CARLISLE, PA., WEDNES DAY, JANUARY 7, 1857.

## Governor's Message.

To the Honorable the Senators and members of the House of Representatives of the General Assem-

FILLOW-CITIZENS -- In obcilience to the constitu-Fillow-Citizers—In obcilence to the constitu-tion and laws of this Commonwealth, you have assembled to discharge the important and re-sponsible duties that devolve upon you. To<sup>2</sup> protect the rights and privileges of the people advance their interests, and promote the wel-fare and prosperity of the State, should be the aim and end of all your legislation. In the discharge of my duties, it will be a pleasure to co-operate with you in the accomplishment of those objects.

The past year has been one of unusual prosperity. The bounties of a kind Providence have not been withheld from our Connonwealth. A plenteous harvest has rewarded the labor of the husbandman. Honorable industry, in all its departments, has been encouraged. No financial embarressments—no comingrial distress—no political or social evils, have interrupted the progress, or checked the energies of the people. The great interests of education, morality and religion, hive been cherished and sustained. Health and peace, with their attendant blessings, have been ours. To Him "who rules the Nations by his power, and from whom cometh down every good and perfect gift," are we indebted for these mercies, and to Him should be given the homave of our devoir gratifiate and praise, ——
The financial condition of the Componwealth is highly satisfactory. Every—demand upon the Treasury has been promptly met and pall, without the aid of Ioans. The operations of this department will, be eshibited in detail in the Report of the State Treasure.

For the secal year ending November 30, 1850, the receipts at the Treasury (acluding the balance in the Treasury on the first day of December, 1855, of \$1,243,9733) have been \$5,677,142-22. Bulance in the Treasury December, 1855, the receipts from all sources, were \$5,877,142-22. Bulance in the Treasury December, 1855, of \$1,243,9733) have been \$5,677,142-22. Bulance in the Treasury for the same period, were \$4,113, 14177, showing an excess of receipts over ordinary-expenditures of \$5,277,142-22. Bulance in the Treasury December, 1855, of the receipts from all sources, were \$5,283,93745, as follow, viz: To the completion of the Perface Balarcad, and for the payment of debts previously contracted on that work, \$181,49411; to the North Brunch extension \$122,723.62; to relay the south track of the Columbia Balarcad, and for the payment of debts previously contracted on that work, \$181,49411; to the North Brunch extension \$122,723.62; to relay the south face of the resury to the redemption of Eons \$

The funded and infunded debt of the State, including temporary loans, on the first day of December, 1855, as per Reports of the Auditor General and State Treasurer, was as follows, viz:

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13	≈cal year. December 1, 15	5);"	ras as to	Hor	vs, viz:		
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thousand six hundred and one dollars and two cents were paid on the same account, exhibits the gratifying fact, that the process of redd-

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cing the public debt has commenced; and, un-less checked by reckless mismanagement and less checked by reckless mismanagement and extravagant expenditure, must continue, until the people and the Commonwealth are relieved from the debt and trantion with which they are burdened. In addition to this reduction of the public debt, large appropriations and phyments were made for the completion of the Portage Railrond and for debts previously contracted on that work—for old and unsettled claims recently adjusted—by—the Commissioners appointed under the act of last session—for relaying the South track of the Columbia Railrond—for enlarging the Delaware Division of recallying the solution that the cannal, and for other purposes. These extraordinary demands upon the Treasury have, or will soon tense, with the necessity that created them; and thus leave a still larger portion of the revenues to be applied in payment of the public debt.

