and on failure to secure the same, then to report to the next Legislature, recommending such action as he may deem just and proper.
The expenses of the Transportation and Telegraph Department during the past year have been as follows:
Paid out of appropriation made by Military Loan act of 1861, \$18,658 87
Unpaid (the appropriation being exhausted) 15,764 79
Outstanding liabilities, estimated at 5,000 00
\$34,423 66

These expenses have been mainly incurred in keeping up the necessary correspondence of the military departments and in the transportation of sick and wounded and the dead bodies of our volunteers, as will be seen by the report of the Chief of Transportation, herewith communicated. I recommend an appropriation to meet the deficiency, and also to carry on the services of this department hereafter.
By the thirteenth section of the act of the 16th May, 1861, the sum of \$20,000 was appropriated to be expended by the Governor for the compensation of such persons as he might require to organize the Commonwealth in the military organization of the State or the General Government, and for the expenses incident to the business in which they might be employed.
I have, according to law, settled annual accounts of the expenditure of this fund in the Auditor General's office, to which the Legislature is referred. The unexpended balance is now \$4,521 98. A further sum should be appropriated in like manner. It is my duty to pay the persons whom I found it necessary to employ in the military department, and the expenses of the agency which I was compelled to establish at Washington to attend to the interest and welfare of our volunteers. The conjuncture of this agency and the establishment of a similar one in the West are of vital importance to them. I recommend the pas-

age of an act authorizing the appointment of agents at Washington and Nashville, and defining their duties, which should include the collection of all bounties, back pay, pensions, etc., due to Pennsylvanians.
On this subject I refer the Legislature to the report of Colonel B. Biddle Roberts, late Agent of the State, at Washington, herewith communicated and commend it to your careful examination.
On the invasion of the State during the last summer, the President made a call for militia, and with his consent I subsequently made a call for volunteer militia for the defence of the State. Under these calls men were assembled and organized with promptness, after the reality of the emergency came to be understood by our people. The General Government clothed, and assisted this force, and agreed to pay it, but no appropriation for that purpose had been made by Congress, the President and Secretary of War promised if the money should be advanced from other quarters to recommend its immediate repayment on the meeting of Congress. It is understood that steps have been already taken to fulfil this pledge. Several of the banks cheerfully and readily advanced the necessary funds to the amount of \$671,476 43, on my promise to recommend to the Legislature an appropriation to repay them in case Congress should fail to make one. I accordingly make that recommendation most emphatically. Should it be necessary, I will hereafter, in a special message, give the details and correspondence relating to this subject.
New York and New Jersey, under the President's call, sent regiments to assist in our defence, for which our thanks are due to those States, our good neighbors.
After the battle of Gettysburg, in which loyal volunteers from eighteen States, including Pennsylvania, were engaged, it appeared to me proper that all those States should unite in establishing a cemetery on the spot, in which their soldiers who had fallen in that conflict, should be honorably interred. I accordingly appointed David Willis, Esq. of Gettysburg, my agent, and through him, a site was purchased to the extent of 42 1/2 acres, and the necessary arrangements for its completion were made to the Commonwealth.
On communicating with the authorities of the other States, they all readily agreed to become parties to the arrangement, and on the 10th day of November last, the cemetery was dedicated with appropriate ceremonies in the presence of the President of the United States, the Governors of the States concerned, and other high officials. On the 19th of December, 1863, by the act of December, on the invitation of Mr. Willis, commissioners representing the States interested in the cemetery, met in Harrisburg and agreed upon a plan for its improvement and care in the future, and the appointment of the sum of money required, to the several States, which is herewith communicated. The expenses attending the establishment of this cemetery, including the cost of the site and of removing the bodies of the slain, have thus far amounted to \$5,209 38, and an appropriation will be required to pay these expenses, and to meet our portion of those attending its future maintenance. It will appear by the proceedings of the commissioners that their due proportion of the expenses already incurred are to be refunded by the States on whose account they were made. It is just to say that Mr. Willis has discharged his arduous and delicate duties with fidelity and to my entire satisfaction.
The act for the relief of families of volunteers in service may require some revision. It is alleged that in some parts of the State the county authorities are backward in executing the law. If this be so, the members from the affected counties should be called to the attention of the Legislature, and urged to make such further enactments as may be proper.
I commend to the prompt attention of the Legislature the subject of the relief of poor orphans of our soldiers who have given, or shall give their lives to the country during this crisis. In my opinion, their maintenance and education should be provided for by the State—failing other natural friends of ability to provide for them, they should be honorably received and fostered as children of the Commonwealth. The \$50,000 heretofore given by the Pennsylvania Railroad Company, referred to in my last annual message, is still unappropriated, and I recommend that this sum, with such other means as the Legislature may think fit, be applied to this end, in such manner as may be thought most expedient and effective.
A further revision of the Government pension system, I recommend that provision be made for securing the admission of school children to existing educational establishments, to be clothed, nurtured and instructed at the public expense. I make this recommendation earnestly, feeling assured that in doing so, I represent the wishes of the patriotic, the benevolent and the good, of the State.

