GOVERNOR'S MESSAGE.

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

FELLOW-CITIZENS:—The term to which my eligibility, as the Chief Executive officer of the Commonwealth, is restricted by the Constitution, being about to close, I submit to the Legislature, the last annual message which the duty of my station enjoins upon me. In the performance of this duty, I cannot refrain from invoking your devout acknowledgements, with my own, to the Great Author of All Good, for His constant care and guardianship over the interests and welfare of our beloved Commonwealth. Upheld by His paternal arm, we have been rescued from the most distressing embarrassments and difficulties to which, in a time of peace, any people were ever subjected. Good has sprung out of evil—safety from danger—wisdom from folly—and justice from a spirit of ungenerous detraction. The clouds that for several years past, have hung upon our horizon, are breaking away; and the sunshine of prosperity once more begins to beam upon our path.

Within ten days after my induction into office, I felt myself called upon by the highest consideration of duty, to communicate to the Legislature, a full and frank exposition of the state of our pecuniary affairs. Upon a careful examination, it was ascertained the amount of the public debt, including surplus revenue from the United States, was a little upwards of thirty millions of dollars, and the deficit in the Treasury during the year 1839, beyond the income, from all sources, was about four millions of dollars. To meet this amount, immediate provision had to be made; and, to add to the perplexing embarrassments, the great commercial convulsion, which has since reached its height, was then just begining to be felt in its operation. For more than ten years immediately proceeding that period, the State of Pennsylvania, from her well known punctuality and great natural resources, had experienced no difficulty in procuring upon loans, on favorable terms, any amount of money she needed, to extend and carry on her stupendous system of internal improvements. Both Foreign and American capitalists were competitors for the acceptance of her loans; and there seemed to be no limits to her credit and resources, except those which her own discretion imposed. She made large loans for the undertaking and completion of her various lines of improvement, and paid the interest upon those loans by other loans. Stimulated by these facilities, and forgeting the day ever would arrive when her interest must be paid not by loans, but by taxation, a system of improvements, by railroad and canal, was undertaken, far more comprehensive than her necessities required and far beyond her means to complete.

The same reckless spirit which actuated the government, had seized upon her private citizens, and induced them to engage in undertakings equally indiscreet and unattainable. Within a very few years immediately preceding the commencement of my administration, banks were created to an extent, and with capital, unheard of in this Commonwealth at any former period. These banks controlled by men moved by such impulses, very speedily exploded, and, as every rational man ought to have foreseen, overwhelmed, in their downfall, the entire business of this community. Within about two years after I entered upon the discharge of the Executive functions, banks, the aggregate of capital which amounted to more than two-thirds of the entire banking capital of the State, and furnish ing more than that proportion of its currency, were compelled to wind up their affairs; and, in doing so, not only extinguished this amount of the ostensible capital of the State, but crippled the remaining banks, compelled them to withhold facilities from the business men of the community, and, by forcing their debtors, constituting a large class of men engaged in various pursuits of life, to discharge their liabilities, almost crushed the large and flourishing class of business men in all parts of the Commonwealth. To add still farther to these perplexing evils, the condition of the pecuniary affairs of Europe became almost as deeply embarrassed as our own; and foreign capitalists, who had sought for opportunities to make investments in this country, were induced to withhold their usual loans.

During a short period previous to my entering upon the duties of my office, our internal improvement system, confessedly incomplete, was very largely extended by making appropriations towards the construction of the North and West Branch and Erie Extensions, Wiconisco Canal, Allegheny Feeder and Gettysburgh Railroad, besides guaranteeing the interest upon loans made to private companies, engaged in the construction of works leading into the improvements of the State. The amount which has been paid by the State for these and other improvements, which are wholly unproductive, is nearly nine millions of dollars.

The most strenuous exertions were required to obtain, during the first two years, a sufficient amount of money to pay the interest upon the State debt, defray the current expenses of the government, and to pay off the large class of domestic creditors, naturally and justly clamorous for the discharge of their demands upon the State. Rigid economy was recommended, and enforced in all the public expenditures. The extended lines of improvement, which might have been completed a few years earlier by loans, were suspended, in consequence of the inability of the State to raise the necessary funds; and finally, the interest upon the public debt failed to be paid from the same cause, and the want of time requisite to mature a plan of taxation which would produce the necessary means for that object. Not a single dollar has been appropriated, or paid, under my administration, towards the commencement of any new work whatever. The state of affairs was such, at its outset, as to forbid any such undertaking, however meritorious in itself, and I have strictly adhered to this rule of conduct.