A careful "examination of the financial con-

A careful examination of the financial con-dition of the Commonwealth—her sources of dition of the Commonwealth—her sources of revenue and the probable future expenditures, has inspired the hope that the time is not far distant when the public debt will be fully paid, and this without increasing the subjects or ratio of traxition. It has already been shown, that the revenues of the past year exceeded the ordinary expenditures one million two hundred and sixty-five thousand ninety-five dollars and fifty-six cents. The estimated receipts and expenditures for the current year, which will be presented to you in the Report of the State Treasurer, show that the excess of receipts; expenditure, show that the excess of receipts; expenditure expenditures, may reach the sum of one and a fail millions of dollars. These estimates, although approximations, will These estimates, although approximations, will not be far from the true result. Allowing, then, four hundred thousand dollars for annual extrafour hundred thousand dollars for annual extraordinary expenditures—and under a wise system of economy in no probable contingency can
they exceed that sum—we will have at least
one million of dollars to be appropriated anmully for the payment of the public debt.
With the rapid development of the wealth and
resources of the Commonwealth—the increase
of population—of the value of real extate, and
of the amount and value of property of every
description, the revenues must and will continue to increase. This natural and necessary
increase of revenue well supply every deficiency
and every demand upon the Treasury that falls
within the value of probability. If, then, the
sum of one million dollars be appropriated
annually in liquidation of this dobt, and the
accruing interest on the sums paid be applied
a the meanner of a sinking fund, the entire indebtédness of the Commonwealth will be extinguished in less than twenty-three years. If
this premises are correct—and their correct. deticeness of the Commonwealth will be ex-tinguished in less than twenty-three years. If these premises are correct—and their correct-ness can only be impaired by unwise legisla-tion, or the imprudent management of our finances—the tritth of the proposition is suscep-tible of the cleavest demonstration. Assuming the public debt on the first day of December, 185h to be in rough number, forty millions the public debt on the first day of December, 1856, to be, in round numbers, forty millions five hundred thousand dollars, and that at the end of each fiscal year one million dollars, with the accruing interests on former payments, will be paid, unerring calculation will determine the result to be as before indicated. Thus, before the expiration of the year 1879, Pennsylvania may stand redeemed from the oppression of her public debt, and her people be released from a taxation imposed to meet its accruing interest, and to maintain; the be released from a taxation imposed to meet its accruing interest, and to maintain the faith and credit of the Commonwealth. These views are not utopian. By practicing strict economy in all departments of the government—avoiding extravagant expenditure—refusing to undertake any new schemes of internal improvement, and holding to a rigid accountability the receiving and disbursing agents of the State; their realization may be anticipated with confidence.

I must again call the attention of the Legislature to a subject referred to in my last annual message, in the following terms.

mult message, in the following terms.

"By the thirty-eighth section of the Act of the 16th of April, 1815, entitled 'An' Act to provide for the optimary expenses of Covernment, the repair of the canals and railroads of the State, and other claims upon the Commonwealth,' the Governor was authorized to cause certificates of State stock to be issued to all persons or bodies corporate holding certificates for the payment of interest on the funded debt of the State, which fell due on the first day of Agust, 1812, the first days of February and August, 1813, and the first days of February and August, 1843, in an amount equal to the amount of certificates so libil, upon their delivering up said-certificates to the Auditor General. In pursuance of the authority thus given, certificates of State stock to the amount of four millions one hundred and five thousand, one hundred and fifty, dollars and twenty certis, bearing interest at the extent of the payment of lars and twenty cents, bearing interest at the rate of five per cent, per annum, payable sein-annually on the first days of February and August in each year, and redeemble on or fifer the first day of August, 1855, were issued. The minimum period fixed by law for the re-

The minimum period fixed by law for the redemption of these certificates expired on the first-day of Angust, 1855. No pirotistor has been made for their renewal or redemption. Although by the tenns of the Act authoring the conditions of the certificates issued, in pursuance thereof, the time of payment, after the expiration of the minimum period, is optional with the debtor, the Commonwealth, yet a due regard for the credit of the State requires that provision should be made for their renewal or redemption. To redeem these certificates, a loan would become necessary, and as a loan cannot be effected, in the present financial condition of the country, on terms more favorable to the State, than those on which these certificates, bearing interest at the rate of five per cent, per annum, payable, semi-annually, and redeemable on, or after the expiration of twenty years; and that the bonds be issued with coupons or certificates of interest attached, in suns equal in amount to the semi-annual interest thereon, payable on the first days of February and Angustin each and overy year, and that the odory year, and the reach place as may be designated. This in the designated.