A revision of the Legislature to the condition of the loyal people of East Pennsylvania, which is represented to be most deplorable, and appeals with irresistible force alike to your sympathies and your sense of justice. Their whole country has been laid waste by the contending armies of the Government and the rebels. Four times large armies have passed over that district, destroying or carrying off all that has been gathered up by the approaching winter, and now the women and children are left in a state of destitution.
The representations made by sundry gentlemen of the highest respectability, from that State, are of the most heart rending character. Starvation, actual and present, now exist. Can we, in the midst of affluent abundance, for a moment hesitate as to what our action shall be towards the people who in only one year have been reduced to this condition?
Even if a portion of our charity should reach the starving families of those in sympathy with the rebellion, better it should, than that these devoted, self-sacrificing people who have so unhesitatingly adhered to the Government, be left to suffer. Whenever pestilence and famine distressed the people of any portion of our country, our sympathies have been foremost in relief of them, and the people of Pennsylvania have extended their open handed benevolence and broad charity to the starving people of foreign countries. Shall it be said that the appeals of these people for bread fall upon the heart of Pennsylvania in vain, and that we who have so recently given thanks for our abundances have no relief for them in their extremities? I commend the subject through you to the people of the State, as worthy the immediate attention and active exertions of the charitable and the liberal.
I should be glad if the Legislature would make a general revision of our Revenue Laws, with a view to their increased productiveness. It ought to be observed that for a period of more than twenty years, no material change has been made in the Revenue Laws of this Commonwealth. During that time some interests have grown into new importance, and should be made to bear their just proportion of the public expense, since all taxation should as far as possible, press equally upon the property and employments of our people.
Failing such revision, I recommend to the consideration of the Legislature, the following suggestions connected with the subject.
There are several large companies in the State which, in addition to large mining privileges, have the control of the routes of transportation, by which alone the products of the mines of individuals in their respective districts, can reach a market. These companies thus enjoy substantial monopolies, by means of which they not only receive the fair profits of their own property, but are enabled to make additional heavy profits at the expense of individuals. It is my opinion such privileges ought never to have been granted, but as they exist, it appears to me that the class of companies which enjoy them, should pay therefor an additional specific tax.
Very large sums are due to the Common-

