

THE COLUMBIA DEMOCRAT.

"I have sworn upon the Altar of God, eternal hostility to every form of Tyranny over the Mind of Man."—Thomas Jefferson.

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TERMS:

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MESSAGE

FROM THE GOVERNOR, RELATIVE TO THE FINANCES OF THE COMMONWEALTH.—READ IN THE HOUSE OF REPRESENTATIVES, JANUARY 26, 1839:

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

Gentlemen:—The money in the Treasury of the Commonwealth, being inadequate to discharge the demands upon it now due, and that will become due on first February next, I conceive it to be my imperative duty, to call the immediate attention of the Legislature to this subject. It is almost superfluous to remark, that the credit, the faith, and the honor of the State; will all be deeply affected, unless by the prompt action of the Legislature, this deficiency should be supplied.

It would be an everlasting stigma upon the fair fame of Pennsylvania, if with her vast resources, and her abundant means, to perform all her engagements she should permit her creditors, for a single hour, to knock at the door of an empty treasury.

Every consideration of duty, and of policy requires at the hands of the Legislature and the Executive, the most unflinching fidelity to the public engagements. Nothing is gained by postponing the time of action, for it must eventually arrive. The policy is as unwise, as the spirit is unworthy of statesmen, to surrender to our successors the performance of duties that justly devolve on ourselves.

I will proceed to lay before you the financial condition of the commonwealth so far as it appears to me to be connected with your deliberations on this subject; premising, that I have derived most of my fiscal information from those official documents which are already before you, and which are presumed to furnish accurate statements of the several matters, to which they respectively relate. I have so recently entered upon the discharge of the duties of the office, conferred upon me by the people, that I do not pretend to possess the familiar practical knowledge of the financial concerns of the commonwealth, that can only be acquired by an active official participation in all their detailed operations. I have, however, devoted to the subject, that careful and scrupulous attention, due alike to its importance, and to the just expectation of the Legislature, that no executive communication will be submitted to it, in the accuracy of which, implicit confidence may not be reposed.

In order to present a full and satisfactory view of the finances of the Commonwealth, I will lay before you in the first place, the entire amount of the public debt composed of permanent, temporary, and conditional loans, together with the estimated value of public property, consisting of stocks, canals, rail roads, &c. viz:

Debts contracted for public improvements, by canals and rail roads, \$22,229,003 32
Loans not relating to canals and rail roads, 1,350,000 00
Loan for eastern penitentiary, by act of 21st March, 1831, 120,000 00
Loan for Union canal com-

pany, by act of first March, 1833, 200,000 00
Temporary loan by act of 10th June, 1836, 200,000 00
Temporary loan by act of 14th April, 1838, 800,000 00
Debts due on appropriations to miscellaneous objects, 1,545,739 86
Debts due by appropriations to internal improvements, 532,057 01
Debts due the United States on account of conditional loan of surplus revenue, 2,867,514 78

Amount of public debt \$30,174,304 97
The public works, canals, rail roads, &c. \$25,109,644 92
Bank stock, 2,109,700 00
Turnpike and bridge stock, 2,726,396 58
Canal and navigation stock, 528,000 00
Rail road stock, 179,564 59
Money due on unpatented lands, 1,000,000 00

Estimated value of public property, \$31,652,306 09

It is right to remark, in respect to this statement, that I have not entered upon the debit side an item of \$330,000, a sum borrowed from the Bank of the United States, and an item of 50,000 borrowed from the Harrisburg Bank by my predecessor, under circumstances explained in his message, on the assumption of which the Legislature has not yet acted. And in regard to the estimated value of the public works, canals, rail roads, &c. it is doubted very much whether their actual value is not far greater than here represented. The estimate refers more directly to their cost, than to their present value. It is possible that some additional liabilities of the state might arise, if the Legislature should think proper, for the public good, to divest any corporations, created by authority of the commonwealth, of the privileges granted by law, in consideration of which, they have paid bonuses into the public treasury. This however, must be regarded as a remote contingency. Of the foregoing public debt, the amount of \$5,945,201 65, has been contracted within the last three years, exclusive of the items above referred to, and not charged.

It is manifest from this view of the entire amount of the debts and resources of the commonwealth, that her means are ample for all emergencies, although a portion of the public property may not be immediately available.

