THE PITTSBURGH GAZETTE.

BY THASTUS BROOKS & Co.

PITTSBURGH:

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FOR LATEST Commercial Intelligence, Domestic Mar'ets, River News, Imports, Money Markets, &c., see third page.

Whig and Anti-Masonic Nominations.

FOR MAYOR OF PITTSBURGH,
GABRIEL ADAMS.

FOR MAYOR OF ALLEGHENY,
HENRY CAMPBELL.

PITTSBURGH BOARD OF TRADE.

This body so closely identified with the business of the city, holds its annual election to-night, and we therefore improve the opportunity to make a suggestion in relation to its action. It is well known that through the association of our merchants in a board of trade, the public opinion of the mercantile interests of the city is concentrated and all parties enabled to act with more judgment and with infinitely more effect than they could do were opinions formed unaided by mutual interchange of ideas, such as never fail to take place at these institutions. There cannot be two opinions as to the absolute necessity of such an organization in our midst, nor do we think there will be found one who really wishes the advancement of Pittsburgh, who will refuse to extend its usefulness. This can be done by a little effort and the employment of means which we will suggest, hoping they will be superseded by others more comprehensive.

It has been in contemplation to obtain for the Board of Trade as a permanent location a room more suitable, that is spacious, centrally situated, combining a reading room, an exchange, and a library, which never fails to gather under the patronage of such a Board. Six thousand dollars were obtained for this purpose last year, all of which no doubt is good, even now, for the purpose of purchasing the property wanted to give the room we have named. Should the whole work of subscription have to be done over, it is likely six thousand dollars twice told, could be raised. We have no fears about the money, feeling that nothing is needed but a vigorous movement on the part of some of our citizens, and the work is done. New York' Philadelphia and Boston have each their Public Reading Rooms and Boards of Trade, and we must have the same. Without meaning to be, our Board of Trade Rooms are forbidding, and not attractive. Its newspapers and magazines, though well selected and well appreciated by our merchants, are rendered comparatively valueless by the want of arrangement. We want, as our sister cities have, a well lighted room, with desks for papers, not only to preserve them, but to enable half a dozen, if need be, to run their eyes over them, to obtain the information needed, and not be obliged to wait their turn, as now.

For papers of less interest, we want files that can be held in the hand. For Magazines, and to accommodate those who visit the room to spend an hour or so, we want tables and chairs, and a bulletin board, upon which to post matters of interest. The room must be large enough to allow public meetings of merchants, to be holden to hear addresses, lectures, and for the discussion of the many questions that yearly arise, affecting the interests of our merchants. We hope the gentlemen who have in times gone by given this reform their attention, will not let the indifference of our people discourage them, and abandon the enterprise. Let one appeal more be made, and until it is fairly and fully done, let it not be said that our citizens are unwilling to secure a room for the Board of Trade upon a scale worthy of the city. There is not a merchant of the city who will deny that our wants are less extended than the list we have named: so we hope none will refuse their aid to obtain them. Let the present meeting of the Board of Trade be larger than ever, and let us have not only the usual efficient body of officers, but the accessories of a reading room and library, to which can be introduced the merchants of other cities.

GREAT FREE TRADE MOVEMENT.—It will be noticed by reference to the news by the Steamer under the Telegraph head, that Sir Robert Peel's sliding Scale of grain duties, is to go into operation once more, upon the 1st of March 1848. This looks very much in flour, and we hope the Post and Union will at once tell the farmer how much they are to gain by the progressive step in the glorious cause of Free Trade. We shall find John Bull a little less inclined for Free Trade, upon a full stomach, than he was, when there was no bread at hand. Where is Mr. Walker, and what reason can he give for this sudden change of front on the part of his *Free Trade Friends?*

See how one little month has scattered the famous declaration that, American legislation, and not English famine, caused a modification of the Corn Laws. Read the declaration of the Secretary, made last month in his report,

"It was our own country and her public functionaries who proclaimed these great truths before they had received the sanction of other nations. Our great movement was felt in British councils, was quoted as a precedent in the halls of British legislation, where American free-trade documents were recorded among their archives, and our doctrines approved and example followed by the repeal of the British corn laws and the reduction or repeal of other duties upon our exports.

What may we not hope from our efforts with other nations, if they have succeeded in Great Britain? That country, so long the bulwark of protection, applying it by a sliding scale upon the taxes of her people down to the utmost point of human endurance, has at length overcome the errors of ages."

Alas for Free Trade, before this boast had reached the Halls of Parliament, the whole thing is killed by the re-establishment of the same laws, our Secretary had repealed, as he thought. This restoration has ever been predicted by the Whigs and we look with confidence to see not only all the predictions in relation to the grain trade fulfilled, but other relating to subjects equally interesting, which we will notice soon.