wealth for unpatented lands. Forbearance, clemency, and liberality have been in vain tried in the numerous attempts to procure the payment of at least a part of this debt, from the larger portion of those who are indebted on that account. The continuance of this state of affairs is unjust to the Commonwealth and to the vast majority of her people who have honestly paid for their lands. It has become undurable. I recommend that the Legislature provide that the Surveyor General shall file of record in the office of the Court of Common Pleas of each county, a description of the lands subject to the lien of the Commonwealth for purchase money, and a statement of the amount of principal and interest now due to the Commonwealth, together with the patent fees on each tract and ten per cent. on the amount so due for the labor and cost of making and filing such statement, and the aggregate amount thus stated, for each tract, shall be held to be the amount now due thereon to the Commonwealth, which shall bear interest at the rate of twelve per cent. per annum, till paid, and shall continue to be the first lien on the land, till paid, and shall not be divested by any judicial or other sale whatever. I also recommend the adoption of a suggestion contained in the Surveyor General's report that a specific tax be laid on all unpatented lands.
Existing laws municipal corporations are required to deduct and pay into the Treasury the tax on all loans contracted by them. It is believed that a large addition would accrue to the revenue by the extension of this provision to all counties and to all corporations private or public.
I recommend that it be so extended.
A tax on the gross receipts of all railroad and canal companies would, it is believed, be productive and not oppressive.
Upon satisfactory reports, according to law, made by Colonel John A. Wright, I have drawn my warrants for the delivery to the Philadelphia and Erie Railroad Company of another million of the bonds deposited in the State Treasury. Four millions of said bonds have heretofore been sold delivered. There can be no reasonable doubt of the early completion of the work, when completed, it is confidently expected that the bonds held by the State, secured on the road for \$5,500,000, will become good interest-paying securities.
I renew most earnestly the recommendation made in my last annual message of a revision of the militia laws. They are at present shamefully defective. Indeed, if by a militia law meant a law intended to provide for so calling out the military force of the State that it may be put into service when required, we may be said to have no militia law. In each of the last two years I have been obliged to call out the militia, but in fact those who obeyed the call were volunteers and, with some exceptions, were wholly unorganized, so that almost in face of the enemy, time had to be consumed in distributing the men into companies and regiments, in electing officers and in other preparations for effective organization.
In the report of the Adjutant General will be found a list of the Pennsylvania regiments and a statement showing the several armies and departments in which they are now serving. In this connection, I suggest the propriety of legislative authority being given for the preparation of a history of each of our regiments and other organizations, to be preserved as our archives. The necessary documents are now accessible, and as they may in time be lost or destroyed, the making of such a record as I propose should not be deferred. It is due alike to the living and the dead that this subject should be promptly acted on.
I recommend that the proposed amendments to the Constitution, giving to citizens in the public service only the right of election, be passed promptly and submitted to a vote of the people as early a day as possible, so that such citizens may exercise their right of suffrage at all future elections. This would be only doing justice to the brave men who are perishing their lives in our defence.
It is highly important that we should replenish the ranks of our regiments in the field as the places of those who volunteers whose terms will soon expire and who decline further service. I am happy to say that a large proportion of our regiments are re-enlisting. Efforts are making by myself and by the people in various portions of the State to procure a sufficient number of volunteers, and with a promise of success, provided reasonable time be allowed for the purpose. Men of noble spirits, giving the service of their arms to the cause of freedom, and agents from some other States are now properly endeavoring to seduce our citizens into their service by extravagant bounties and promises.
The 12th section of the act of 15th May, 1861, prohibits any volunteers from leaving the State without the authority of the Governor, and I now recommend the passage of a law imposing penalties by fine and imprisonment on individuals who in procuring, or aiding or assisting in procuring, any person in this State to enlist in the volunteer service of any other State. Many of our counties and townships have filled their quotas at a large expense, and in others they are in course of doing the same by offers of liberal bounties and provisions for the families of volunteers, and it is not right that these patriotic efforts should be counteracted by interference from beyond our borders, especially as we cannot, in these circumstances offer bounties by private individuals without the injustice of compelling the counties and townships which have already contributed largely in that way, to assist in paying, by taxation, for the deficiency of others.
I feel it to be my duty to call your attention to the pernicious practice of leaving many bills to be hurried through at the close of the session. During the last session of the last session, 380 bills were presented for my signature, many of them of the most important character. The whole number of bills presented to me during the session was 715. In consequence of this habit not only are bills passed without an opportunity to either House for a proper consideration of their provisions, but without examination, or to hold them over perhaps to the public inconvenience. It may often happen that a bill not approved by either a single obnoxious clause, might if there were time, be repassed, omitting the objectionable provision. In connection with the subject of Legislation, I must refer to another mischief. General laws have been passed to give relief in certain cases, which formerly required a special act in each case. As for instance the sale of lands by executors, administrators and trustees, the adoption of children, the creation of mining and manufacturing corporations, and so forth. These laws were passed to ensure such an examination in each case as would enable justice to be done to the parties and to the public, and also to save the time and expense consumed in private legislation. They have hitherto effected neither purpose, but I do seriously urge on the Legislature the consideration that whoever applies either for a special act or under circumstances not either the result of an impartial inquiry or (if the application be for a charter) must desire the omission or insertion of some provision contrary to what the Legislature has determined after mature consideration to be just and legitimate.