The principle purpose of this message is however, to call your attention to the present condition of the finances, as exhibited by the following statement of moneys now due, or becoming due, on the first of February next and immediately thereafter, viz:

Stock loan per act of 30th March, 1824, payable 1st January 1839, \$220,000 00
Interest on permanent and temporary loans, 602,250 00
For ordinary repairs on public improvements, 400,000 00
Balance due of appropriations per act of 14th April, 1838, 242,864 23
\$1,465,114 23

To which may perhaps be added the sum borrowed for repairs of canal, on Juniata division, 380,000 00
\$1,845,114 23

The legislature will also be required at its present session to make provision to pay the following loans and demands on the treasury, due at the times specified:—
Stock loan per act 30th March, 1824, due 1st May next, \$380,000 00
" " 7th Dec. 1829 and 4th Jan. 1831 90,000 00

" " 11th April, 1825, due 1st Jan. 1840, 150,000 00
Temporary loan per act 16th June, 1836, due in June 1839, 200,000 00
" " 14th April, 1838, due at various times from 18th June to 31st October, 1839, 600,000 00
" " 3d sec. act 14th April, 1838, due before the 1st January, 1840, 200,000 00
Interest on loans due on or before 1st Aug. 1839 618,250 00
Salaries of toll collectors, &c. remainder of year, 50,000 00
Due for repairs, 77,080 97
Expenses of motive power, 233,563 82
All other expenditures (including education) 1,129,027 14
5,573,038 16
Deduct amount of estimated receipts for remaining part of year, 1,844,018 82

Total deficit for 1839, \$3,928,117 34

It will be perceived that the permanent and temporary loans falling due at the times mentioned in this statement, constitute a part of the state debt already adverted to, and by providing for their payments the aggregate amount is not increased. I have included the necessary appropriation for ordinary repairs, among the demands to be provided for on the 1st February, because it is a fund that should be at all times in readiness; and a great portion of it will be needed as soon as the business on the improvements commences in the spring. Provisions must also be made for the loan falling due on the first of January, 1840, by the Legislature, at its present session, as by the amended constitution the meeting of the next Legislature, is postponed beyond the day of payment.

I will also state on this subject that, at the solicitation of a number of gentlemen deeply interested in the transporting business on our public improvements, I was induced a short time ago, to make a personal examination of the portion of the canal and slackwater navigation, recently repaired in Huntingdon county, and am satisfied that its safety, permanency and usefulness all depend on its receiving the speedy and thorough attention of the canal commissioners. Unless the new works be repaired, and in some places re-constructed before the spring freshets, there is imminent danger that a considerable portion of them will be again swept away.

The estimated receipts into the Treasury, during the present year, with the exception of two items amounting to \$225,000 are composed of the ordinary revenues of the state alone. It is rendered certain that the fourth instalment of the surplus revenue from the general government will not be received, nor will there be bank bonuses, or any other of those accidental and extraordinary means of replenishing the treasury to depend upon, which have poured into it about seven millions of dollars during the last three years. The state must rely henceforth, on her fixed and certain, but gradually increasing ordinary revenues, unless loans or taxation be deemed advisable to discharge all her liabilities, and to complete all her contemplated improvements. To do this successfully, rigid but enlightened economy should be consulted in all her expenditures, and those habits of lavish and ill-judged appropriations, engendered by the sudden and unexpected acquisition of public money, through means which can seldom, if ever again happen, must be promptly corrected. It is frequently observed in the case of private individuals, that the sudden acquisition of wealth is fatally injurious to the prudent habits and sound morals of the possessor. It is more emphatically true in the case of government,—corruption creeps in unperceived, through a thousand channels,

and eats out the substance of the people before they are aware of its stealthy approach.

Habits of improvident profusion grow fashionable, which are difficult to eradicate, and those who recommend that they should be restrained in the slightest degree, are stigmatized as parsimonious and illiberal.—At the hazard even of incurring this reproach, I would earnestly invoke your undivided attention to this branch of our public policy. The enormous and unprecedented deficit in the treasury, now to be supplied, is an instructive commentary on its practical results. If the same policy that has brought us into this condition is persisted in, it must effectually paralyze the energies of this great state. The public debt must be swelled to an inordinate amount, or the prosecution of our valuable system of public improvements must be suspended.—You have already a balance to raise of more than three millions of dollars before you can make any appropriations whatever to the completion or extension of any of the unfinished public improvements in which the state has already so much unproductive money invested.