Shortly after I assumed the Executive duties of the State, I become satisfied that the procrastination of the evil day, when resort to taxation was demanded by the most imperative obligation of duty, could no longer be indulged; painful as was the alternative, I felt how deeply the honor of the State was involved, and recommended the imposition of a tax, which should supply an adequate fund to discharge the interest on the public debt, committing the details to the Legislature. This recommendation I reiterated in the most earnest manner, and ultimately it received the sanction of the Legislature.

The assessment under the several laws, imposing a tax on real and personal property, and the amount paid into the Treasury are as follows:

Am'nt of tax assessed for	1841,	$416,794 85
" "	1842,	659,512 47
" "	1843,	9 8,708 46
" "	1844, about	968,720 40
Whole am't assessed for the past four years,		$3,013,724 12
Am'nt rec'd in	1841,	$33,292 77
" "	1842,	486,735 85
" "	1843,	553,911 38
" "	1844,	715,210 01
		$1,825 858 01
Leaving the amount of tax outstanding on the first of December last,		$1,188,674 41

subject to exonerations, commissions, &c., which may be estimated at ten per cent. The balance, it is fair to presume, will be made available the current year. Of the $751,210 08 paid into the Treasury during the past fiscal year, only $143 899 66 was received from the tax assessed for 1844, leaving outstanding, for the year alone, over $800.000 00. The receipts from this source, for the present year, may, therefore, be estimated at about $1,260,000 00.

The acts which have been passed upon the subject, and which are now in force, provide for the imposition of a tax, which, taking the valuation for 1843, of the real and personal property as a basis, will annually amount to the sum of $1,453.000. That valuation it may be remarked, was considerably below that of 1842. If, therefore, the provisions of the act of 1844 be fairly carried into effect, in the valuation of property, and the collection and prompt payment of the tax be enforced, the annual revenue hereafter to be derived from that source, will amount to at least $1,500,000. This sum, with the other resources of the Commonwealth, will be entirely adequate to furnish the necessary amount to discharge the interest upon the public debt, and thus ensure the fidelity of the State to her engagements.

Without expressing the opinion that the details of these laws are, in all their minutest particulars, the most equal and just, in the objects selected for taxation, and the rates imposed, I will remark that they seem to be substantially conformable to public opimon. There is a defect in providing for the punctual enforcement of the laws imposing and collecting the taxes, and I beg leave to recommend to the consideration of the Legislature, the adoption of some more efficient mode of attaining this end. This might be done by inflicting penalties on the collectors, or other officers, found delinquent in the discharge of their duties. That class of individuals is as little entitled to indulgence or sympathy as any others engaged in the execution of the laws.

The entire amount of the public debt at this time is:

Funded debt, 6 per cent stocks,		$4,370,916 21	
do	5	34,721,534 46	
do	4½	200,000 00	
			$39,292,450 67
Loan (relief issue) per act of 4th May, 1841, bearing interest of one per cent.,		$1,175,000 00	
do	six	171,636 00	
do	five	91,542 00	
Amount in circulation,			$1,438,178 00
Balance due domestic creditors on certificates issued by the Auditor Gen'l.,			104,394 93
Amounting to the sum of			$40,835,013 60

The increase in the State debt, since I assumed the duties of the Executive chair, may be properly understood, when it is stated that the interest which has accrued thereon, since that period, amounts to $10,362,186 00

The amount of interest guaranteed to private corporations, to 144,340 00

And the amount of appropriations towards the completion of unfinished lines of public improvements, commenced prior to that time, about 4,500,000 00

Amounting to $15,006,526 00

The annual interest on the funded debt of the State, payable at the Bank of Pennsylvania, exclusive of interest on certificates issued for interest, is $1,747,030-12, falling due respectively on the 1st of February and August, of which the sum of $873,515 06, is payable on the first day of February next. If it should be determined to pay the interest on the interest certificates on the 2st February, then the further sum of $97,888-84, will be required.