Correspondence of the Pittsburgh Gazette.

WASHINGTON, Jan. 1, 1847.

The PRINTERS of the city, one of the most numerous, intelligent and prosperous Associations of the country, celebrated their FORTY-THIRD ANNIVERSARY this evening, at one of the hotels. Among the guests were Gales and Seaton, of the National Intelligencer, one of the foremost presses in the country for dignity, ability, and every quality calculated to win respect. They are both practical printers. Mr. Gideon, the founder of the Society, was also present. Speeches were made by these gentlemen, by Messrs. Holmes, of S. C., Thompson, of Pa., Henley, of Ia., all members of Congress, by Mr. Lennox, Nathan Sargent, Erastus Brooks and others. The sentiments and speeches were generally excellent, and a long evening was most agreeably passed by the Printers at the Capitol, as one appears to have been previously passed by the craft at Pittsburgh. Mr. J. Q. Adams, with some interesting inquiries in reference to "the Birmingham of the West," as every man abroad now calls the city of Pittsburgh, acknowledged to me the honor of his invitation, and the warm respect he had for the profession, and for the city. Indeed, the attention of our public men seems to be directed to the Iron city, and when the Smoke Nuisance" is abated,—(may the new corporation give early attention to this matter,)—thousands will flock there to find a pleasant home, as well as a thriving place of business. E. N.

ANOTHER LINE COMPLETED.—We are informed through the medium of a telegraphic despatch, received in town by one of the most energetic friends of internal improvements, that the Sandy and Beaver Canal has been finished, and official notice given to the Secretary of State at Columbus. This work has long been needed to more fully develope the resources of that section of Ohio, and the hopes of its projectors, cannot fail to be realised. The more of these improvements in that quarter, the better, for ere long, Pittsburgh will put in its claims for the business that it must make.

ECONOMY.—At the recent Railroad celebration in New Hampshire, a large number who remained in Lebanon, were sadly puzzled to find accommodation over night. A worthy inhabitant of that place declares that such was the rush, that in one instance, there was but one bed for fifty persons! In this dilemma, the following expedient was adopted: two took possession of the bed, and, being much fatigued, were soon sound asleep; they were then carefully removed and *set up against the* wall. This process was repeated till the whole fifty were disposed of.

If any one is *incredulous* in regard to this matter, we have only to refer to M. Galland, translator of the Arabian Tales, who makes one of this Genii stamp of little Hunchback in a manner differing only in the fact that the latter was.

DIEFFENBACH, the greatest surgeon in Germany, died at Berlin on the 12th November of apoplexy.

BY MAGNETIC TELEGRAPH.

GOVERNOR'S MESSAGE.

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

GENTLEMEN:—No ordinary reasons of thankfulness to the Great God crowd themselves upon the Representatives of the People at this annual meeting. Abundance during the past year has been the reward of honest industry in every pursuit of the citizen—animated with health, and encouraged by success, they have steadily progressed in the accomplishment of their destiny, and while enterprise has been highly favored in the developement of our great resources, the elevating purposes, and life of social organization, religeon, morality, education refinement and civilization have been cherished and advanced.

Although peace and tranquility have prevailed within the boundaries of this state, we are identified and deeply interested in the War with Mexico in which the Nation is engaged a war which the prudence, forbearance and discretion of the people to retain friendly relations, could not avoid, and which was eventually forced upon us by the duty that rests upon every well regulated Government to protect the rights of the citizens and maintain the honor of the nation.

Our Religion, our interests and our institutions are essentially peaceful. The people hold in their hands the Sovereignty of the Nation, and exact from their rulers obedience to their will. By their controlling influence—they maintain and preserve the cordial policy of pursuing amicable relations with all other nations.

By them, the rights of American citizens, in all parts of the world, and the honor of the nation are held sacred Violations of their national rights and national honor appeal to the justice, invoked the powers of the whole people in their justification.

The war of 1812 with England and the existing war with Mexico are illustrations of this distinguishing feature of the character of the American people. Patient of injury while wrongs are sufferable and reasonable hopes of a return to amicable relations upon equitable principles.

Yet no nation may with impunity violate the obligations of treaties, or break faith with the United States.

In defence of these just rights, the power of the people is resistless. Every citizen holds himself responsible, and the army springs into existence, not by conscriptions or contracts for enlistment, but by the voluntary impulse of independent free men, animated by patriotism and urged onward to deeds of personal valor by the approbation of the whole nation. This invincible spirit, guided by the science and skill of the officers has led our army in Mexico, from one victory to another, and from one great triumph to a greater, and will lead them still onward, until a permanent and honorable peace is secured. While the honest pride of every American is gratified by the great achievments of our soldiers, his confidence in our free institutions and in the means to defend and preserve them is strengthened.