It is anticipated that the revenues, for the bottom, from the nature of the formation & soils through which it passes, slides from the interest through which it passes, slides from the hills, and by vigilauce and care entirely prevented. This improvement, although subject to the rivalry of competing railronds, if kept in good condition, under proper management, will receive its all share of coal and other tonnage. It is anticipated that the revenues, for the current year, will equal, if not exceed the expendition, under proper management, will receive its all share of coal and other tonnage. It is anticipated that the repeated that the repeated that the repeated that the repeated the expendition, under proper management, will receive its all share of coal and other tonnage. It is anticipated that the repeated the expendition, under proper management,

ments.

However important this Division may be to ments.

However important this Division may be to the trade and business of that portion of the State, its proposed enlargement should not be undertaken, unless demanded by reasons of over-ruling necessity. The experience of the past, as connected with the Alleghany Portage Railroad, and the North Branch Extension, should warn us against undertaking, without great cantion, any now measure of improvement, which may drain the Treasury, without adding materially, if a tall, the public interests. If kept in good order by efficient and timely repairs, its capacity will be fully equal to all the demands of its trade and business.

The Portage Railroad is not fully completed. A small additional appropriation may yet be required to complete, for the fourth time, this road. At, is anxiously hope that this unproductive improvement may soon cease its cormorant demands upon the Treasury. Every year, is experience more clearly reveals the impolicy of the State in undertaking this work. It gives me no ordinary pleasure to inform you that the North Branch Extension of the Peansylvania Canal has been so far completed, that boats freighted with coal and other products, were successfully passed through its entire length from l'ittston to the Junction Canal. This work-was eginmenced in 1836—suspended in 1841—resumed in 1819, and finished in 1856; although its completion was officially announced in 1853. It extends from l'ittston to the

In 1841—resumed in 1819, and finished in 1856; although its completion was officially announced in 1853. It extends from Pittston to the New York State Line, a distance of about ninety-four miles, following the Valley of the Susquelania. To Athers, and thence along the Chemung River to the State line, where it joins the "Junction Canal,!" and is thus connected with the New York Improvements.

The importance and value of this improvement cannot easily be over-estimated. Passing through one of the richest Mineral and Agricultural portions of the State, it offers to the immense and valuable products of that region, a safe and cheap transit to the murkets of New York, Baltimore, and Philadelphia. In the completion of this Canal the difficulties to be overcome, and the labor to be performed were great. Both these, to a great extent, have been accomplished urder, the superintendency of Wm. R. Maint, Esq., to whom this work was assigned.

was assigned.
This canal although completed, and before

excess averaging annually not less the one hundred and fifty thousand dollars; and causes are in egastant operation that will still more increase this deficiency. This continual drain upon the Treasury, to sustain a work, so unproductive, should at once be checked. A sale of the Main Line, for a fair consideration, and upon terms just and liberal to the purchasers, is the proper remedy. Such sale, on terms amply protective of the rights and interest of the people, can by proper legislation be effected. In connection with the payment of the public debt, this question becomes deeply important. The sale would constitute a new era in the financial history of the State, and assure a still more speedy reduction of the public debt, than that to which reference his been made. The subject is carnestly commended to your favor force consideration.

The subject of banks and hanking capital in its relations to the currency—the general interests of trade and commerce and the industrial pursilis of the citizen; deserve your careful attention. My views expressed in a former communication remain unchanged. The incorporation of new, or the recharter of old and solvent banks, when actually necessary, and demanded by the wants of legitimate trade in the community where located, should be favored; under no other circumstances should either be permitted. In the creation of banks the interests of the State and people should be consulted; and a just discrimination as to number, locality and the demands of trade be exercised.