The receipts into the Treasury during the fiscal year, ending on the 30th of November last, including a small available balance from the previous year, were $2,511,237 03

The expenditures for the same period, including the amount of relief notes cancelled, were 1,847.385 15

Leaving a balance in the Treasury on that day, of $663,851 83

There was also an available balance in the Canal Treasury, on the same day, of 39,497 00

The receipts during the month of December, exclusive of disbursements, were 139,681 23

To which may be added the receipts over expenditures, for the present month, estimated at 120,000 00

Making the amount in the Treasury on 1st February, about $963.030 11

This balance embraces the sum of $50 000 of relief notes, which the State Treasurer withheld from cancellation on the 31st December, and which, if needed, may be applied by the Legislature to the payment of interest on the public debt. From the facts here presented, it is evident that the Commonwealth will be prepared to meet her interest falling due on the 1st of February. Attempts, it is true, have been made to create doubts in the public mind in relation to the propriety of paying the interest on that day, lest there should be a deficiency in the Treasury, on the 1st of August. But it must be perfectly evident that the Treasury will be in ample funds, not only on the 1st of August next, but also on the first of February, 1845. And the very fact that the interest is paid on the first of February next, will increase the means and credit of the State to meet its interest in August, and afterwards, when it falls due. While, on the other hand, when it is admitted that enough money to discharge interest on the first of February, is in the Treasury applicable to that object, and it is not so applied, we shall, with much appearance of justice, subject ourselves to the reproach of our traducers, as wilfully dishonest, and regardless of the faith and honor of the State. With an exhausted Treasury and tarnished credit, we could plead our necessities in extenuation of our violation of contracts; but what shadow of excuse could be offered when this necessity has ceased to exist? None whatever, that good old-fashioned integrity does not brand as disgraceful, and unworthy our character as a sovereign State.

It must be gratifying to every Pennsylvanian to reflect that the credit of this great State, which has been, for two years, subjected to reproach, will thus be restored to the unsullied purity of character which, until this unavoidable reverse of fortune, she had steadfastly maintained. The claims of all her honest creditors will be punctually discharged, and the gross imputations which have been heaped upon her name wiped out, and the abiding confidence which we have ever felt in the disposition and ability of the State to comply with all her engagements, will be fully realized.

The report of the Canal Commissioners will present to you, in detail, the operations on the public improvements, for the past year. The tolls collected in 1844, amount to $1,167,503 42, being an increase over 1843 of $172,199 19. The collections for the year exceed the expenditures the sum of $629,658 82.

The report of the State Treasurer will explain, in detail, our financial condition That officer estimates the receipts at the Treasury, for the current fiscal year ending 30th November, 1845, at $3,005,000 00

To which add balance in Treasury on 30th November last $668,851 88

Also the amount in Canal Treasury, on same day 39,497 00

$703.348 88

Making a total of $3,708,343 88

He also estimates the expenditures of the Commonwealth, for the same period, including interest on public debt, at 3.061,013 56

Leaving a balance in Treasury, on 30th November, 1844, of $647,335 22

There is, therefore, no manner of doubt that, henceforth, the State will be able to meet, not only the interest on her public debt, but all her other engagements of every description; the taxes now imposed by law, (if their collection and payment into the Treasury be strictly enforced, and the proceeds of the public improvements, with other sources of revenue, constituting a fund amply sufficient for that purpose.

Recurring to the history of the past six years, what a satisfactory answer does it furnish to the objections of the enemies of Republican Government, against its stability and its honor. Oppressed by personal embarrassments—weighed down by public liabilities—reproached for not doing what the most manful struggles were unable to accomplish, the people of Pennsylvania have still borne themselves steadily in the darkest hour, have submitted to taxation, grievous at all times, and particularly so in convulsions of business, and have at last reached the solid footing which public integrity and public fidelity in the end never fail to attain. The difficulties and embarrassments attending this struggle, will hardly be credited by those who have not shared them; and, I confess, it will ever be to me a source of proud satisfaction to compare the condition of the State, when the helm of Government was put into my hands, with its condition when I surrender it into the hands of my successor. I say not this to reproach those who preceded, nor to diminish the just credit of those who succeed me; but as an act of sheer justice to all who embarked with me in the gloomy and perilous voyage we have run since the 15th of January, 1839. It can hardly be possible for such a season of trial ever to occur again; but if unhappily it should, I trust those who are called upon to encounter it, will find something in our example to cheer and animate them to persevere in the discharge of their duty.

Having thus disposed of the financial concerns of the State, for the last few years, a subject of the deepest solicitude, I shall proceed to submit to you but few special recommendations; for, at the present time, I deem it no more than an act of respectful courtesy to my successor, to leave entirely in his hands those recommendations of a general nature, which are usually expected to emanate from the Executive Department. There are a few topics, however, upon which I feel it to be my duty to offer some suggestions for your consideration.

The unexampled commotion and disturbance that recently prevailed in the business concerns of the country, have, in a great degree, subsided, and left us in a state to survey the field of disaster with a calm and experienced eye. The throes and convulsions of the banking system, for a time, menaced all those institutions with speedy downfall, but most of them have outrode the storm. No man could witness the existing state of things, without feeling conscious that this system was essentially vicious, and needed effectual reform.

