GOVERNOR'S MESSAGE.

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

GENTLEMEN: A beneficent Providence has favored the people of our Commonwealth with a high degree of health and general prosperity during the year just closed, and with many other causes of pleasure and gratitude. Humbly acknowledging these blessings, let us ask His divine direction in the discharge of our official obligations.

It affords me unaffected delight to welcome the representatives of the people to the seat of government, and rely for a time, upon the aid of their combined wisdom in the administration of public affairs: as this is also a general task to perform the constitutional injunction that requires the executive to communicate to the General Assembly information of the state of the Commonwealth, and make such suggestions and recommendations as the welfare of the people and the exigencies of the times may demand; and to the discharge of that obligation I now proceed.

The receipts at the treasury for the year 1853, exclusive of loans and including the actual balance in the treasury on the first day of December 1852, (being $671,037 72,) amounted to the sum of $5,952,474 87.

The payments for the same period, exclusive of loans and other extraordinary expenditures, make a total sum of $4,[illegible] 47, being $1,818,326 10 less than the receipts. Of this excess $505,057 55 was paid to the Commissioners of the Sinking Fund and $589,000 towards the payment of old debts and the construction of new work on the North Branch canal and Portage railroad, being part of the temporary loans authorised by the act of the nineteenth of April last; which, together with the balance in the treasury applicable to the redemption of outstanding loans, reduces the actual balance on the first day of December last, to the sum of about six hundred and twenty-five thousand dollars, to be used in the payment of the February interest.

The receipts for the year 1854, including the balance in the treasury on the first of December, 1853, may, in my opinion, be safely estimated at $5,846,417 87.

The expenditures for the same period, including $250,000 for the payment of old debts on the public works and $500,000 for the sinking fund, should not, and if proper care be taken, will not exceed the sum of $4,500,000, leaving a balance in the treasury on the first of December, 1854, of $1,340,417 87. Deducting from this $625,000, the amount that should remain in the treasury to meet the interest due February 1, 1855, and we have a surplus revenue of over $700,000.

It is thus made apparent to my mind, that the treasury will have the ability, during the coming year, to redeem the entire amount of the temporary loans now outstanding, and pay the debts to which I have already referred. But no additional drafts should be made upon it, without provision being first made for their payment.

At the time of my induction into office, the liabilities of the State were as follows, to wit:

Six per cent. loans,	$[illegible] 01
Five do do	[illegible],435 03
Four and one half per cent. loans	19[illegible],200 00
Relief notes, per act of May 4, 1841,	650,1[illegible] 00
Certificates for unpaid interest on the public debt for the years 1843, '44 and '45, with their accumulated interest	201,630 20
Domestic creditors' certificates	29,932 71
Total liabilities, Dec. 1, 1851,	$40,15[illegible] 48
Add loan of April 2, 1852, for the completion of the North Branch Canal	850,000 00
	$41,00[illegible] 48
From which take the following payments:	
To the sinking fund, $681,[illegible] 83	
Interest on outstanding certificates, [illegible]	
	752,222 47
Total amount of funded debt [illegible]	$40,272,255 01

To meet this apparent increase of $117,777 53 of the public debt, it should be observed that, by the cancellation of six per cent. bonds, we have a saving of $[illegible] annually in the treasury, which is equivalent to a virtual payment of $400,000 dollars of the interest-bearing [illegible]. The amount thus saved will in [illegible] without making any [illegible] upon the people, and constitute a [illegible] to the sinking fund. It will be a virtual reduction of the public debt to the amount of $282,222 47.

The floating liabilities and current demands upon the Treasury, at the period I have indicated, were as follows:

Damages, balances on contracts, and for labor and materials on the public works, prior to Jan. 1852, and liquidated and reported on the Books of the Auditor General,	$[illegible],752 15
Temporary Loans,	395,000 00
Unpaid appropriations,	621,338 00
Total,	$1,401,090 15
The floating liabilities of the Commonwealth and current demands upon the treasury at this time, are:	
Railroad and Canal debts,	$[illegible] 00
Temporary loans,	[illegible] 00
Unpaid appropriations,	[illegible] 00
	[illegible]
Difference between the two periods,	$177,061 15

It will thus appear that the floating liabilities are $177,061 15 less than when I assumed the duties of my present station. It should be remarked that floating debt, as above stated, is no new thing. It has always existed to a greater or less degree, but has not usually been exhibited in this form. A balance of unpaid appropriations is unavoidable, and has not been so small for many years, as at present.

During the years 1852 and 1853 the following appropriations and payments have been made towards the construction of new improvements:

For relaying the track on the [illegible] of the Columbia railroad,	$7[illegible],500 00
For the construction of a new road to avoid the inclined planes on the Allegheny mountains,	653,3[illegible] 99
For the completion of the Western reservoir	52,350 [illegible]
For the North Branch canal	1,000,000 00
For the new locks on the Delaware Division	50,000 00
Total,	$2,[illegible],915 31

From the foregoing figures it is apparent that the operations of the treasury have exceeded our most sanguine expectations, yielding over a million of dollars annually over the ordinary charges and expenses, and showing that if no new improvements had been in progress, two millions at least, of the public debt could have been paid during the last two years. In addition to these extraordinary expenditures, [illegible] was paid out of the treasury during this period, in pursuance of laws passed prior to 1852, for the State Lunatic Asylum, $70,700; for the publication of the Pennsylvania Archives and Colonial Records $23,163 32; for the improvement of the State Penitentiaries $35,000; for the publication of Professor Rogers' geological survey $16,000; for the preparation of registration books 12,199 19; to the Sugar Valley and Deer Creek Turnpike Company $8,000.