In the support and prosecution of the war in which we are engaged Pennsylvania has given token of her ancient and uniform fidelity to liberty and the honor of the nation. Her volunteers were among the first to tender their services and in every encounter with the enemy, have maintained the military fame of the Commonwealth by deeds of romantic chivalry and noble daring. In their great achievements many of our heroes have fallen in a foreign land. The moans of the winds of heaven in passing through the long grass on their graves are re-echoed by the sighs of their friends in the fatherland and the sad requiem is a just tribute to their sufferings and their valor.

The finances and credit of the State, the amount and condition of the public debt and the means of reducing it, are among the objects which claim the first attention of the representatives of the people.

The amount of the public debt on the 1st of Dec. 1846, was $40,759,577 00, of Dec. 1, 1847 it was, according to report of the auditor general, as follows, viz:

Funded debt 6 per cent stocks	$1,752,335 06
" " 5 per cent stocks	37,207,990 77
Four and a half " "	2,000,000 00
Relief issues in circulation	931,634 00
Interest certificates outstanding	353,956 43
" " unclaimed	4,448 38
Interest on outstanding certificates at upon 4½ per cent 1st of August, 1845, time of funding	22,459 80
Domestic creditors	96,095 47
Extended	40,628,949 51

Being $103,672 49 less than it was on the 1st of December, 1846.

The payment or reduction of the debt within the last financial year was effected by the cancellation at the Treasury of one hundred and fifty thousand dollars of the relief issue and by the receipt of state stocks in payment of old debts, which is allowed in certain cases by law.

There would have been $200,000 of the Relief Issues cancelled within the year, in accordance with the requirements of the law, but the payment of the interest which fell due on the 1st of February last, left the Treasury so much exhausted, that the amount which should have been cancelled on the 31st of March was not there on hand. It will be recollected that it became necessary to anticipate a portion of the means of the year, by a loan of $300,000 to meet the interest which fell due on the 1st of February.

The balance in the Treasury on the first of December, 1846, was $284,675 70. The receipts into the Treasury during the financial year ending the 30th of November, 1847, from all sources, including the loan of $200,000, above referred to, were $3,077,023 89, making an aggregate of $4,361,704 59. The payments made out of the Treasury during the same period, including the repayment of the loan of $300,000, were $3,056,147 61, leaving the balance in the Treasury on the 1st of December, 1847, $305,556 98, being $20,881 15 more than it was on the 1st of December, 1846. Among the estimated amount of available outstanding taxes on the 1st of December, 1847, $475,981 00, and the estimated amount of the same on the 1st of December, 1846, was $543,035 64, which exhibits an increase in this item of $69,122 36, to which add the increase of the balance in the Treasury, of $20,881 15, and we have the sum of $302,404 51, as the aggregate increase of the balance in the Treasury, and of outstanding taxes on the 1st of December, 1847, on the same items on the 1st of December, 1846.

This calculation shows that the revenue assessed and accruing within the financial year ending on the 30th November last, were not only adequate to meet the demands upon the Treasury within the year, but exceeded them by the sum of $302,404 51, as stated; and if to this sum be added the amount of the debt paid within the year, to wit $160,627, 49, we have the sum of $463,026 00, as the excess of the revenue accruing within the year, over the payment of the interest on the Public Debt. The expenses of the Government, and other ordinary demands upon the Treasury.

This presents a very encouraging view of the improving condition of the finances of the State. It is the first time since the commencement of the internal improvement system, that the permanent revenue accruing within the year, unaided from any other source, have exceeded, or been equal to the demands upon the Treasury—It is true, the interest upon the funded debt, and other claims upon the Treasury during the preceding years, including the payment of a portion of the public debt, by the cancellation of Relief Notes, were punctually paid, but in doing this, the balance which had accumulated in the Treasury on the 1st December, 1844, by the previous suspension of the payment on the public debt, for 12 years, as the amount of taxes outstanding diminished each year, until the last, as is particularly explained in my Annual Messages in 1845 and 1846, to which you are respectfully referred.

An estimate of the receipts and expenditures of the current year, made with much care, and upon consultation with the other offices of the government is hereto appended, by which it appears that the estimated amount of receipts into the Treasury from all sources, in the financial year, ending on the 30th November 1848 is $3,921,900 and that the estimated amount of expenditures for the same period including the cancellation of $200,000 relief notes is $3,576,300, which exhibits an excess of receipts are expenditures of $345,510, to which add the estimate for the ancellation of relief notes, which are a part of the public debt 200,000 dollars and we have the sum of $545,510,00 as the estimated excess of receipts of the current financial year ending on the 30th of November next, our payment of the interest on the public debt, and the current demands upon the Treasury.