To make banks useful without being dangerous—to correct the evils without depriving them of all power to do good—to restrain them within their proper sphere, by rigid regulations, is an object at which I think all intelligent and honest legislation should aim. In this opinion I presume, there will be no discordance whatever, among well informed men.

Early in the month of May last, a series of most alarming and sanguinary riots broke out in the District of Kensington, in the county of Philadelphia. On the origin of these ritous proceedings, I do not feel called upon to make any particular animadversions. It is enough to say, that a large amount of private property, dwelling houses and churches, were burnt & destroyed; and that a large number of valuable lives were sacrificed. To such an extent was the public safety endangered, that I was called upon, by the proper authorities of Philadelphia, for an adequate force to assist and quell these disturbances. I immediately ordered a very considerable number of troops, from adjoining districts, to repair to Philadelphia, and, by assuming a firm and determined position, peace and order were temporarily restored.

In the month of July, similar outrages again were committed in the District of Southwark, in the county of Philadelphia, with similar painful and bloody results. I was again called upon to interfere, and, a second time, repaired to the city of Philadelphia, having made similar requisition upon the volunteers of neighboring districts, and, by the adoption of similar proceedings, lawless outrage was again suppressed, and public tranquility, as I trust, thoroughly restored.—On these occasions, the mob had procured fire-arms of nearly all descriptions, and used them both against private citizens and against the military, with deadly effect. I had the gratification to witness that the citizen soldiery, thus called, at an hour's warning, from their homes to the scene of bloody conflict, acted, in all emergencies, with a coolness, steadiness and courage worthy of veterans, and with a degree of forbearance, before which, their duty, infinitely more to be without shrinking from their duty, infinitely more to without shrinking from their duty, is exhibited in a manner entitled to the highest commendation. I refer you to the report of Major General Patterson, herewith transmitted, for the detailed operations of the military, on the occasions to which I have referred.—It is due to these citizen soldiers, to make speedy and adequate remuneration for their services. I submit to the Legislature to ascertain the time to be allowed them, and fix the amount they ought to receive; but I must urge upon its consideration, in the most earnest terms, the justice and propriety of their claims. Men who abandon their daily pursuits of life, leave their wives and children without protection or support, and peril their lives in the public service, either against foreign or domestic foes, are justly entitled to a liberal compensation from that public whose laws they have defended. The salutary lesson taught by the rigid, though considerate enforcement of the laws, by means of the military, and the firm and enlightened course pursued by the judicial tribunals and the officers in Philadelphia, entrusted with the duty of bringing offenders before them, will doubtless prevent a recurrence of these evils, and guarantee, hereafter, the peace and good order of that community.

Although the system of imprisonment adopted by Pennsylvania, some years ago, at the establishment of her Penitentiaries, has been justly regarded as the most admirable to be found among all nations, yet there is one department which remains to be provided for, that of establishing, in connection with each of our State Penitentiaries, a department for the charge of the insane inmates. There have been, almost every year, since I have been Governor of the Commonwealth, some unfortunate persons confined in the Penitentiary, of this description, who, either were partially insane when committed, or became so afterwards. As the law now stands there is no remedy for these cases, but to pardon them, or confine them in the same cells as other criminals are confined. Both these modes are often times wrong, and I respectfully urge it upon your consideration to make some provision for redressing the evil in future.

The State debt now consists of thirty-seven distinct loans, for each of which, a separate set of books must be kept in the loan office of the Commonwealth. Constant divisions, sub-divisions, and transfers of stock are taking place, and the whole system is becoming daily more laborious and complicated. I recomend an inquiry into the subject, and if practicable, the consolidation of those loans into some uniform system.

The careless manner in which bills are transcribed, is a subject which calls for some remedy. It not frequently happens that the Executive is compelled to return bills to the committees, for correction, before he can give them his approval. Bills presented during the last hours of the session, and, as is usually the case, on the day after the adjournment, cannot undergo this correcting process, and are necessarily placed upon the statute book, with such errors as they may contain.—It has likewise been discovered, after the publication of the laws, that whole sections which had passed both houses, had been omitted in the transcribed bill, and sections inserted which had never received the sanction of the Legislature. I deem it only necessary to call your attention to this evil, without making any recommendation as to the proper remedy.

