

Democratic Banner.

BY MOORE & THOMPSON.

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THE BANNER

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Governor's Message.

To the Senate and House of Representatives:

GENTLEMEN:—The Legislature has assembled at a time which is distinguished for the general health and prosperity of the people.

While we deplore the wants & wretchedness of numbers of our race, resulting principally from the influence of unjust governments, we are enabled, by comparing our condition with theirs, to appreciate the inestimable value of our own free institutions, and are moved to unite our grateful hearts in adoration and praise for the wonderful goodness of our Heavenly Father, who has multiplied our civil and religious blessings, and has not only preserved us from the horrors of want, but has enabled us, out of our abundance, to feed the hungry, and has made us a great and happy people.

Since the last adjournment of the General Assembly, the peace which had so long subsisted between this nation and the other nations of the world, has been disturbed by the war between the United States and Mexico. The grave causes which have produced this rupture are ably and satisfactorily set forth in the late annual message of the President to Congress. They show a dignified forbearance on the part of this government, under multiplied wrongs and aggressions, and a laudable desire to preserve peace while its blessings could be secured consistently with the national honor. A free people, conscious that they ask nothing but what is right, cannot submit to wrong, and however much they may deplore the evils of war, their just rights must be maintained.—Hence Congress, on the 18th of May, 1846, announced, that by the act of Mexico a state of war existed between that government and the United States, and for the purpose of prosecuting it to a speedy and successful termination, the President was authorized to employ the militia, naval and military forces of the United States, and to call for and accept the services of fifty thousand volunteers.

In pursuance of the authority derived from this act, the President, on the 19th of May, 1846, requested the Executive of this State, to cause to be enrolled and held in readiness, for muster into the service of the United States, six regiments of volunteer infantry, each to consist of ten companies, to serve for twelve months, or to the end of the war, unless sooner discharged.

In accordance with this request, general orders were issued on the 28th of May, 1846, announcing to the citizen soldiers that the offer of six regiments of volunteer infantry would be accepted, to be held in readiness for muster into the service of the United States. In pursuance of this announcement, the officers of ninety companies of volunteer infantry, sufficient to fill nine regiments, were received and transmitted on the 15th day of July, 1846, to the War Department. The patriotism and zeal which were so promptly and cheerfully manifested on this occasion, by the volunteers of Pennsylvania, give proof of their devotion to the service of the country, highly creditable to themselves and honorable to the State.

The six regiments thus called for, were not mustered into the service.

On the 16th of November, 1846, a request was made by the President for one regiment of volunteers from this State, to consist of ten companies, to be continued in service during the war with Mexico, unless sooner discharged. This request was announced on the 18th of November, 1846, to the volunteers who had previously tendered their services, and the regiment was promptly filled and mustered into the service of the United States at Pittsburg, on the 15th day of December. Six of the companies composing the regiment, were organized in Philadelphia: one in Pottsville; one in Wilkesbarre; and two in Pittsburg.

On the 14th of December, 1846, a request was made by the President, for another regiment of volunteer infantry from this State, to serve during the war with Mexico, unless sooner discharged. This request was filled, even with more promptitude than the former, and ordered to rendezvous at Pittsburg, on the 5th of January. One of the companies composing this regiment was organized in Philadelphia: one in Reading; one in Mauch Chunk; one in Harrisburg; one in Danville; two in Cambria county; one in Westmoreland county; one in Fayette county; and one in Pittsburg.

The energy and the exalted patriotism which have been evinced by the citizen soldiers of Pennsylvania, are an admirable illustration of the workings of our free system, and of the strength of our government.

The officers and soldiers who have entered into the service of the country, are independent freemen, in the vigor of youth and manhood, intelligent and energetic, animated with the love of liberty, and

proud of the dignity of being citizens of the United States. Such are the volunteer soldiers of Pennsylvania, who have filled two regiments, and are ready to furnish any additional number that may be required.

In referring to the manly zeal of the soldier, allusion to the benevolence of the citizens who provided for their comfort on the march, and who became the guardians of those they left behind, and were dependent upon them, cannot be omitted.—Those generous feelings, so admirably expressed, in which woman mingled the fullness of her patriotism and the charms of her influence, cast a halo around the volunteer, when with lingering looks at the loved objects of home, he commenced his wintry march for the seat of war, and gave him the assurance that the blessings of another failure punctually to meet all the demands upon the public Treasury, but to make provision for the commencement of a system for reducing the public debt.

It has been my constant endeavor, especially in the annual message of January last, and the special message of the 21st of April, following, to impress upon the representatives of the people, the necessity and importance of this subject. In presenting it to the Legislature, at the last session, it became my duty to show that the taxes assessed on real and personal estate, together with all the other revenue that accrued within the fiscal year, ending on the 30th of November, 1845, were less than the expenditures of the year, by the sum of \$414,199 32, which deficit was supplied out of the balance in the Treasury on the 1st of December, 1844, and by a diminution of the outstanding taxes.—Thus,

On the 1st December, 1844, the balance in the Treasury was \$663,851 88

And on the 1st December, 1845, it was 384,866 09

Showing a reduction of the balance on the 1st December, 278,985 79

On the 1st December, 1844, the estimated amount of available outstanding taxes was 1,009,778 03

And on the first day of Dec'r, 1845, they were estimated at 874,544 50

Showing a diminution of the outstanding taxes of 135,233 53

And making an aggregate diminution of the balance in the Treasury, & outstanding taxes, during the year ending 30th Nov'r, 1846, of \$414,199 32

This statement demonstrates that the taxes, and other revenues assessed, and accruing within the year, were less, by the above sum, than the demands upon the Treasury, during the same period.