These estimates, when taken in the aggregate, I consider entirely safe and reliable. During the last five years, the actual results have been more avorable to the Treasury, than was anticipated by he estimates. Notwithstanding the extraordinary floods which occurred during the last year, the consequent damage to the public works, and the interruption of the trade upon them for about two months, the tolls taken by the Collectors within the year according to the report of the Canal Commissioners amounted to the sum of $1,561,775,5, being $280,051,11 more than was taken in the preceeding year, and exceeding the estimate for the last year, near $100,000. Had no unusual interruption of business occurred, the amount taken, would certainly have reached $1,800,000.

The estimate of Canal and Rail Road tolls, for current year, is $1,700,000 which, there is good reason to believe, is rather below than above the amount which will be received. The expenses of repairing the damages to the public works, by the floods of the past year, will principally fall upon the current year. They are however, included in the estimate of the expenses of the year, and will not affect the results presented in the preceeding calculations.

The amount of relief issues in circulation on the 1st of December last, was $931,664, of which 50,000 dollars, were cancelled at the Treasury, on the 31st of December, leaving 881,664 dollars still outstanding. The means of the Treasury, it is believed will be adequate to the cancellation of the whole amount now in circulation, within the present and succeeding year.

Many of them are so defaced as to be almost illegible, and are unfit for circulation, besides they vitiate the currency and furnish an excuse for the use of small notes from other States, in violation of the law, and lessen the circulation, and lessen the circulation of gold and silver among the people. Justice to the public creditors who are compelled to receive them in payment of their interests, when they are below par, as well as to the people at large, imperatively demands that they should be taken out of circulation as soon as practicable. I therefore recommend the passage of a law, allowing such of the banks as have issued their notes, to fund them at a rate of interest, not exceeding 6 per cent. per annum, payable semi-annually, and thus all the surplus means in the Treasury beyond the payment of the interest on the public debt, and the current expenses of the government be applied to the redemption or cancellation of those that may remain in circulation, as they come into the Treasury, and then to the payment of the amount funded by the banks.

The resources of the Treasury will be sufficient to cancel all that may be received in payment of dues to the Commonwealth, and to pay the Banks the amount funded within two years. By this process, should the banks agree to fund a portion of the amount, any considerable proportion, they all may be taken out of circulation within the present year. It may be urged that as the notes do not now bear interest, they ought not to be converted into a debt on which interest will be payable. This, however, is but a superficial view of the subject. There is no longer an excuse for a criminal violation of the public faith by the payment of the public creditors in a depreciated currency and the small amount of interest which will have to be paid if the Banks agree to pay a portion of these notes will be more than compensated by relieving the character of the State from the continuation of this act of injustice, and the people from the losses incident to a depreciated circulation. This currency had its origin in an evasion of the constitution, and ought to be blotted out of remembrance.

It may now be safely assumed that we have reached a period in our financial history when the permanent resources of the commonwealth exceed annually the interest on the public debt, and the ordinary demands upon the Treasury, by at least $500,000. And this excess, it is confidently believed, may, by a judicious revision and assessment of the revenue laws, a prudent and economical course on the part of the Legislative and Executive departments of the government, and the faithful management of the public works, be augmented in a few years to $1,000,000 as a sinking fund, without increasing the burdens of those who now pay their taxes on a full return and fair valuation of their taxable property. This sum applied semi-annually with its accruing interests, to the redemption of the 5 per cent State stocks at par, would discharge upwards of $10,000,000 of the debt in twelve years, and reduce it at the end of that time, to $25,000,000. It is believed that all the relief issues will be redeemed and cancelled by the year 1850, and if the operations of the sinking fund are then commenced on the funded debts, the result thus anticipated will be realized in the year 1862, at which time there is good reason to believe the net income from the public works will be more than sufficient to pay the interest on the balance of the public debt, and thereby relieve the people from all further direct taxation for this purpose.

Some may view this proposition as visionary and delusive, but I regard it as entirely practicable under a wise and prudent administration of the affairs of the State. The augmenting of trade upon our Public Works, and the consequent increase of business in our commercial and manufacturing cities and towns, and the increase of population and taxable property within our limits, cannot fail, under a proper enforcement of the revenue laws, to add to the means of the Treasury every year.

