GOVERNOR'S MESSAGE.

To the Honorable, the Senators and Members of the House of Representatives of the General Assembly:

Congenial you, my fellow citizens, on the auspicious circumstances under which you have convened at the seat of government. An all-wise and bountiful Providence has greatly blessed our country during the year that has just closed.—The desolations of war—the ravages of pestilence—the wastings of famine have not been witnessed within her limits; we have the sickly influences of internal strife been permitted to paralyze her prosperity. All the great interests of the Nation have received additional growth, and the institutions of government acquired renewed strength. Agriculture, commerce, trade, manufactures, the arts and sciences, have been eminently prosperous, and each been distinguished by some fresh discovery to facilitate its progress.

Another Presidential election has been held. Once more the people of this vast country, through the mystery of the ballot-box, have designated the citizen, who, for the ensuing four years, is to fill the highest office known to the Constitution. The cheerful submission to the minority, in the result of the contest, and the magnanimity of the majority in the enjoyment of their triumph, afford gratifying evidence that our civil institutions are not, at this day, endangered from the violence of party spirit. The voice of the majority is honored by implicit obedience, while the rights of the minority are protected by the constitution and laws. The officer thus chosen is the representative of the whole people, and is bound by his oath and the obligations of patriotism, to be equal and exact justice to all men of whatever condition, religious or political." Each successive year of the existence of our government has been followed by renewed confidence in the whole system, and so it will doubtless continue to be, so long as the exercise of the right of suffrage is characterized by intelligence and patriotism. In all parts of the civilized world the people are becoming convinced, not only of the practicability, but of the wisdom and justice of a government founded on the principles of a representative Democracy. Even the firm prejudices of monarchists are beginning to yield the potent influence furnished by our experience. The union of the present generation is to secure the blessings of liberty to posterity in other countries, by transmitting to posterity, unimpaired, our model system of government. This is will be done, if, under a kind Providence, I have a steadfast belief.

At no period since the acknowledgment of our independence as a Nation, have the people of this Union enjoyed a higher state of prosperity, and more cheering hope of the future. At peace with all the world, free from internal strife between the rival sections of the confederacy, by the ready acquiescence of each section in Congressional adjustments of the controversies incident to the institution of domestic slavery and the acquisition of new territory; when never before has been more firm and perfect? We may well exchange congratulations on this auspicious pleasure, as I am sure we should mingle our thanks to Almighty God for his bounteous goodness and guardian care.

Two sessions, long enough in the annals of the nation, have been rolled from amongst us within a brief period.—Henry Clay and Daniel Webster will be known no more except in history; but that immortal record will make their good works familiar to posterity. The spirit of bells—the able assign and the solemn obsequies have mingled with their dust. Great, indeed, is the loss of these patriots, we should be consoled by the recollection that they lived long enough to fill the measure of time allotted to man. According to the beautiful figure of one of them, preserved in the amphitheatre of New York, not many months since—measuring time by loss and events—they had become venerable Methuselahs in the extent of what they had seen of the world, and done for their country. Who could expect more? And who is not satisfied with the extent of their labors?

The receipts to the Treasury during the last fiscal year, exclusive of the proceeds of loans, amounted to the gross sum of $4,561,883 50, which amount added to the balance in the Treasury on the 1st of October, 1851, (having not the unavailable means which only serve to confuse the accounting,) makes the total aggregate of the Treasury for the year, $6,104,424 71. The payments, exclusive of the cancellation of State scrip—the appropriations to the North Branch canal and the Portage railroad, amounted to the sum of $4,129,-262 49, being $972,622 12 less than the receipts. Of this excess, however, the sum of $264,016 65 was applied to the completion of the Western reservoir—to re-laying the north track of the Columbia railroad, and to other permanent repairs on the public works, leaving an actual available balance in the Treasury on the 1st day of December, 1852, of $708,605 47. But, it must be observed, in order to a correct comprehension of the relative condition of the Treasury, that the amount of appropriations for 1851, amounting to $631,338 95, whilst those of 1852 only reach the sum of $429,261 14, showing a difference in favor of the latter year near $100,000.

The receipts to the Treasury for the coming year may be safely estimated at $4,626,500. Taxes from real and personal estate and the tonnage of steamboats are the only sources of revenue in which there can be any considerable variation from this estimate. The tonnage of last year is estimated at $1,400,000, and the latter of $630,000. To the above estimate must be added the sum of $671,207 14, show-ing remaining in the Treasury on the 1st day of December, 1852, and the balance of the whole means of the Treasury for 1853 to the sum of $5,297,537 72. The ordinary expenditures for the same period, including everything except new work, may be estimated at $4,028,670, which will leave a balance in the Treasury on the 1st day of December, 1853, of $1,271,308.—In this expenditure is included $300,000 for the sinking fund, which, for reasons the foregoing balance, makes the sum of $1,-271,308; and deducting from this, $671,-207 72, the amount in the Treasury on the 1st of December last, we shall find an actual balance of $600,850, applicable on the payment of debts and the completion of the North Branch canal and the Portage railroad. The result of these estimates demonstrates great clarity my mind that when the improvements just named shall have been completed, there will be no excuse of expenditures to literally expand, as they shall be, or as I am concerned, the Treasury will be in a condition to cancel left one million of dollars of the public debt annually.