Major General Curtis has been assigned the command of the Department of Kansas, which consists of Kansas, Colorado, Nebraska and the Indian Territory.
Gen. Curtis will leave for his new command as soon as the roads are passable.
VERMONT'S QUOTA FULL.
WASHINGTON, Jan. 7.
The Hon. Mr. Woodbridge, of Vermont, has received a telegram stating that the quota of the State is full, with a surplus of 270, besides the re-enlistments of volunteers in the field.

delayed. Accordingly the War Department erected two new military departments, viz: The Department of the Monongahela, including that portion of the State lying west of the mountains, to be commanded by Maj. Gen. Brooks, and the Department of the Susquehanna, comprising the remainder of the State, and to be commanded by Maj. Gen. Couch. Early in June, Maj. Gen. Couch arrived at Harrisburg and assumed command of his department, which he has since exercised with the soldierlike promptness, energy and discretion which were to be expected from his known character.
The rebels having actually entered the State in some force, and the approach of their whole army being imminent, the President made a requisition for militia from this and some of the neighboring States, and several regiments from New York and New Jersey were promptly sent, and our own volunteer militia began to assemble, but some embarrassments arising, the President assented to a call by the Executive of the State, which was accordingly made. Under these calls 5,166 of the men of Pennsylvania were assembled in the Department of General Brooks, and 31,422 in that of General Couch. To give the details, or even a summary of the operations which ensued, would be impracticable within the limits of a message. It is unnecessary to do so, as I have recommended the adoption of measures for preserving the history of our several regiments and other organizations, and in that history the events to which I have referred will be recorded. It is due, however, to the men who came forward, that I should say now that they made long and laborious marches in parts of this and other States which had been plundered by the rebels, suffered great privations, and were frequently with the enemy, and on all occasions acted with obedience to military discipline and orders, and with courage and endurance.
Some of the militia called in 1862, and in 1863, were killed and others disabled. In all these cases, where there are no laws for the relief of these men or their families, I recommend the enactment of a law for that purpose.
The campaign on our soil was closed by the victory of Gettysburg, gained by the veteran Army of the Potomac, under the command of Major General Meade, the officers and men of which displayed all their accustomed valor and endurance in the conflict with the rebel army, and under Divine Providence, to them and to the military genius and unsurpassed energy of General Meade, and the promptness and self-sacrificing gallantry of General Reynolds, we are indebted for success on that bloody field.
We are proud to claim General Meade and Reynolds as sons of our own Pennsylvania.
The first lives to enjoy the most precious of all rewards, the grateful appreciation of his countrymen. The latter fell in the very front of the battle, and we can only pay homage to his memory. Whatever honors have been at any time devised to commemorate the virtues of a patriot—a true, fearless, loyal citizen and soldier, he has abundantly deserved.
His surviving companions in arms claim the right of themselves erecting a monument to him on the field on which he fell, and it would not be well to interfere with their patriotic intention. But I hope that the Legislature will place upon the records of the State some appropriate testimony of the public gratitude to him and his surviving commander.
It would be unjust to omit referring again to the loyal spirit of our people, which has been evinced in every mode since this war commenced. The volunteers have their own services of the Government, and supported cheerfulness the burdens of taxation, but our storehouses and depots have literally overflowed with comforts and necessities, spontaneously contributed by them, under the active care of thousands of our women, (faithful unto death,) for the sick and wounded and prisoners, as well as for our armies in the field. Their patriotic benevolence seems to be inexhaustible. To every new call, the response becomes more and more liberal and more intelligent was received of the barbarian slaves of the whole State were instantly thrown open, and before any similar movement had been made elsewhere, I was already employed on behalf of our people in efforts to secure the admission through the rebel lines of the abundant supplies needed for the relief of our suffering brethren. Those of our citizens who have given into the habit of disparaging our great Commonwealth, and the unsurpassed efforts of her people should blush when they look on this picture.
That this unnatural rebellion may be speedily and effectually crushed, we will—all under the obligation of the one paramount duty—that of vigorously supporting our Government in its measures to that end. To the full extent of my individual ability it shall be so supported, and I rely heartily on your co-operation. I am ready for all proper measures to strengthen its arms—to encourage its upholders—and to liberate by public liberality, to themselves and their families, the men who give to it their personal service—in every mode to invigorate its action. We are fighting the great battle of God—of truth—of right—of liberty. The Almighty has no attribute that can favor our savage and degenerate enemies. No people can submit to territorial divisions without becoming contemptible in their own eyes, and in those of the world. But it is not only against territorial dismemberment that we are struggling, but against the destruction of the very ground work of our whole political system. The ultimate question truly at issue is the possibility of the permanent existence of a powerful Republic. That is the question to be now solved, and by the blessing of God, we mean that it shall not be our fault if it be not solved favorably.
We have, during the past year, made mighty strides toward such a solution and to all human appearances we approach its completion. Whatever reverses may happen—whatever blood and treasure may still be required—whatever sacrifices may be necessary—there will remain the inexorable determination of our people to fight out this thing to the end—to preserve and maintain this Union. They have sworn that not one star shall be left from the constellation, nor its clustered brightness dimmed by treason and savagery, and they will keep their oath.