It will readily be perceived, therefore, that should the appropriations hereafter be confined strictly to the ordinary expenses of government, we shall have an annual surplus revenue exceeding one million of dollars, applicable to the payment of the funded debt. That such should be the policy of the State, after the completion of the works now in progress, will not be doubted. The importance of such economy in view of the great end to be attained—the liquidation of the public debt—and consequent relief of the people from taxation for State purposes, is too manifest for argument. Entertaining these views, I could not give my assent to any new schemes of improvement by the state.

The operations on the public works for the year just closed do not present a very flattering picture, so far as relates to nett revenue. The aggregate amount of business was larger by twenty per cent. than that of any former year, and the gross receipts amounted to the sum of $1,982,495 33, being an excess of but 35,683 91 over the receipts of 1852. This increase of tonnage without a corresponding increase of receipts is the consequence of a very great reduction in the rate of tolls, a measure, in the opinion of the Canal Commissioners, demanded by public policy; and it may be said that whatever has been lost to the treasury was given to extend commerce and trade. The expenditures for the year, according to the report of the Canal Commissioners, amounted to the sum of $1,177,742 75, leaving a nett balance of $754,751 58, but as this sum does not include any portion of the cost of new locomotive engines and the erection of farm bridges, the deduction of the proper proportion of these will leave the sum of $704,752 58 as the actual nett balance.

The receipts and expenditures and general operations on the Columbia railroad exhibit an encouraging state of affairs, as they also do on the North Branch canal and Delaware division; on the other divisions of the canal they are tolerable; but on the Allegheny Portage railroad, the condition of affairs is entirely unsatisfactory.—The system of management heretofore practiced on that complicated and difficult work would seem to demand a speedy and radical change.—But the Executive, under the laws as they now are, having no control or direction over the public works, it is right and proper that I should leave the explanation of the details of their working and management to the people's agents, who have charge of the whole subject.

I am, however, still entirely sanguine that with the necessary change in the system of management, the public improvements can be made to yield a very handsome revenue to the treasury; indeed, even for the last year, had the expenses on the mountain division been confined to a reasonable sum, the nett revenue would have reached near one million of dollars. Relieved from these absorbing demands by the construction of the new road, or in some other way, and we shall realize, by the year 1855, a nett profit equal to the interest on twenty-two millions or more of the public debt.

The work on the railroad to avoid the inclined planes on the Allegheny mountains, has not progressed as rapidly as had been anticipated. It is the opinion of the engineer, however, as will appear on reference to his report, that should the necessary means be promptly furnished, the entire line could be completed during the coming year. The grading of the double track is finished with the exception of four miles, and the cost of this balance, together with the expense of laying down a single track, is estimated at five hundred and five thousand dollars, in addition to the value of the old track. The engineer also estimates the annual saving, as compared with the expenditures on the old road, on a business equal to that of 1852, at two hundred and ninety thousand dollars. He also states that the road between plane No. 4 and Hollidaysburg, with a double track, will cost about eight hundred thousand dollars less than the Pennsylvania railroad, for a like distance.

Viewed in every aspect, it must be confessed that this branch of public affairs presents an embarrassing alternative. The prompt completion of the new work will involve the expenditure of more capital than the State can command without resorting to further temporary loans; whilst, on the other hand, the abandonment of the old road, at a cost of [illegible] and fifty thousand dollars per annum, is quite out of the question. If this exhausting drain on the treasury must be speedily obviated, and for my part, I can see no mode of doing this except by the completion of the new road.

At the time I assumed the duties of my present station, I found this work in progress of construction; the western slope up to the summit having been placed under contract during the summer of 1851. On referring to the reports of the Canal Commissioners and the engineer, the only data which I could properly consult as to the policy of the measure, I found that the total cost of a single track was estimated at $1,015,000. The materials on the old road were valued at $243,659, which, together with the appropriations previously made, reduced the amount to be provided to complete the work to the meagre sum of $591,350. With these calculations before me and even adding a large amount for errors in the estimates, and keeping the expenditures of the old road in full view, I could not doubt the expediency and economy of the measure. But the unusual advance in the price of labor, materials and subsistence, added to the serious errors in the estimates, has changed the entire aspect of this enterprise. The sum of $[illegible] has been [illegible] the [illegible] hundred thousand [illegible] the value of the old track [illegible].

The estimated cost of completing the North Branch canal [illegible] $772,000. On this work there has since been paid, and a sum exceeding one hundred and fifty thousand dollars is still required to pay for its completion. With such unexpected demands upon the treasury within the short space of two years, it would not be [illegible] to expect an increase of the liabilities of the State; but it is alike gratifying and astonishing to know, that this has not occurred.