If, however, this great object is to be effected, the public revenues must not be diverted to other purposes, and the most rigid economy and the strictest accountability of the public agents must be required and enforced. It is among the 1st and highest duties of those entrusted with the administration of the government, to adopt the most efficient means, under existing circumstances, to increase public confidence, and guard against the good faith of the State being ever again called in question, to reduce the public debt, and relieve the people from perpetual taxation to pay interest. I therefore feel impelled, by a sense of duty, to renew the recommendation contained in the last annual message, which is in these words: "In connection with this subject, I respectfully recommend to the General Assembly the propriety and policy of proposing to the people an amendment to the Constitution of the State under the form of the 10th Article of that instrument, by which the income from the public improvements, after deducting the necessary expenses for repairs and superintendency, the revenue arising from the State tax on real and personal property, for a certain period, and such other items of income as it may be deemed judicous to include, shall be an fund and sacredly pledged for the payment of the interest upon the public debt, and the gradual liquidation of the principal. Such an amendment, judiciously arranged, would, I apprehend, meet with the decided approbation of the people of the Commonwealth. It would concentrate public sentiment upon a fixed object, remove all doubt of the fullness of the public credit, and lay the foundation for the final extinguishment of the public debt. It would give an additional security for and assurance to the people and to the public creditors, that in no event could the public revenue be diverted from its legitimate object, and would furnish conclusive reasons for the prompt and cheerful payment of the taxes."

The inequality of taxation arising from large quantities of property, subject to tax under existing laws, escaping assessment, and the unequal valuation of that which is assessed, continues a subject of just complaint. I am well aware there are inherent difficulties connected with the subject, but still the experience of the operation of the system, and the defects which have become apparent, will point out some remedy for these grievances which exist, and which should be adopted. I therefore most respectfully invite the attention of the General Assembly, to a thorough examination of the subject. Whatever just amount from taxation one man escapes by evasion, an imperfect execution of the law is an imposture and fraud upon his neighbor, who makes a full return of his property and pays his tax upon a fair valuation.

There are no subjects more intimately connected with, or which have more direct influence upon the interests of the country, than the currency and banking system. There is good reason to believe that the prosperity of the people of the United States, particularly those connected with the agricultural interest, has been promoted by the removal, on the part of the British Government, of the high duty upon our exports of grain and other agricultural productions, and the modification of our tariff, by which the commercial exchanges of the two countries have been greatly augmented, without injuriously affecting, so far as I am informed, any of the great manufacturing interests, or other industrial pursuits, of our people.

Other causes, in combination with those alluded to, have produced a large influx of specie into the United States in the past year, which, has gone into active circulation among the people, or found its way into the vaults of the banks. This increase of the precious metals, while it should dispense in a great degree with the use of paper currency, has a tendency to increase it, by enlarging the means of the banks to extend their paper issues, a fact which, if encouraged, will be to promote speculation and a reaction in every department of business, and thus make the present substantial property of the people the means of producing adversity and depression. The experience of the Constitutional Treasury have had, and no doubt will continue to have a most salutary influence in restraining the tendencies to excessive banking, keeping the public revenues out of the vaults of the banks, and compelling them to redeem their notes and furnish specie to meet the wants of those who have customs and other dues to pay to the government.

Although the restraining influence of this great measure upon the banking system is most beneficial, still it is not dissonent with the necessity of caution and prudence on the part of the States in every thing pertaining to banking or paper circulation.

Moderate discriminating duties, with a sound currency limited to the specie standard may be regarded as the natural and healthy condition for a country to which the just rewards of labor are secured, and all the great interests of the people advanced, while high duties and a redundant paper currency operate as unnatural stimulants, and create apparent but delusive prosperity.

Nothing can contribute so much to the maintenance of our present prosperity and a sound currency, than that Pennsylvania is rich in productions of every description required by the wants of mankind and nothing is necessary to make her people the most independent in the world, but a proper regard for her true interests. To advance them she must not be seduced from her devotion to sound principles, by the artificial contrivances of false economists, whose selfish theories are as delusive as they are destructive of the public good.

The present is a most propitious period, when there is an abundance of gold and silver in the country to make a determined effort to increase its circulation and secure to the people the currency which the framers of the Constitution of the United States provided. Instead of encouraging new banks or increasing the capitol of old ones our efforts should be directed to secure the solvency of those which already exist, and then by rendering their institutions sound and reliable.