A. G. CURTIN.
Attack on Our Forces at Janesville, Va.
They are Compelled to Surrender.
CINCINNATI, Jan. 7.
A special dispatch to the Cincinnati Press says that a force under Samuel Jones, consisting of about 300 men. After desperate resistance, they were surrendered, losing thirty killed and thirty wounded, one gun and two small howitzers.

KNOX, Jan. 6.
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The Spectacles Presented by the Minority in the Senate.
We defy any man to point out in history, or in possible, to conceive a more humiliating spectacle than that presented by the minority in the Senate. Sixteen grave Senators have assumed an attitude which will attach a foul disgrace to them as long as they live and move among men. These men are contending for what? Are they presenting their solid front in order to maintain the integrity and dignity of the Commonwealth? No, because they have already violated and outraged both, by thus obstructing public business. Are they holding out thus persistently in the hope of contributing to the success of the fighting men in the field? No, because those sixteen Senators have voted, within the past two days, one disgrace after another, one insult after the other, to our armies in the field. They have refused in a body to enfranchise the fighting men of Pennsylvania—they refused to tender to Gen. Grant and his army, while their swords and bayonets are still dripping with the gore of hard fought battles, and while victory still lights up their banners, sixteen copperhead Senators in the Senate of Pennsylvania have refused to tender Gen. Grant and his army a vote of thanks. What a spectacle! What an insult to the loyal men of the Union! and how degrading is this infamous conduct on the part of these miserable demagogues, to the Commonwealth of Pennsylvania!

GOVERNOR SKYHOOD, of New York, it seems, is not to have his own way with regard to the removal of the Commissioners of the Metropolitan Police without a struggle for their rights on the part of those gentlemen. Mr. Acton, the President of the Board, has notified the Governor that, acting upon the advice of counsel, the commissioners will hold on to their positions, believing that they cannot be removed without an investigation of the charges against them. They will continue to act until the Governor's power and their rights have been judicially settled. He also reminds the Governor that, in communicating with the Board a year ago, he used language fully admitting this view of the case, to-wit: "When your answers have been received, I will make the proper order for an inquiry into the truth of the charges made." The Governor will probably find that, whatever may have been his motive, he has overstepped his authority. Had this action of the Governor any relation to the arrests which he might surmise were about to be made in New York of parties for sending supplies to, and in complicity with, the rebels?

TO BE CLOTHED.—Letters from Chattanooga announce that the clothes for the Army of the Cumberland have arrived. There has been culpable delay somewhere in getting these supplies forward. The boys who marched so gallantly over the serrated lines of rifle-points up to the summit of Missionary Ridge and Look-out deserved better of their country than to have to wait until midwinter for clothes to make them comfortable. Shoes and hats, with tattered garments on those bloody battle days of November, have we seen these noble spirits fight and fall.
The delay was not in the Government furnishing the articles, but was owing to the inefficiency of those having the transportation in charge. A great improvement could be made by having the right men in charge of affairs from Nashville to Chattanooga.