The Junction canal, extending from the New York line to Elmira, will be ready for business during the present month, and the State work from Pittston to the Junction, a distance of ninety-five miles, has been completed. The only unfinished part of the work lies between Athens and the State line, a space of about two and a half miles, the construction of which was delayed by an order of the Canal Commissioners and the Governor, under an act of Assembly, to negotiate with the Junction canal company for its completion. But even this section, I am assured, will be ready in ample time for the spring trade.

These works will complete the last link in a continuous water communication between the Chesapeake bay and the northern lakes. The struggle for this achievement has been long and arduous, covering nearly a quarter of a century. But the triumph is still a brilliant one, and must be cause of gratification to the people of the entire State.

Most auspicious and promising is it for the enterprising inhabitants of Northern Pennsylvania, to whose untiring efforts its final consummation may be mainly attributed. Through this channel, in the early part of next season, and during each succeeding year, Pennsylvania will send greetings to the people of a neighboring State—the evidences of fraternal affection—the assurance of political fidelity, and the blessings of an extended commerce, in the shape of inland vessels, freighted with her richest minerals, and receive in return, as she certainly will be offered, from the vast vallies of the Empire State, now teeming with wealth in all its variety, assurances of full reciprocity in affection, fidelity and commerce. And in due time the coffers of the State, I am confident, will receive an ample reward from these new relations of trade. Indeed on this point, the large increase of profits on the old line, for the year just closed, furnishes the most reliable indication of what we may anticipate from the new. The constantly increasing demand for coal, outrunning, as it has done for years past, the means of supply, justifies, if it does not force upon us the conclusion, that so soon as boats can be constructed, and proper business connexions formed, this canal will be patronized up to its full capacity. A glance at the vast, rich and populous section of country which it will be called upon to supply with coal, for every imaginable purpose, domestic, mechanical and manufacturing, and at the facilities offered by the New York canals and the lakes, to reach all points of that country, must satisfy the most sceptical as to the value and importance of this improvement.

I congratulate you, therefore, upon the consummation of an enterprise which will be thus profitable to the State, and beneficial to the people.

The expediency of selling the public works has been a topic of discussion in the press of the State for some months past, and without indicating a policy for the General Assembly, or intending the slightest discourtesy to the people's agents to whom the management of this branch of public affairs has been confided, I have deemed it my duty to discuss some of the considerations incident to and growing out of the proposition.

Indeed, it would be unreasonable to assume either the affirmative or negative of the question, and expect to be properly understood, without some explanation as to the price of the works and the conditions of sale.

It is fair to presume that those who advocate the affirmative have distinct ideas as to what the price should be, and that unless such consideration can be realized they would not agree to sell.

The first inquiry therefore is, why should these works be sold? The answer usually given is, that the measure is necessary to reduce the State debt and to relieve the people from taxation. These are great objects indeed, and should, as I have no doubt they will, receive your earnest consideration; their realization however, must depend mainly upon the price obtained.

Should the interest on the public debt liquidated by the sale be less than the net profits arising from the works, then it would be false economy to sell. In that case the measure would not be one of relief to the people, but must necessarily increase their yearly burthens.

And what reason is there to suppose that more can be obtained? Capitalists, it will be conceded when weighing the question of a purchase, will make the nett profits on their investments the basis of all their calculations. They will look at the past operations of these works, in connexion with their prospects in the future—carefully considering every fact and circumstance bearing on their real value; and, it is scarcely necessary to remark, will only buy when perfectly satisfied that they have the best of the bargain. In attempting to determine the question of value, it will be perceived, therefore, that the inquiries, examinations and motives of buyer and seller, must necessarily be identical.

It is apparent, then, that the effect of competition on the value of these works; the inroads which may be made by science and mechanic arts of every description of transportation facilities now in existence; the casualties that may result to them from the elements; in short, the mutability of human structures, and the propriety of simplifying the duties of government, must constitute, mainly the considerations in favor of a separation between the State and her improvements.

On the other hand will be presented the hopes of future business, and increased profits to the treasury, predicated upon the rapid growth of the Commonwealth; her vast and varied resources, and the influence of these upon transportation, within her limits; the increasing demand for facilities to transmit her products to market; the endless consumption and unlimited supply of her great staples of coal and iron, and their proximity to her works at all points; the enlarged products of agriculture, and the rich variety of manufactures, so rapidly multiplying in every part of the State, constituting at once a home business with ages of duration before it, which no human agency can disturb, and which must contribute at all times a fair income to the government. In addition to these considerations against a sale, may be urged the necessity which would be presented for the creation of a number of corporations, having a community of interest and feeling with similar bodies already in existence, and the danger of thus inducing the organization of a controlling power in the Commonwealth.

But it is said that companies can manage these works with greater skill and economy than the State, and for that reason they would be more valuable in the hands of the former, and that the State can realize this difference by a sale. It must be confessed, that is to these considerations, and these only, that we can look for arguments to sustain the idea that the State can gain anything pecuniarily by a sale of her improvements. That the difference in the expenses of the management of the works would amount to a fair per centage, in the estimation of some capitalists, I have no doubt; but it is not so great as estimated by some. Indeed, certain portions of our own works are now well managed and it is hoped and believed that such changes can be made in the system of direction now practised by the State, as to lead to general skill and economy.

But the main question will be the minimum price that should be fixed on these improvements, and the proper disposition of this, it must be readily seen, will demand much careful examination. And in reference to this point the wisest and best may honestly differ, for the issue belongs mainly to the future, and can only be anticipated from the results of the past. To these we may look for a moment.