The rapid increase of population, the importance and walue of our home and foreign

exercised:

The rapid increase of population, the importance and value of our home and foreign commerce, the constant development of the material wealth of the State, the extent of our manufacturing, mechanical and agricultural industry, the fact that the State is flooded by a depreciated currency introduced by private bankers and brokers, might justify, under the restrictions and limitations indicated, a judicious increase of banking capital within our Commonwealth. This, whilst it would aid the operations of trade, and supply the real business wants of the people, would, at the same time, remedy, to some extent, the exils of a depreciated foreign and illegal currency.

By the Act approved the Gh-day of November last, the thirtieth section of the Act of 1850, regulating banks, will be after the first day of July next, extended to all incorporated saving fund, trust and insurance companies. That section declares, "that it shall not be lawfulfer any of the said banks to issue or payout any bank notes other than those issued by itself, payable on demand, in gold or silver; notes of specie paying banks of this State which are taken on deposite or in payment of dobts, at par at the counter of the bank where paid-out; or notes of banks issued under the authority of the Act of the 4th of May, 1841, at the option of the person receiving the same."

These enactments were intended to protect the community against the evils of a depre-The rapid increase of population, the im-

These enactments were intended to protect the community against the evils of a depre-ciated currency, and prevent its introduction from other States. However well intended they will fail to secure these objects; unless mode to embrace private bankers and others of that class, whose profits are largely dependent upon the introduction into the State of such a ourthe introduction into the State of such a currency. In many instances the notes of our own banks are collected by private bankers and brokers, and with these, or with the specie withdrawn from the banks issuing them, they purchase depreciated and foreign bank paper which is paid out at par at their counters. By others large loans are negotiated with banks out of the State, at less than the usual rate of interest, and their notes, often a less disomination than five dollars, and always at a discount, brought into the State and put into circulation in the manner indicated, and this too, under an agreement with the bank making the under an agreement with the bank making the loan, that the notes thus paid out shall be kept in circulation. The effect of this system of private banking has been to limit the circulaprivate banking has been to limit the circulation of the par paper of our own banks, and substitute in its place a foreign, depreciated, and often a worthless currency. In justice to the Bank, Trust and Insurance Companies, paying a heavy annual tax to the Commonwealth for their privileges, and for the protection of the people against these evils, either the provisions of the thirtieth section of the Act of 1850, should be repealed, or further extended so as to embrace private individuals and associations. Who may monopolize and control. associations, who may monopolize and control, to the detriment of the public, this traffic in depreciated bank paper, without restratut and

without taxation.

The Report of the Superintendent of Common Schools will exhibit to you the number and condition of the Schools—the number of teachers and scholars, and the general operation. tions of the system during the past year. port, and the useful suggestions for the improvement of the system, I invite your early and intelligent consideration.

From a small and comparatively unimportant incident of the State Department, the care and management of the public schools of the Commonwealth; with their seventeen hundred Commonwealth; with their seventeen laindred districts—ten thousand directors—twelve thousand scholars, have become the most important and and laborious branch of that Department. The increased and increasing business of the system, has been met by a correspondent increase of zeal, labor and efficiency in the officers to to whom the law has committed its general direction and supervision. They should be sustained by wise and generous legislation. The magnitude and importance of the system, in its political, social, and moral relations to the present and future of the people, require that this should be done: The guardianship of the mind of the State, should occupy a distinct and prominent place among the noble institutions of the Commonwealth:—It should receive the efficient aid and encouragement of the government, and be sustained by a virtuous and intolligent people. If the revenue and treasures of the State—her public improvements—her lands and their titles—require and deserve the marked and distinctive care of the government, how much more should her mental and intellectual treasures, richer than gold—the social and moral improvement of her people, more valuable districts-ten thousand directors-twelve thou-