In accordance with the provisions of an act of the Legislature, approved the 2nd day of April, 1842, I proceeded to borrow, on the faith of the Commonwealth, eight hundred and fifty thousand dollars for the completion of the North Branch canal. The maximum rate of interest accrued in the law is 6 per cent. The loan was awarded to Messrs. Harris & Co., Dr. C. H. Fisher, of Philadelphia, Dorus Sherman & Co., New York, and George Peabody, of London, on the 12th day of June last, as follows: $200,000, at an interest of 4½ per cent., and $650,000 at an interest of 5 per cent., and the bonds of the State issued accordingly, in sums of one thousand dollars each, free of taxation, with coupons attached, re-imbursable in thirty years after their date.

The 100th section of an act to provide for the ordinary expenses of the government and internal improvements, approved the 4th day of May, 1852, declares "that the Governor and State Treasurer be, and they are hereby authorized and empowered to borrow, on the faith of the Commonwealth, a sufficient sum of money to pay the interest, and in such amounts, as they may deem best for the interest of the State, and not to exceed the sum of $1,020,241 23, having regard to the fact that the Sinking Fund is pledged for the same, bearing a rate of interest not exceeding five per centum per annum, payable semi-annually, which bonds shall not be subject to taxation for any purpose whatever, and shall be re-imbursable in twenty-five years from their date; and the sum so borrowed shall be applied to the payment of the 5 per cent. loan now payable at the option of the Commonwealth, after the year 1845 and 1847; and in payment of the certificates issued to domestic creditors, and the outstanding certificates of indebtedness, in the manner hereinafter provided; and the balance of said five millions shall be applied to the payment of interest on the 5 per cent. bonds of the State now outstanding, and for no other purpose."

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The law passed at the last session, forbidding the creation of debts by the officers of the Government, for the payment of each for all labor and materials, and monthly returns of all receipts and expenditures, has proved of the utmost value in exercise a salutary influence. As a consequence, the expenditures will be much diminished, and the public creditors of the Treasury with the greater promptitude. The administration of this law, however, I fear, will not be quite as efficient as it should be hereafter. Its failure was owing, to some extent, to a defect in the law, which authorized no other officers incident to the introduction of the system of business. This and other reforms are wisely commenced within a short period, with such additional refinements as experience shall have shown to be practicable, will doubtless be rigidly carried out in future, by the officers controlling that branch of the public affairs.

The net revenue of profits on the Columbia railroad, for the year ending 1st of June last, is the sum of $100,000; which the net losses on the Portage railroad, for the same period, amounted that sum. The direct, unavoidable and necessary losses on the Portage railroad, are not chargeable very heavy. Whether it be practicable to arrest the monstrous demand upon the Treasury, by any other means than the sacrifice of the planes, as a question I am not prepared to decide. I have not looked into the details of the subject. Certainly a more honest and demand whatever could not the operations of the road Commissioners, exact in the opinion, that the expenditures of the Commissioners, and the dilapidated condition of the road, have been the chief cause of the enormous demand of the North Branch Canal, and the relaying of the north track of the Columbia railroad, are subjects which will require the serious attention of the next Legislature. I do not, however, feel the responsibility of the Executive in this matter, I deemed the opinion, that they were necessary, and I have, in every instance, my orders executed. I will entertain these views.

Since the last assembly adjourn this city, it will be for them to consider, whether they do not the Treasury under this increased demand upon its resources. If this be the case, my communication, I have given you my views touching the best mode of its relief. Improvements, it seems to me, should hereafter be made for any purpose whatever, but be of the kind, to be diverted from its legitimate ends. The General Assembly may, however, in view of the pressing necessity for the immediate completion of these improvements, deem it wise to authorize the contraction of the loan authorized to relieve the Treasury for one or two years.

When the loan proposed shall be completed, the government, in my opinion, should abandon the business of the Commonwealth in the matter of the canals. The circumstances which made it right and wise for the State to perform this duty, have long since ceased. The avenues have been constructed through nearly all parts of the State, and the commerce thereon, and is rapidly occupying every feasible direction of the State. With any general system, I shall, under all circumstances, resist the commencement of any new projects of this character.

An unpleasant misunderstanding has existed between the Commissioners of the Board of Canal Commissioners and the Pennsylvania Railroad Company. The point in the controversy have been passed upon by the highest judicial tribunal in the State, the decision on each made known to the public.

The management of the public works is an important duty, and it is to be regretted, it has been confided to the care or agents selected by the Canal Board, and not to the Commissioners, as an officer of this department of the government is charged with the duty of the inspection, and examination of the public works, and the expenditures of the Commissioners, and the dilapidated condition of the road, have been the chief cause of the enormous demand upon the Treasury, by any other means than the withdrawal of the planes, I am not prepared to answer