Impressed with the force of these considerations I am convinced that the increase of the Banking capital of the State will be unwise and impolitic and I respectfully recomend that before any one of the existing banks is rechartered a searching scrutiny be instituted into its affairs, its management, its credit and its means, and if it be found that the notes have been suffered to be precriated, *that the accommodations have been bestowed upon favorites and large speculators and dealers in money, instead of being diffused among moderate and prudent dealers that they have at one period encouraged speculations by free excesses and at another oppressed honest debtors* by their contractions, in short that the legitimate object for which the privileges were granted have not been by fair faithful and judicious management, accomplished then their charters should be suffered to expire by their own limitation. The discontinuance of such institutions will promote the public good and will be hailed with approbation by all but those who have for private gain wrested them from the purpose for which they were established.

This policy, so just towards the public, while it may, to a moderate extent, diminish the present amount of banking capital, will strengthen public confidence in the other banks, and add to the stability and soundness of the currency. And as this will increase the profit of existing banks, beyond a just compensation for the shareholders for their investments, and as this excess of gain is derived from the privileges conferred upon them by the Legislature, I recommend that a tax imposed by the act of the 1st of April 1845, upon dividends exceeding 6 per cent. per annum, be increased.—While the inducements to excessive banking will be reasonably checked by the increase of this tax, the finances of the State, to some extent, will be improved, and the public welfare promoted.

The policy indicated will lead to rigid execution of the law prohibiting the circulation of foreign notes under the denomination of five dollars, as soon as the balance of the relief issues are cancelled.

This will be a future advance in the government of the currency that should be then followed by a law prohibiting the circulation of all notes below the denomination of ten dollars. The change of circulation will then be filled with an abundance of gold and silver, the public secured against the chance of loss by broken banks and depreciated currency, and the way will be opened to such further improvements as the real interests and convenience of the people may demand.

The cautionary suggestions I have suggested cannot fail to increase rather than diminish the amount of a sound circulating medium fully entitled to the public confidence. The effect will be to bring the specie of the country into active circulation to furnish the people with a substantial currency that cannot be injured by bank failures, and to restrain the tendency of the banks to future extravagance in times of prosperity, and to check the means of oppression in times of adversity.

A theory has been advocated and put into practice in some of the States, called FREE BANKING. It is based in part upon specie and in part upon State stocks hypothecated with the government. In other words, banks become the creditors of the commonwealth by purchasing her bonds. These are deposited with the government and the government endorses and returns to the banks notes prepared for circulation to an equal amount. I can perceive no grounds for confidence in this system. It must explode in a country where it is adopted to any considerable extent, whenever a revulsion occurs to test its stability, for it is a deviation from true principles. Sound and safe banking can only be based and conducted on money, GOLD and SILVER. Neither individuals or banks can lend that which they have not, and if they lend credit in the shape of bank notes without the means to redeem them in gold and silver, they commit a fraud upon the community as they lend and put in circulation that which is not money, nor the representative of money.

If this system of converting State stocks into banking capital and hypothecating it as a security for bank issues were not a delusion, mortgages upon real estate might be, and for the same purpose which would afford an equal if not a better security for the payment of notes; and by this process the whole value of the real estate of the country might be converted into banking capital, and the people into a nation of bankers. This proposition goes to show that the whole scheme is illusory and unsound.

Free banking in its legitimate sense, is the right which any man enjoys, to lend his own money to whom he pleases. It is the exchange of money for securities to repay with interest. It involves no fictitious increase of the circulation, but may be carried on to an indefinite extent, without affecting the currency. This is the *free banking* which has at all times supplied, and does now the wants of a large portion of borrowers and commends itself to general confidence and approval by its simplicity and adaptation to the circumstances of the people.

The policy of incorporating mining, manufacturing, transporting, and other companies, for purposes appropriately within individual competency, has been fairly discussed and guided by the unerring demonstrations that these enterprises are most successfully and beneficially conducted under the control of individual responsibility, the public opinion has been expressed in the spirit of the age in which we live, against the policy.

While all the great departments of business in the Commonwealth are prosperously conducted under free and equal competition, there are yet some men who seem to stand still while the world is going onward around them, and who cherish the antiquated notion that the timid contractor and selfish aggregation under the protection of corporate privileges is preferable for the transaction of business to the free, ardent and bounding capabilities of individual enterprise. A power which, since Wm. Penn arrived on the shores in 1682, has changed an immense wilderness into fruitful fields, and has in this march of civilization and improvement, provided for the wants, the comfort, the education and refinement of 3,000,000 of free people.

What have expectations done in this great achievement. Where are the trophies of their generous spirit, their valor or their ability? They are behind the times; they belong to an age that is passed. The time was in other countries when all the rights of people were usurped by despotic governments, when a grant by the King to a portion of his subjects of corporate privileges to carry on trade or for municipal purposes, was a partial enfranchisement and made the means of resuming some of their civil rights. Them and their corporations had merits and were cherished by the friends of liberty. But in this age and country under our free system, where the people are sovereigns, to grant special privileges it is an invasion of the order of things. It is not to restore but to take away from the people their common rights and give them to a few. It is to go back to the dark ages for instruction in the science of government and having found an example to wrest it from its original purpose and to make it the instrumentality of reasoning the inequality and despotism which its introduction was to correct.