For the years 1852 and 1853, the next receipts may be put down as equal to the annual interest upon about fifteen millions of the public debt, and I am inclined to believe that, without any increase of trade except on the North Branch the nett profits for the ensuing year may be estimated at a sum equal to the interest on seventeen or eighteen millions of the debt, and that the completion of the road over the mountains, or relief in some other way, from the leeching demands of that portion of our improvements, will [illegible] the net revenues, from this source, swelled to a sum equal to the interest upon twenty-two millions of the State bonds.

If it be desirable to sell the public works, we should not underrate their importance, nor is it just to disparage the wisdom of their founders.—We are prone to murmur against the policy that dictated their construction, because of the debt we have thus incurred, and yet, if the proposition were submitted to cancel this liability by their destruction or disuse, we should be compelled to reject it.

At the time of its adoption, this policy was necessary and proper. Avenues of this kind through the body of the State, to convey her vast production to market, are as indispensable to her vigorous growth and physical development as are the veins and arteries to the human system, to give circulation to the blood and consequent health and vigor to the body. To stop or clog these, in either case, would produce stagnation and ultimate destruction.

Without reference to the abstract question of a sale, I may say, that under no circumstances should we entertain the proposition to part with the public works by the creation of a joint stock company, as heretofore repeatedly proposed, by which the Commonwealth is to remain a large stockholder, but the direction to be in the hands of individuals or corporations, associated with her in the ownership. I have always regarded this as a most dangerous and insidious measure. If the proposition to sell be seriously entertained, under the present condition of the money market, it should be based on the idea of a bona fide sale, for a full compensation, in exchange for the bonds of the State, and under such salutary reservations and restrictions as the interests of the people may demand.

But it is urged by many that the State's system of managing the public works is susceptible of improvement—that much can be done by judicious reforms to augment the receipts to the treasury, and facilitate the business of transportation; and, as much of this system results from positive law, it may not be deemed officious on my part to make suggestions on the subject.

In a special message, communicated to the General Assembly, soon after my induction into office, I advocated the policy of making cash payments for labor and materials, and the interdiction by law of the creation of debt by the officers on the public works, and made allusion to other radical defects in the system, which could scarcely be reached by the Canal Board. To some of these I shall now briefly allude.

In the first place, it is impossible to avoid the creation of debts, if the appropriations be insufficient to meet unavoidable expenditures. The business of transportation and travel on these highways must be kept up, whether the expenses be paid or not. These circumstances have defeated, to some extent, the administration of the law of May, 1852, requiring cash payments and prompt settlements by the officers on these works, and prohibiting the creation of debts.—This result, I regret, for I am still decidedly of the opinion, that no other change in the system is so likely to beget economy, purity and efficiency, in their general direction. For the last year, however, this law was strictly carried out on some of the divisions, and it is sincerely desired that hereafter the practice may be extended to all.

I need not discuss the consequences of the custom of making debts on the public works—its [illegible] too palpable [illegible] refutation by argument. I shall only repeat what I substantially said to the General Assembly on a former [illegible] the opportunity it [illegible] that in addition to [illegible] for extortion off the State, [illegible] fraud upon the treasury, the idea that officers, for the time being, should be allowed to scatter the credit of the Commonwealth broadcast, to be discovered and redeemed, at some future period, by their successors, is a monstrosity in the conduct of public affairs.

There seems to be some plausibility, if not actual truth in the allegation, that the State's management of these works is expensive and inefficient; and yet it is not clear, to my mind, that treated as a mere business affair, her supervision would not be as cheap and efficient as that of corporations and individuals. But the instability of her agencies renders accuracy and economy exceedingly difficult, and her periodical change of officers has always deprived her of the benefit of experience [illegible] and this, to any business, you will agree with me, is equivalent to a fine profit, and that it is eminently so in the practical general supervision of railroads and canals. This shifting practice has had the effect of making her works a species of Normal schools for the education of engineers and supervisors to take charge of other improvements. This instability results from the recognition of places on the State works, as political offices, instead of scientific and mechanical work-shops; and bringing to bear on their control and direction, our notions of rotation and short tenure in office.—These ideas are sound and republican, and should never be disregarded, in reference to the offices appertaining to our political organization as a government, but it must be conceded that a mere business operation to make money, in competition with the creatures of government and the efforts of individuals, was not contemplated as an office in the legal [illegible] of the State; and hence, it is not seeing, that the principles proper for one do not apply, usually to the other. What, I would inquire, would be the condition of the Reading Railroad, the Pennsylvania railroad and other similar works, were they required to change their engineers and superintendents at short periods, and bring strangers into their employ? The answer may be readily discovered in the State's experience. I have long been of opinion that in reference to all the subordinates of the Canal Commissioners, changes should not be periodical and prefixed, but should be made as demanded by the exigencies of the public service. The delinquent in any one of the obligations of duty should be dismissed at once, and the guaranty of continued employment should be found in the superiority of the services rendered the State. All other rules for appointment and dismissal should be speedily obliterated from the system. The present practice [illegible], to a great extent, of the benefit of the incentive to excel, which actuates all men, when character, position and emoluments are at stake. Of course, my suggestions in reference to the importance of experience will not be understood as applying to all the agents on the works. For instance, it requires but little experience to make a collector, but it has and always will require this to render an agent efficient in the construction and repair of railroads and canals, to meet exigencies and give harmonious direction to the current operations of this complicated branch of public service. In short, the management [illegible] the application of business organization and principles. A system of books should supplant the use of check rolls, and the operations be so systematized that the receipts and expenditures of each month, as the season passes by, could be announced to the public.