By the act of 15th May, 1861 authorizing the military loan of \$3,000,000, a tax of one-half mill was laid on real and personal property, to furnish a fund for redeeming the same. I recommend that the commissioners of the sinking fund be directed to invest the proceeds of the tax in State loan, so that it may be drawing interest, to be in like manner invested, or that they should apply such proceeds directly to the purchase of certificates of the military loan, and cancel such certificates as shall be purchased.
Although our finances are still in a healthy condition, it is necessary to invite the serious attention of the Legislature to the consideration of the means of maintaining them unimpaired in the future.
By the act of 12th June, 1860, it was provided that the interest on the State loans should always be paid in specie or its equivalent, and that the amount of the interest should be less than the value of the specie, the difference in value should be ascertained and certified to the Governor, who should thereupon issue his warrant to the agents or banks authorized to pay such interest on behalf of the Commonwealth, to allow such difference to parties receiving the interest, or at the option of the parties to pay the same in specie.
By the act of 11th April, 1862, it was provided that for the purpose of paying the interest on the State loans, all interest should be paid by the Commonwealth, as required by the act of 12th June, 1860, the several banks who should avail themselves of the provisions of that act, (of 11th April, 1862), and who should demand to redeem their notes in specie, on demand, at any time within ten days upon or after the time when such interest should become due, should thereafter, when required by the State Treasurer, by notice in writing, to the State Treasury, in proportion to the capital stock paid in of each bank, their ratable proportion of such premium for gold or its equivalent, as should have been actually paid by the State.
By the act of the 30th January, 1863, it was provided that the State Treasurer should exchange with the banks an amount of currency sufficient to pay the interest on the State debt falling due on the first days of February and August, 1863, for the same amount of gold, and should give to the banks specie certificates of exchange, not transferable, pledging the faith of the State to return said coin in exchange for notes current at the time, on or before the first Monday of March, 1864, such certificates to bear interest at the rate of 2 1/2 per cent. per annum.
Under the provisions of the act of 1862, certain banks paid into the State Treasury \$140,768 30 as an equivalent for coin for the payment of interest on the public debt.
Under the act of 1863, specie certificates have been given to the banks, amounting in the whole to \$1,968,904 97, which, with the accruing interest, will fall due on the first Monday of March next.
As the provisions of this act were of a temporary character, the only acts now in force on the subject are those of 1840 and 1862, above mentioned, under which it will be the duty of the State authorities to pay the interest on the 1st February, 1864, and thereafter, in coin or its equivalent, and look to the banks that may be liable under the act of 1862 for reimbursement of the premium paid by the Commonwealth.
In the face of all difficulties, this Commonwealth, actuated by a sentiment which does its people honor, has hitherto paid its interest in coin on its equivalent.
Existing circumstances make it necessary to consider now the fair extent of her just obligations.
The exigencies of the times have compelled the Government of the United States to issue large amounts of Treasury notes for circulation, which are not redeemable in coin, and which form the great mass of our circulating medium.
It is our duty as a loyal State—it is our interest as a State whose welfare, and even safety, depend emphatically upon the maintenance of the credit and the success of the military operations of the general government—to do nothing to impair its credit or embarrass its measures. On the contrary, we owe it to ourselves and to our posterity to give an active support to its efforts to quell the monstrous rebellion