The question is then submitted entirely to your consideration, to determine what appropriations to new works shall be made at the present session. My predecessor recommends in his annual message the appropriation of at least the following sums to the following named works, viz:

To the Erie Extension, 500,000 00
do North Branch canal, 500,000 00
do Gettysburg rail road, 300,000 00
do West Branch canal, 200,000 00
do Wisconsin canal, 100,000 00
do Allegheny feeder, 100,000 00
The canal commissioners, in their report, recommended the appropriation of the following sums to the works designated, viz:

To the Extension, 1,200,000 00
do North Branch, 1,200,000 00
do Gettysburg rail road, 600,000 00
do Sinnemahoning extension, 300,000 00
do Allegheny feeder, 200,000 00
do Wisconsin canal, 286,000 00
3,786,000 00

And they recommend, also, that the further sum of 1,256,567 77 should be appropriated, for the "current year as necessary for the permanent repair and prosperity of the improvements." I beg leave to refer you to the message and report for the explanatory information accompanying these several recommendations. I am not aware of having in my power any communication to make, that would materially aid your deliberations on this head, except to suggest the propriety and necessity of providing by some judicious prospective legislation, not only for the payment of the appropriations that may be made at the present session, but for the mode of obtaining money hereafter, when needed, to continue and complete the works, to which such appropriation are applied. The sums appropriated, have usually been exhausted before the next meeting of the legislature, and those engaged in the construction of our public works, have been compelled to make sacrifices to enable them to prosecute their labors, or to dismiss their workmen until funds be provided by law. Many months elapse before legislative action can be had on the subject, and before the negotiation of the necessary loan when authorized, the work is frequently abandoned by the contractor, or his workmen have sought employment elsewhere, and by the time the requisite funds are obtained, operations are to be commenced anew; and thus it may be fairly assumed that our public improvements have cost perhaps thirty per cent more than they would have done, if timely provision to continue their prosecution had been made. If the contractor knew beforehand what amount of money he might rely upon as forthcoming, when wanted, he could make his arrangements accordingly, to his own and the public advantage. The work would progress with

greater facility, and of consequence enable the contractors to do it cheaper and more expeditiously than heretofore. The public faith would at all times be regarded as sacred, and the contractors (a class of men who have certainly had some cause to complain) would be essentially benefited by the adoption of this policy, and also the numerous laborers and artisans, by whose invaluable services our great improvements have been constructed, would be in a good degree secured from the suffering and destitution too often inflicted upon them by the failures of the contractors on our public works.

In order to remedy this state of things in future, I beg leave to recommend to the legislature the enactment of a law authorizing the Governor, with the sanction of the commissioners of the internal improvement fund and canal commissioners, or under such other checks as may be deemed advisable, to borrow such sums of money as may be found necessary to carry on the several lines of improvements until the meeting of the next legislature, whenever the appropriations for the same may happen to become exhausted. Requiring of course that the money so obtained be placed in the treasury of the commonwealth, disbursed and accounted for in the manner provided by law.

It would be expedient that the sum which might be so obtained, should be limited to a reasonable amount, and that the rate of interest and terms of the loan, should be strictly defined. It seems to me that the adoption of any other principles of action in relation to the prosecution of our system of internal improvements, cannot be prudent and salutary. The measures themselves must fluctuate often; the works progress tardily, and the expense of their construction be much increased. Nor can I omit suggesting further to you the obviously sound policy of looking in your legislative action to the speedy completion of the main lines of improvement between the eastern and western extremities of the commonwealth, the Erie Extension to the lakes, and the North Branch canal, leading into the flourishing western counties of the State of New York. The instant the works are finished, the trade upon them must be augmented in a manifold degree. The state has already large sums invested in them; from which she will realize no returns of consequence till they are finished. Other works of undoubted utility; leading directly into these principal highways to market, will next deserve attention, but in what respect the Gettysburg rail road claims to rank in the first, or even in the second of these classes, is more than I can discover. It is well worth the serious consideration of the legislature; whether in the present embarrassed condition of the finances of the state, that work ought not to be abandoned, till some more auspicious season for resuming it arrives. On no part of your system of improvements has public opinion been more emphatically pronounced. If completed, its advantage to Pennsylvania is questionable, if indeed it be not absolutely useless—its commencement was injudicious—the cost of its construction is enormous, and should it be abandoned, the only disadvantage will be the loss of a very large sum of money now irretrievably consumed by it, which will be vastly increased if the state perseveres in the prosecution of the work. I respectfully submit this subject to the candor and good sense of the legislature, believing that its further prosecution at present is not warranted by either prudence or patriotism.

Being decidedly in favor, myself, of a judicious and comprehensive system of public improvements, reaching all practicable points and accommodating all sections of the commonwealth alike, I should be happy to co-operate with the legislature in completing it at the earliest possible day, and would rejoice to become instrumental in carrying such a system into speedy operation but finding the treasury in a situation that seems to forbid all hope of engaging