Confusion, obscurity and redundancy in our annual volume of laws—vexatious inroads upon private rights—attempts at the usurpation of power and consequent strivings and litigation, are, in my opinion, the legitimate fruits of our system of special and omnibus legislation. Indeed, the truth of these propositions is too palpable to admit of argument. It is manifest in every year's experience, and in some instances the government, as a consequence, has been forced into the humiliating position of becoming a litigant against her own creatures. Its demoralizing influence is marked and [illegible] imperiously demanding a remedy. That the present General Assembly may be distinguished and blessed for applying the axe at the root of the evil, and marking the era of its final termination, is my sincere hope.

A prolific source of mischief consists in the practice of passing a number of laws, entirely dissimilar in their characteristics, in the same bill, or in what is familiarly known as the "Omnibus System." The inevitable, and indeed the frequently lamented effect of this mode of legislation, has been to facilitate the passage of bills through the General Assembly, and to secure the sanction of the Executive without that critical examination so indispensable to a clear comprehension of their true import. In illustration of the difficulties which the practice imposes upon this branch of the government, it is only necessary to state, that within two days preceding the final adjournment of the last Legislature, no less than one hundred and six bills were presented for Executive consideration, containing three hundred and thirty-four different subjects. Some of these bills contained as many as twenty dissimilar items of legislation; and of those, some were not even indicated by the transcribed title.

In addition to the difficulty of comprehending the import of such a heterogenious mass of matter, the Executive frequently finds himself forced into the dilemma of signing a law which his judgment rejects, or returning another which he really approves. Neither alternative, you will agree with me, is in strict accordance with the mandates of the Constitution. Great inconvenience also results to the people, under this system, in the payment of the enrolment tax upon private laws. In bills, such as I have already described, may be found a number of items, some taxable; and others not, and the bill must be enrolled under its proper number and title, and the tax be first paid. One party interested in this legislation may pay his share, another will refuse to do so, and a third, on seeing the amount of the tax, conclude that he can live without the law; and thus it has been no uncommon thing for persons to be forced to pay tax on laws in which they have no interest, in order to avail themselves of what the Legislature had expressly granted. Such a state of affairs is scarcely consistent with the dignity of a great State, and certainly demands an efficient remedy.

Some of my predecessors have urged the General Assembly to change this system, and in several previous communications, I have suggested the propriety and justice of passing each proposition separately, at least so far as the objects were similar. But the evil still exists, and I am deeply sensible of the difficulty which the application of a prompt and effectual remedy must always present to the General Assembly. After much reflection on the magnitude of this evil—its vexatious inroads upon private rights, and its demoralizing tendency upon the interests of the people, and the more elevated purposes of legislation, I have determined to co-operate with the General Assembly in the application of the most efficient means which their wisdom may devise for its removal; but in the mean time, as a restraining part of the law-making power, I must beg to be indulged in claiming the privilege of considering each subject of legislation separately, and on its own merits, as contemplated by the spirit of the Constitution. Henceforth, therefore, bills containing a variety of subjects of legislation, dissimilar in their character and purposes, cannot receive the sanction of the present Executive.

Another branch of the evil, and if possible a still greater one, consists of special and local legislation. It is to this practice that we are mainly indebted for an annual volume of laws of most unseemly dimensions, and for a separate code for nearly every locality in the State. The remedy for this must be found in the adoption of a few more general laws, and the rigid administration of those already in existence. Special acts, you will agree with me, should in no instance be passed where the object can be reached under general laws.

The law of 1791 and its several supplements make provision for the creation and amendment of corporations for literary, charitable and religious purposes, and to create beneficiary societies and fire engine and hose companies, through the instrumentality of the Attorney General and the Supreme Court. The act of the thirteenth of October, 1840, extended this power to the courts of the several counties. The acts of 1836 and 1838 make provision for the association of individuals, through the instrumentality of the Attorney General and the Governor, for the purpose of manufacturing iron from mineral coal.—In addition to these acts, the law to encourage manufacturing, passed in 1849, and its supplements provide for associations for the purpose of manufacturing woollen, cotton, flax and silk goods, or for making iron, glass, salt, paper, lumber, oil from rosin, mineral paints, artificial slate, and for printing and publishing; and the supplement of 1853 extends its provisions, in a modified form, to the business of mining of almost every description.

On the subject of creating new townships and incorporating boroughs, the courts have unlimited power; and in the matter of selling real estate, the property of minors, by guardians, executors or others, acting in a fiduciary capacity, the act of last session on this subject will, in my opinion, reach every imaginable case. Its provisions should not be infringed, for the subject belongs most legitimately to the courts.