which is still raging, and thus restore peace to our distracted country.
It is our own Government, and we could not, without gross indecency, attempt to refuse its currency in payment of taxes and other debts due to the Commonwealth.
In 1840 the case was very different. The difficulties then arose from the suspension of specie payments by our State banks, more local and private corporations, and the State very properly by the act of that year, intended to provide against loss to its creditors by reason of such suspensions. An exigency like the present could not then have been foreseen by the Legislature, and it is to be inferred therefore that they could not have intended to provide for it.
We derive our system of public loans from Europe, and the true extent of our obligation is to be ascertained by referring to the known and the practice of European governments prior to the date when our loans were effected. I mean of course such of those governments as were held to have maintained their national credit.
It is believed to have been the uniform practice of such governments to pay their interest in paper currency, however depreciated, during a legalized suspension of specie payments. An observable instance of this is afforded by the course of the British Government, which during twenty-five years, from 1797 to 1822, during which the bank was prohibited by law from paying out coin for any purpose, paid the interest on its public debts in bank notes, which during a great part of that time were at a heavy discount, sometimes amounting to 80 per cent. or thereabout. Their necessities then were not greater than ours are now.
Among ourselves, at the present time, Massachusetts (whose debt is believed to be very small) pays the interest in coin. Ohio and Indiana pay in currency. In New York it is not known what will be done. Her Legislature, by concurrent resolution, ordered the interest to be paid in coin to foreign stockholders, in April last.
At the present rate of premium on gold, the sum necessary to pay on an amount sufficient to discharge the annual interest on the State debt would be more than \$1,000,000, and to meet this, additional taxation to that extent would be unavoidable. The demands on the Treasury for other necessary purposes must probably be such as to render it imprudent to throw any part of this expenditure on the existing surplus. To borrow money from year to year to pay the interest on past loans would, of course, be to discharge the annual interest on the State debt in force, and attempt to throw the payment of this large premium annually on the banks, would be not only flagrantly unjust, but quite impracticable. I recommend the whole subject to the careful and immediate consideration of the Legislature. Some legislation ought to be had on it before the close of the present month. In my opinion the Commonwealth will have discharged her obligations by providing for the payment of her interest in the currency of the Government. If the Legislature should think fit to continue to pay it in coin, it will be their duty to levy forthwith the heavy taxes necessary for that purpose. I must in passing observe that the plan, adopted by one of the States of paying coin to foreign, and currency to domestic loan holders, appears to me to be wholly unjust, and founded on no legitimate principle.
At the close of the last session, nineteen bills renewing the charters of certain banks for another period of five years were presented to me. Of these I have (for reasons which will be hereafter communicated,) withheld my signature from one and approved the remainder. I have been led to sign them by the consideration that the banks of the Commonwealth pay a large revenue which the State can ill afford to lose; and that in the present condition of the country, it would be impolitic to drive so much capital out of active use or force it into new employments.
If the National Banking system afford sufficient security, capital will voluntarily take that direction. It is proper to observe that the charters of most of the banks in question expire at an early period, while in consequence of the invasion of the State, during the last summer, they could not have been reasonably expected to give the necessary notice of renewed applications for re-charting.
I recommend an extension of the time during which the banks are not relieved from paying interest, not paying their obligations in coin.
The increased expenses of living invite attention to the salaries of our public officers. Those of the Secretary of the Commonwealth, Auditor General and State Treasurer, and of the Clerks in their employment are, in my opinion, too low, especially as the exigencies of the times have greatly enhanced the labor and responsibility of all, and in the case of the heads of those departments, enforce a constant attendance at Harrisburg, which was not formerly required.
Under the Act of 18th April, 1862, and its supplement passed 22nd April, 1863, the Adjutant General, Quartermaster General and Commissary General have been acting as the Board of Military Claims. They have, up to this time, approved claims to the amount of \$106,416 81, and others have been already presented for their consideration to the amount of \$392,120 29, which have not yet been acted on.
Under the Act of 22nd April, 1863, (P. L. 520,) the Court of Common Pleas, appointed three appraisers to ascertain the damage done in the counties on the Southern border by the militia called into service in September, 1862, and by the Rebels in their raid on the 10th and 11th of October, 1862.
The appraisers have not yet completed the performance of their duties. When their report shall have been made to the Court of Common Pleas and affirmed, in whole or in part, by that court, it will be the duty of the Governor to claim the payment of the amounts from the General Government, and on failure to secure the same, then to report to the next Legislature, recommending such action as he may deem just and proper.
The expenses of the Transportation and Telegraph Department during the past year have been as follows:
Paid out of appropriation made by Military Loan act of 1861, \$18,658 87
Unpaid (the appropriation being exhausted) 15,764 79
Outstanding liabilities, estimated at 5,000 00
\$34,423 66

These expenses have been mainly incurred in keeping up the necessary correspondence of the military departments and in the transportation of sick and wounded and the dead bodies of our volunteers, as will be seen by the report of the Chief of Transportation, herewith communicated. I recommend an appropriation to meet the deficiency, and also to carry on the services of this department hereafter.
By the thirteenth section of the act of the 16th May, 1861, the sum of \$20,000 was appropriated to be expended by the Governor for the compensation of such persons as he might require to organize the Commonwealth in the military organization of the State or the General Government, and for the expenses incident to the business in which they might be employed.
I have, according to law, settled annual accounts of the expenditure of this fund in the Auditor General's office, to which the Legislature is referred. The unexpended balance is now \$4,521 98. A further sum should be appropriated in like manner. It is my duty to pay the persons whom I found it necessary to employ in the military department, and the expenses of the agency which I was compelled to establish at Washington to attend to the interest and welfare of our volunteers. The conjuncture of this agency and the establishment of a similar one in the West are of vital importance to them. I recommend the pas-

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