The fallacy that when large investments are received to carry on a profitable business (and corporators do not associate that which is unprofitable) and individual means are inadequate is every where refuted in this happy country.

Farther, by chartering any particular business, and surrounding it with special privileges, the natural law encouragement and reward, is violated. Under this law, so kindly provided by Him who rules all things, any individual may succeed in the pursuit of the callings of government, guided by his moral and intellectual powers, and his religious principles, advances his own happiness and that of others, and thus the happiness and prosperity of all are promoted. Every effort to modify or subvert this sovereign law, by placing classes, professions, or callings, in a favored position, has hitherto, and ever will, like any other transgression, be destructive of good. If our free institutions are right, it is right that all men should be held equal. If this is the law of our nature, and stamped by Him who made us, then every human law which impairs this equality, is radically and intrinsically wrong.

The report of the Canal Commissioners will furnish information in detail, in regard to the public works. Notwithstanding the interruption of business experienced during the year, the gratifying results is presented of a large increase of tolls over any preceding year. The increased and increasing value of these great works, render them an object worthy of peculiar care and protection, and must forever dispel the idea of the State surrendering the control over them to any corporation.

The Pennsylvania Railroad Company have commenced the construction of their road between this place and the city of Pittsburgh, under very favorable auspices. The Eastern Division is now under contract as far as Lewistown, and it is expected that the remaining portion of it, as far as Holidaysburgh, will be put under contract during the ensuing spring.

The completion of this great public work, even to Holidaysburgh, will augment the trade and travel upon the Philadelphia and Columbia road. This prospective increase of business, urges the necessity of considering the best means of avoiding the inclined plane on the Schuylkill.

As the Philadelphia and Columbia Railroad is the important link which connects the main line of our Public Improvements, as well as the north and west branch canals with the metropolis of the State, and upon which the control and management of which the value of our Canal property so mainly depend, every thing which relates to it is of the highest concern to the citizens of the Commonwealth. In adopting measures to change its route so as to avoid the inclined plane, and thus passing the inclined plain, the greatest circumspection and care should be observed to secure the best location practicable, and to protect the State against exhorbitant claims for damages. No change of location should be sanctioned or entertained until the whole question is carefully examined, by one or more, of the most competent Engineers who are entirely free from all interest in the decision. Under no circumstances should any plan or arrangement be entertained by the Legislature, that would for a single moment be deposed of the ownership and entire control of the Road.

The Reports of the Auditor General and State Treasurer present in detail the financial operations of the year, and I take pleasure in giving that the industry, ability and fidelity with which their departments have been administered, are deserving of the highest commendation.

The Treasury has therefore sustained money losses by the delay of the settlement of accounts and the omission to enforce the payment of the balances found due when settled.

Within the last few years many old accounts have been finally settled, and suits brought and prosecuted to judgement and execution, and balances of long standing embracing the terms of several administrations. This has, in many instances produced cases of extreme hardships upon bails, sureties or others who have compelled to pay the balances found due, with the accumulated interests after their insolvency of their principles and co sureties.

I am gratified in being able to say that the business imposed upon the accounting offices by special act of Assembly, in collecting their old debts has not only been faithfully performed, but that the current business has been promptly attended to and kept up. To enable the Auditor General, however to continue to do full justice to the interests of the State, and all concerned in the prompt settlement of accounts, liberal provision should be made to pay additional Clerk hire.

While on this subject, I would respectfully invite attention to the organization of the offices of the Auditor General and State Treasurer, to ascertain whether the regulations and checks existing are sufficient in all respects to secure a proper accountability and protect the interests of the Commonwealth. It is true that the public has for many years escaped losses; but I apprehend that the faithfulness of the public having charge of these departments, and not the checks provided by the law has produced this result. This is a propitious period for instituting an examination of the subject, particularly as the present worthy officers hold so large a share of the public confidence. Since the establishment of the present system, the finances of the State have increased from a few hundred thousands to $4,000,000 annually. Of the regulations which were then considered sufficient are now inadequate to protect the interests of the Commonwealth in its enlarged and increasing business.

The Auditor General's office, to be an efficient check upon the Treasurer, should be so organized as to enable the Auditor General to at all times know the condition of the Treasury from the books of his own office, without being dependent upon those of the Treasurer.