I can see no reason why the power to designate election [illegible] should not be confided to the commissioners of the several counties. These officers are usually familiar with the localities, and can readily determine what arrangement would best subserve the convenience of the electors. In addition to the fact, which will not be disputed, that this business receives but partial consideration by the Legislature, it is objectionable because of the great space it annually occupies in the journals and laws. I am aware, however, that it has been suggested that the laws of the United States provide that the places for holding the elections for Members of Congress shall be fixed by the Legislature of the several States, and that, therefore, the end in view cannot be attained. In answer to this objection, it may be remarked, that the Legislature having in other instances delegated similar powers, such as the right to [illegible], it is scarcely necessary to raise the question of the right to delegate a function so expressly conferred.

A large number of the laws [illegible] object of special acts to incorporate companies to construct plank roads. This object, right and proper in itself, [illegible] be reached by a general law, authorizing the association of any number of citizens to construct [illegible] on proper conditions.

[illegible] I have held the doctrine, that but little legislation of any kind was essential to the [illegible] objects understood [illegible]; and that [illegible] should be [illegible]. That the Legislature had no [illegible] equal advantages to one citizen and [illegible] to another; and I have declined to approve any [illegible] this subject, where the corporators were not made liable in their individual estates for the debts of the corporation.

No stronger evidence, it seems to me, can be furnished to show that much of this special legislation is sought and [illegible] only because it is special, than is found in its own [illegible]. It will be remembered by many of you, that during [illegible] Savings Banks, numerous applications were made for special acts to incorporate manufacturing companies, and that the Governor refused to give [illegible]. In 1849, a general law to encourage [illegible] liberal in its provisions, was adopted [illegible] at this time [illegible] in existence under it [illegible] 1852 and 1853, more than [illegible] acts of incorporation [illegible]. Near the close of the last session [illegible] applications from the counties [illegible] was passed, and although this law [illegible] as the special act [illegible] for mining purposes [illegible] operations have not been [illegible]. [illegible] insignificant facts, and in my opinion [illegible] all special acts on the [illegible]. I can see no reason why this general law [illegible] the balance of the State, [illegible] but no special act to organize companies within the counties not included in the general law, [illegible] my approval, and such as are now [illegible] will be returned without the Executive sanction.

At the date of my last annual message, proceedings were pending in the Supreme Court of Pennsylvania to test the right of the Franklin Canal Company, to construct a Railroad from city of Erie to the Ohio State line. A decision of Court was against the Company on the main point, and the opinion of Chief Justice Black, shows most clearly that the construction of their road was without the authority of law, but the preliminary injunction prayed for by the complainant was refused on the ground that the Commonwealth could not, under the law, give security for costs. The effect of this decision was to place the privileges claimed by the Company within the control of the Legislature. In anticipation of this result, I had suggested to the general assembly the propriety of taking charge of these valuable rights, and so far as might be practicable, without the exercise of an illiberal principle, render this important link of communication between the Seaboard and the Great West subservient to the interests of the people of Pennsylvania. The subject was considered, but not finally disposed of.—In May last, I received a communication from the President of the Company covering the proceedings of a meeting of the Board of Directors, in which, after allusions to the Supreme Court and the Legislature, a number of propositions were submitted indicating the willingness of the Company to pay certain rates of taxation for the unrestrained use of the Railroad until after the coming session of the Legislature or until that branch of the government should act on the subject. Believing that I had no right to make conditions with the Company, or receive the money which they were willing to pay, I declined to entertain the proposition. The relations of the Company toward the State therefore have undergone no change since the adjournment of the last Legislature, except that the Attorney General has recently taken measures to obtain a final decree in the plea for an injunction, and by writ of Quo Warranto revoke the franchise claimed by the Company.

Recent occurrences at the city of Erie, evince an intensity of feeling amongst the people seldom equalled on a question of this kind, and indicate not only the propriety but necessity for prompt and decisive legislative action as to the rights of this company. It must be clear to the impartial observer that the Legislature never intended, by any previous act, to authorize the construction of a railroad between the city of Erie and the Ohio line; indeed the highest Judicial tribunal in the State has expressed the opinion that no such authority can be found in the charter of the Franklin Canal Company, and in my opinion the grant should hereafter be made on such conditions only as will protect and advance the interest of the people of Pennsylvania, so far as they may be involved in the subject. It so happens that Pennsylvania holds the key to this important link of connection between the East and the West, and I most unhesitatingly say that where no principle of comity or commerce is to be violated, it is the right and the duty of the State to turn her natural advantages to the promotion of the views and welfare of her own people.

It may be said a restriction that would require a break of railroad gauge at the Harbor of Erie would be an illiberal principle. The answer is, that the necessity for a break of gauge between the Ohio line and the seaboard exists, as a consequence of a difference in the width of the New York and Ohio roads. The only question to settle, therefore, relates to the point at which it should occur. I have been able to discover no reason founded in public policy why the break should be fixed at Buffalo, that does not apply with equal force in favor of Erie. Tonnage and passengers can be as well transhipped at the latter as at the former city. So far as concerns the benefits to either city, incident to a transhipment, the idea is unworthy of notice; but the effects of a break of gauge, and consequent transhipment east of Erie, upon the business of that harbor, must be paralyzing, if not fatal. It would virtually require shipments to be made either at Cleveland or Buffalo. Scarcely less embarrassing would this arrangement be upon the interests of the Sunbury and Erie road, or any other avenue that may hereafter connect the Lakes with the city of Philadelphia.