During the time I have been in office, no appropriations have been made to furnish the Executive Chamber, in a manner which seems to me to be suitable to the character of the State. I have avoided calling the attention of the Legislature to this subject for obvious reasons; but a sense of delicacy no longer restrains me from pressing upon your attention, the necessity of supplying the Executive Chamber with furniture and conveniences, a little less unbecoming than those that are found there at present.

The public grounds surrounding the Capitol, notwithstanding that considerable sums have been appropriated to improve and embellish them, are still in a condition not at all creditable to the capitol of the State, and especially that portion not enclosed, upon the south-east side of the Capitol, stands in need of improvement and care. This ground was a donation to the State by the respected founder of Harrisburg, and it is scarcely just to his memory to treat his munificence with such neglgence.

The taste and self-respect of a people are strikingly exemplified in the structure of their public buildings, and in the embellishments surrounding them. If strangers were to adopt this as a criterion by which to estimate the character of the citizens of Pennsylvania, we should have little cause to be proud of the judgement they would form of us. I beg leave to recommend that a suitable appropriation be made to render our public grounds somewhat more worthy the character of the people of the State.

The unfortunate destruction of the bridge of the Cumberland Valley Railroad Company, over the Susquehanna, at Harrisburgh, by fire, has, in a great measure, cut off the trade and business which that valuable tributary to our public improvements supplied. The State holds in that company, stock to the amount of $70.000. The original cost of the bridge was $124 000—and it will probably cost $90,000 to rebuild it on the most approved plan. The condition of the company is such as to forbid the hope of its being able to raise the whole of the funds necessary to re-construct it. Many of the numerous bridges erected over that river, have been, from time to time, decayed by floods and otherwise, and I believe that the stroyed by floods and otherwise, and I believe that the legislature, in every instance, has thought it right and proper to assist in their reconstruction. I would, therefore, recommend the subject to the favorable consideration of the Legislature, and urge the propriety of making a reasonable appropriation to aid the company in this undertaking.

The annual report of the Superintendent of Common Schools, will acquaint you with the progress and condition of these institutions, during the year, together with his views respecting the improvement of the school system, and the means to be adopted for that purpose. It is highly essential to the success of our system of education, that the appropriation from the State should be fixed and permanent. Uncertainty in this respect, is attended with deleterious consequences, and productive of derangement in the practical operation of the system. Whatever is calculated to promote the cause of popular education, is worthy your most serious and earnest attention. On it depends, in an eminent degree, the honor of our Commonwealth, the distinction and happiness of her citizens, and the perfection and perpetuity of our political institutions.

The report of the Adjutant General will be submitted to you, and will exhibit particulars in relation to the militia system. During the last session of the Legislature, an act was passed to reduce the expenses of the militia system, and provide a more rigid mode for the collection of militia fines. The provisions of this act are found to be highly beneficial in their operation, and it is believed will enable the system to sustain itself without having recourse, as heretofore, to the Treasury of the State for aid. The amount of fines assessed the last year for non-performance of militia duty, is more than sufficient to defray the expenses for the same time. The brief period from the enactment of the law, until the collectors were required to accomplish their duties under it, was not sufficient for them to complete their collections. The outstanding fines for the past year, however, may be collected with those of the present, and thus a sum obtained sufficient for the expenses of both.

I cannot too strongly recommend to your care and encouragement, the volunteer troops of our Commonwealth. They will lose nothing when compared with the troops of this or any other country. Their courage and efficiency as soldiers have been tested and established, and they have deservedly become favorites with the people. In cases of exigency, we must chiefly depend upon them to protect from injury and destruction our individual property, our national honor, and our political liberties.

Under the provisions of the act of the 29th April, 1844, entitled "An act to reduce the State debt, and to incorporate the Pennsylvania Canal and Railroad Company," the question of a sale of the main line of improvements, submitted to a vote of the people at the election of October last, was decided in the affirmative. The requisite notice was given by the Secretary of the Commonwealth to the commissioners named in the act, and they have proceeded so far in the performance of their duties as to advertise that the sale of the stock of the proposed company will commence, in the city of Philadelphia, on the 20th of January inst. The time has, therefore, not yet arrived when the practicability of disposing of these improvements, on the terms specified in the law, will be tested. I am not aware that any legislative proceedings on this subject are called for at the present time.

The proceedings of the commissioners named in the act of the 13th April, 1843, entitled "An act to authorize the Governor to incorporate the Delaware Canal Company," will appear from a report accompanying this message, setting forth their inability to dispose of the Stock. It will be for the Legislature to determine what further action, if any, on this subject, is necessary.

In my last annual message I informed the Legislature that in pursuance of the act of the 7th March, 1843, upon