If errors or ommissions exist in the Treasury, the Auditor General's books should detect and correct them; and this is not the case under the present organization and mode of doing business in the two offices.

It also occurs to me that greater security against the misapplication of the monies in the Treasury and on deposit in the Banks, to the credit of the Treasurer, should be provided, by the institution of some checks, upon his drafts and payments. The monies of the Commonwealth in the hands of the credit of the Treasurer, varying in amount from some months in the year from $400,000, to near a million of dollars, are subject to his draft alone, while he is only required to give security in the sum of $80,000.

Thus a very great and dangerous power is confided to one man. I therefore suggest the propriety of requiring the Auditor General to countersign all drafts for payments of money, drawn by the Treasurer on the depositaries, for transferring monies from one depositary to another.

The report of the Adjutant General gives the number of the militia of the Commonwealth, as well as the arms and military stores.

This detail shows the elements of the military power of the Commonwealth, and the strength of a Republican Government—and the experience of the last few years has added proofs to the value of this institution, and presents the subject as one of great importance to the care and supervision of the Legislature.

The report of the Superintendent of Common Schools exhibits a full view af the progress and advancement of our admirable system of Common School instruction, which is diffusing its blessings to the rising generation, tends to strengthen all our free institutions. The man who loves his race, cannot find a more delightful subject of contemplation, than this universal provision for the education of all the children of the Commonwealth, and thus arming them with knowledge and power, and fitting them for maintaining the rank and dignity of freemen.—The perfection of the system is one of the noblest objects of legislation, and will secure the early and continued attentions of the General Assembly.

You are respectfully referred to the Report of the Surveyor General for information in relation to the operations of the Land Office during the past year, by which it will be seen that the receipts into the Treasury from that source have been increased.

The final geological report now now finished and ready for the press, has been deposited by Henry D. Rogers, Esq., the State Geologist, with the Secretary of the Commonwealth.

This Report is represented to contain a general and scientific view of all the rocky strata and their contents, their order of arrangement and the region of country they occupy, and representing in detail the situation of every layer of coal, every important vein of iron ore and every other mineral deposit of utility within the State.

The State has expended a large sum in collecting the materials and information contained in this elaborate and extensive report, which will be in a great degree lost unless it is published. I, therefore recommend the subject of publication to the early attention of the Legislature.

The rights of property of married women, present, in my opinion, the proper subject of Legislative consideration. By our laws the husband, upon marriage, possesses the power of becoming the absolute owner of the personal estate of his wife, by reducing it into possession, and when he thus acquires this ownership, he may dispose of it by will, at his death, to whom he pleases. She has the privilege by law of renouncing the estate of the property devised or bequeathed to her by will, and upon such renunciation, she is entitled to dower of her husband's real estate of which he died seized.

The wife has no control of her own personal estate nor that of the husband during marriage, unless it be an estorted allowance for necessaries, and at her death she has no power to dispose of that which was her own by will, but the whole belongs to the husband. The husband may encumber his estate by contracting debts without the consent of his wife—and upon his dying intestate she is only entitled to the one third of the personal estate and a life estate in one-third of the Real Estate, after the payment of all the debts; and if the estate is not sufficient to the payment of the debts she looses all. But the wife cannot encumber the real estate she holds in her own right, and upon her death the whole vests in the husband during his natural life.

The policy as well as the justice of this distinction, made by the law in favor of the husband and against the wife, well be questioned. The liberal and enlightened spirit of the age has developed and secured the rights of man, and has redeemed woman and elevated her from the degraded position she occupied, and placed her where she always should have been—by his side—his equal in rank and dignity. Then why should her rights of property be controlled by the contracted and illiberal enactments of an age, when her husband was her lord, and he might chastise her by law as if she were a servant. Our law very carefully provides that the husband shall not, without the forcional consent of his wife, convey his real estate by deed, so as to bar her right of dower, and if this consent is not given her right is protected after his death against the claims of his creditors.

Now, if she be a sound principle, and worthy of the solemn sanction it has received from the Legislature and the Judiciary, why should it not be extended so as to preserve to the widows her dower in all cases where the husband has conveyed by deed, but by other means, sanctioned by the law, disposed of his real estate without the formal consent of his wife. If the husband contracts debts, his real Estate is as effectually transferred by the law for the use of his creditors as if he sealed and delivered it by deed with the consent of his wife. Thus the law at present enables the husband, by one act of Assembly, in collecting their old debts has not only been faithfully performed, but that the current business has been promptly attended to and kept up. To enable the Auditor General, however to continue to do full justice to the interests of the State, and all concerned in the prompt settlement of accounts, liberal provision should be made to pay additional Clerk hire.

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