It may be that neighboring States possessing similar natural advantages would give them away for our benefit, but I have not been able to discover any fact in their former policy to justify such a conclusion. I shall await your action with anxiety.

The subscriptions of the citizens of Philadelphia and Pittsburg to the stock of the Pennsylvania railroad, and the prompt payment of the interest on the same, together with the flattering prospects of that improvement, had the effect of extending the belief that municipal subscriptions could be safely made to any similar enterprize—that such subscriptions were in truth, what has been alleged by some, a mere loan of the credit of the respective municipal corporations, and that neither principal nor interest would ever be demanded.

The consequences of this plausible and seductive doctrine were promptly manifested in the form of numerous applications for legislative authority to municipal bodies to subscribe to railroad stocks in various parts of the State. These applications were invariably pressed on the plea of promoting public convenience and the general prosperity, and a number of laws of this character were adopted.—So far as these apply to cities and boroughs, their operation has been rather successful; but when applied to counties it has certainly been much less so; failing entirely in some instances, and in others leading to violent controversies amongst the people, destructive to the value of the municipal bonds thus created. Viewed in every aspect, as a mere question of expediency, the experiments already made would seem to weigh heavily against the policy of such subscriptions; indeed, I have no hesitation in saying that the aversion I have always entertained towards this principle, and especially its extension to counties, has been greatly strengthened by this experience; and we should now, it seems to me, as a prudent people, profit by this lesson and avoid the practice in the future. Always doubting the policy of such subscriptions, and declaring my views freely against them, I have not felt required to interpose the Executive prerogative against the judgment of the people directly interested in the question; or in other words, to judge for citizens of a particular locality on a subject relating merely to their pecuniary interests, or to resist the wishes of their immediate representatives.

In a communication addressed to the General Assembly in March, 1852, on this subject, I remarked, "that the power to subscribe should never be exercised by municipal corporations, unless the interests of the people represented by such authority are directly and certainly identified with the project on which the money is to be expended. The operation of the principle may be equitable, when applied to the people of a city or town, whose interests are identical, but when applied to the people of a county, it may not be so. On the contrary, it may prove most unjust and oppressive—subjecting the people to burthens in the shape of taxes for the construction of public improvements, from which they may never realize benefit, direct or remote.—The people in one section of a county may derive valuable advantages from the construction of a public work, whilst those of another section, equally taxed for the payment of the interest and principal of the debt, so contracted, may possibly realize no benefit at all." It is to these effects that may be attributed the violent contests that have grown up in certain counties, to which the principle has been extended.

In the State of Ohio, where this dangerous practice also prevailed, a constitutional prohibition has been deemed necessary by the people, and municipal subscriptions cannot now be made, even with assent of those affected by the measure. The experience of that State, as I have learned, was alike against the practice of making improvements in this way, and that in the end it became inefficient, through the disposition of capitalists and others to rely alone upon municipal corporations for the means of constructing public improvements. I am decidedly of the opinion, that a similar decision would and should be made by the people of this State, when the proper opportunity is presented. In the mean time, this insidious and dangerous mode of contracting debts should be guarded against with the utmost vigilence. I shall indulge the hope, that all future applications for legislation of this character, may be rejected by the General Assembly.

It is my duty to inform you that $528,351 of the relief issues of May, 1841, are still in existence, and continue to pollute the channels of circulation.—Under the provisions of the act of April last, $121,812 of these notes, of a less denomination than five dollars, have been cancelled, and the whole amount can, under this law, be ultimately extinguished.—But the process has not been so rapid as was anticipated, nor is it sufficiently so to meet the demands of the public weal. I respectfully suggest, therefore, that the law be so amended as to make it the duty of the State Treasurer to retain from time to time, as near as practicable, the amount, in relief notes, necessary to meet the entire demands of the sinking fund. I also recommend the repeal of the act of April 10, 1849, authorizing the re-issue of this currency.

The occurrences of the past year greatly strengthen the views I expressed in my last annual message, on the subject of the currency. The dangers of an inflated paper system have been most strikingly manifested in the experience of a number of the surrounding States, and nothing, in my opinion, saved our own metropolis, and possibly other parts of the State, from the consequences of a severe contraction of the currency, but our vast agricultural and mineral products, and the unusually high prices which these commanded in foreign markets.

I have always held the doctrine that our country, like all others, must have a system of currency; and whilst, therefore, I have resisted the excessive increase of banking capital, I have not sought to uproot, entirely, the system we have. That it is the best that the wit of man could devise, is not believed, nor is it probable that the authors of this paper system, enjoying the experience of the present age in possessing the vast amount of coin now in existence, would have entailed this evil upon us.—But we have it, and the best we can do is to mitigate its consequences whilst it endures, and throw it off by degrees. I believe that the Pennsylvania system of paper money, resting on a specie basis, small as it is, and the individual liability of the stockholders, is as safe as any other. I prefer it vastly to the loose plan existing in some of the neighboring States, or to the scheme of free banking adopted in other sections of the Union.