The financial operations of the year, ending on the 30th of November, 1846, also exhibit a like deficiency, but less in amount. Thus,

The balance in the Treasury on the 1st Dec'r, 1845, was \$384,866 09

And the estimated amount of available taxes outstanding at the same period, was 874,544 50

Making an aggregate amount of balance in the Treasury and outstanding taxes, on the 1st Dec'r, 1845, of 1,259,410 59

The balance in the Treasury on the 1st Dec'r, 1846, was 384,678 70

And the estimated amount of available outstanding taxes, at the same period, was 542,688 64

Making an aggregate of the balance in the Treasury, and outstanding taxes, on the 1st December, 1846, of 927,367 34

Showing a diminution of the balance in the Treasury, and outstanding taxes, during the fiscal year ending on the 30th November, 1846, of \$382,063 25

It thus appears, that the taxes assessed, and the other revenues accruing within the fiscal year just ended, were insufficient to meet the demands upon the Treasury, by the above sum.

It will be perceived that the balance in the Treasury on the 1st of December, 1846, was greater than was estimated in the last annual message, and that the amount of the outstanding taxes has been reduced below the estimate then made.

As it was apparent that these recurring deficiencies, would soon exhaust the balance in the Treasury, and all the arrangements of available outstanding taxes, I was impelled to urge upon the General Assembly, at their last session, with so much earnestness, the indispensable necessity of providing some additional revenue, to place the finances of the State upon a permanent basis. Near the close of the session, an act was passed, entitled "An act to provide for the reduction of the public debt," which embraces some additional objects of taxation, and contains provisions for enforcing, more effectually, the intention of the act of 1844. It was, however, passed at a period of the session when there was no time for deliberation, and contains some provisions, which, in my estimation, ought to be modified. It seems to me that, an attempt to tax book accounts, and moneys due on contracts, will only prove vexatious to the citizens and officers, without adding substantially to the revenue. As the act of 1846 has not yet had time to produce any practical results, no certain estimate can be made of the amount of additional revenue it will produce; but it is believed that this law, together with the increase of the value of property, since the last triennial assessment, will, if the present triennial assessment is fairly made, enlarge the revenue derivable from real and personal estate to an amount equal to the deficiency that occurred in the accruing revenue of the last year. The loss of tolls, and the additional expenditures upon the public works, occasioned by the extraordinary flood of last spring, is a subject which may be properly noted here. By reference to the report of

the Canal Commissioners, it appears that they have estimated the loss of tolls occasioned by the delay in opening the navigation, at the sum of \$150,000, and that the cost of extraordinary repairs, required in consequence of injuries by the flood, was \$111,515; making the aggregate loss to the State, by this unusual casualty, \$261,515. If this disaster had not occurred, the accruing revenue, exclusive of the balance in the Treasury on the first of December, 1845, and the taxes then outstanding, would have been nearly equal to the demands upon the Treasury, during the last fiscal year.

From the Canal Commissioner's report it appears, that the receipts from Canal and Railroad tolls, and charges for motive power, were—

For the year 1848, \$1,017,841 12

1844, 1,167,603 42

1845, 1,196,970 43

1846, 1,295,494 76

Showing a gradual and steady increase during the above period. Even last year, notwithstanding the delay in opening the navigation, they exceeded those of 1845, by the sum of \$98,515 33. There is good reason, therefore, to believe, that if the public works shall continue to be conducted with the same degree of skill, industry, and integrity, with which they have been managed for some years past, the receipts from them will continue to increase, until the business upon them reaches their full capacity.

Some apprehensions have been expressed, that the construction of the great Central Railroad, between Philadelphia and Pittsburg, may be the means of diminishing the income from the improvements of the State. In this I do not concur, on the contrary, I entertain the opinion, that the increased commerce, which it will invite between our eastern and western emporiums, and the regions which connect with them, will not only add to the revenues of the Columbia railway, but will greatly increase the productiveness of all our public works. Such, I believe, has been the experience of New York; and such, I doubt not, will, in a very few years, be that of our own Commonwealth.

I transmit, herewith, a statement showing the actual receipts and expenditures, for the last fiscal year; and, also, an estimate of the same, for the present year, made with much care, upon full consultation with the other officers of the government. From this estimate, it appears that the receipts of the year will exceed the expenditures, by the sum of \$193,441 11.

The balance in the Treasury, on the 1st instant, was only \$438,886 68. It is therefore, altogether probable, that it may become necessary to make some arrangement to anticipate a small portion of the revenue of the year, to meet the interest which will fall due on the 1st of February next. I recommend that some legal provision be promptly made for this purpose. This will not affect the financial calculations and estimated results of the year. I feel entire confidence that, taking into view the operations of the whole year, the results will sustain substantially the estimates that have been presented.

The sum of two hundred thousand dollars, which is now annually appropriated to the cancellation of the relief issues, and which is included in the estimates, is discharging that amount of the public debt yearly, and is, in fact, an existing sinking fund.

If, therefore, the conclusion at which I have arrived, shall prove correct, that the taxes assessed under existing laws, on real and personal property, with the ordinary revenues, and an amount from the public improvements, equal to that received during the past year, will prove sufficient to pay the interest on the public debt, and other demands upon the Treasury, the annual increase of tolls upon the public works, may be added to the present sinking fund of two hundred thousand dollars a year. From the experience of the three last preceding years, this increase may be fairly estimated, for some years to come, at one hundred thousand dollars per annum; and, if it be added annually to the existing fund for the cancellation of the relief issues, they will all be taken out of circulation in about three years, at which time the State will have a sinking fund, of half a million of dollars, to commence the liquidation of her funded debt. The application of this fund, annually, with its accruing interest, to the purchase of five per cent. State stocks, at par, will, at the end of ten years, discharge \$6,288,929 of the public debt, and, at the end of twenty years, \$16,532,681, which will reduce the debt, including the cancellation of relief issues, at the end of 23 years from this time, to the sum of \$28,175,082. The net income from the public works will then, it may be fairly presumed, be more than ample to pay the interest on the State debt, and the people may be entirely relieved from all taxation for the payment of interest. In fact, there is reason to believe, that the increased wealth of the State, and the accumulation of business on the public works, will, at a much earlier period, admit of important reductions in the taxes, without retarding the consumption of the foregoing plan for reducing the public debt.—Notwithstanding some may be disposed to view these suggestions as visionary, I have the most entire confidence in their

practicability, provided the public works shall continue to be managed with integrity and skill, the tax laws fairly executed, and the government, in all its departments, honestly and faithfully administered.

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 tenth article of that instrument, by which the income from the public improvements, after deducting the necessary expenses for repairs and superintendence—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 expedient to include, shall be set apart and be 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 fulness of the public credit, and lay the foundation for the final extinguishment of the public debt. It would give an additional security 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.

I would respectfully recommend a careful examination of the operations of the existing tax laws. Taxes, however correctly they may be arranged by law, fall in a certain extent unequally upon the people, in consequence of their various circumstances and liabilities; but if to this unavoidable result be added careless and irregular assessments, by which large amounts of property escape taxation, great injustice is done to those who make an honest and full return of their taxable property.

The adjustment by Congress of the rates of duty on imports, is a topic that continues to divide public sentiment. In my message of the 7th of January, last, I took occasion to express the views which I then entertained regarding it, and to these views I continue to adhere. I can entertain no doubt of the constitutional power of the federal government, to make such discriminations in the rates of duties on imports, as may afford reasonable encouragement to domestic manufactures and productions which may be injuriously affected by foreign competition. This is a power incident to every sovereign State, and as the separate States of this Union are by the express terms of the constitution prohibited from its exercise, it follows, that, unless it resides in the federal government, the United States are without this essential attribute of National sovereignty.

The extent of these discriminations, bearing as they do, upon conflicting interests, and in some degree arraying those of one portion of the Union against another, can only be adjusted under the influence of that spirit of concession, and compromise, which prevailed in the adoption of the constitution itself. The history of our legislation on this subject, demonstrates most conclusively, that a tariff, to be permanent, which is so essential to the manufacturing, as well as all the other great interests of the country, must be reasonable and equitable, and that all attempts to establish a rate of ultra protective, or low horizontal duties, have only tended to keep the question in a state of constant agitation, than which nothing can be more prejudicial to the interests of the business community. I am, therefore in favor of such just discriminating duties as may be sufficient to sustain all our great National interests against injurious competition from abroad; such as will give to the home manufacturer, and producer, reasonable profits on his capital, and enable him to pay his workmen fair wages, without unnecessarily taxing the consumer.

Pennsylvania, possessing as she does, such vast agricultural, manufacturing and mineral resources, and commercial advantages, has a peculiar interest in the adjustment of this question, upon a permanent basis. Should the changes made in the rate of duties, by the tariff act of 1846, affect injuriously any of the great interests of the country, we must unite our efforts to induce Congress, to whose care and discretion the subject is committed by the constitution, and on whose wisdom and justice we may safely rely, to make all just and reasonable amendments.

From all the reflection I have been able to give this vexed and complicated subject, I am thoroughly convinced, that reasonable discriminating duties, such as can be permanently maintained, in connection with the operations of the constitutional Treasury, and a sound currency, will do more to promote the permanent and general prosperity of all the great interests of the country, than any other system of policy which can be adopted. High duties, with the employment of banks as the depositories of the public moneys, and a consequent inflation of paper currency, by which the advantage of the duty to the home manufacturer and producer is destroyed, are as certain to hasten and aggravate those commer-

cial evils, as they are to injure the interests of the State.

I have the honor to be, Sir, your obedient servant.

Wm. W. Miller, Governor.

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