That any system of banking that authorizes the emission of small paper as a medium of circulation, must entail evil consequences upon the country, has been too clearly demonstrated by our own experience to need elucidation by argument. It is believed, therefore, that it is the true policy of this and of all the States, to restrict the paper circulation to notes of a large denomination. Those of a small denomination should be gradually withdrawn from circulation, in order to make room for the vast accessions of the precious metals from California and Australia. In vain shall we seek to disseminate coins throughout the country, and induce their circulation at points remote from the Atlantic cities so long as small paper is permitted to exist. If notes of the denomination of five dollars were withdrawn from the channels of circulation, the vacuum thus created would be rapidly supplied with gold and silver, and so also with notes of a greater nominal value. But so long as this paper medium is permitted to circulate, it will be impracticable to induce the general diffusion of coin. The people inquire why it is, that with the vast increase of gold so little is seen, [illegible] that bank notes always intervene. [illegible] and others retain the coin and pay out the paper; and the only remedy is to be found in the removal of the latter. There is, perhaps, no principle applicable to this question better settled, than that which proves that two kinds of currency, differing in value, will not circulate together. The least valuable will constantly be [illegible] while the more precious [illegible] gradual withdrawal of the [illegible] paper, presents to my mind [illegible] reform that can be applied [illegible] system of currency. The exchange of one [illegible] for the other, and the incorporation [illegible] point of the one we have [illegible] and necessary, can never [illegible].

I would not, however, be misunderstood as favoring a very [illegible] system of currency, [illegible] all violent changes in the policy of government as unjust and oppressive.—All the business arrangements of the country are based upon our present plan, and it is so interwoven with the general affairs of life as to forbid its rapid withdrawal. But the beginning should be made, and we should prepare to throw off a system which in the future, to a great extent, perhaps, than in the past, render our country tributary to her rivals, and make our people "hewers of wood and drawers of water to other nations." No other reform in the political policy of this nation, I sincerely believe, would have such a direct tendency to promote all the interests of the American people. A practical, safe and efficient mode of carrying out this work, is to be found in the gradual extinguishment of bank notes of a small denomination.

This reform however, to be complete, and to give the people the full benefit of its salutary effects upon our commercial operations with other nations, must be common to the whole country. The efforts of a single member of the Confederacy, however thorough and well directed, can achieve but partial success. Even in a local point of view they can scarcely exercise a controlling influence. For instance, vacuums in the channels of paper circulation in our State are too liable to be supplied by the issues of others, interdicted, though the circulation of the latter may be, by positive law. These considerations have suggested the importance of a simultaneous action of the States on the subject, and it has occurred to my mind, that a convention of delegates from each, appointed by the respective legislatures, might be a good mode of directing public attention to the subject and securing efficient action.

In the mean time, our State can take the lead in this work, as she can also carefully restrict the evil tendencies of the present system, by requiring the institutions now in existence to make more frequent settlements, and render more efficient her present system, by confining the amount of banking capital, as a basis of paper issues, to the lowest point consistent with the demands of legitimate business.—I believe the amount we now have comes up to this standard, and that the best interests of the people require that it should not be increased.

Efforts, extensive, energetic, and highly commendable are being made in all parts of the country to advance the interests of agriculture, by the dissemination of correct information concerning this great pursuit, and in this way bestow upon the farmer, the blessing of a scientific, as well as a greatly refined practical understanding of the noble work in which he is engaged.

Pennsylvania, so eminently an agricultural State, and therefore so deeply interested, cannot be indifferent to the merits of this enterprize. Her best energies may wisely be exercised to secure its success. Already much has been accomplished in the way of removing prejudices heretofore extensively cherished against any system of agricultural education, and by the extinguishment of doubts as to the utility, or even the practicability of applying the principles of science to the business of farming. The belief that these principles can be so applied I am gratified to perceive is rapidly gaining popular favor. Indeed, the experiments which have been made in this country and in Europe, clearly establish the utility of scientific farming, and [illegible] both, the necessity for such a system is manifest.

A proper understanding of the constituent elements of the soil—the influence of these in the production of vegitable matter—the means of maintaining these elements in their original strength—the nature of stimulants for the soil, and their proper use—the quality of seeds, and the breeds of animals make up the main features of this system.—These subjects will constitute an agreeable, and I have no doubt, a highly advantageous study for the farming community.

In my last annual message I suggested the propriety of appointing an Agricultural Chemist, to be paid a moderate salary, and whose labors should be given to the State and county societies. I still entertain the opinion that such an officer, surrounded by proper opportunities, could render great service to the cause of agriculture.

The utility of the establishing an agricultural college with a model farm attached, wherein the principles of a scientific cultivation of the soil and manual labor in that pursuit would be joined to the usual academical studies, has been strongly urged upon my attention. Such an institution and system of education, it is believed, would at the same time improve the physical and moral condition of the professional and mercantile classes, and promote the social and intellectual attainments of the agriculturist, mechanic and laborer, in addition to the vast benefits it would confer upon the pursuits of the farmer. These considerations, and others which will doubtless be presented by the advocates of the proposed institution will commend the subject to your favorable consideration. It is believed that such an institution can be successfully organized under the auspices of the State and county societies.

A highly useful institution has recently been organized at Philadelphia, under the auspices of [illegible] and patriotic citizens of that city and vicinity in pursuance of an act of the last session, named "The Polytechnic College of Pennsylvania," in which the education of youth in a practical knowledge of [illegible] manufacturing and mechanic arts is united with ordinary literary studies. Surely, as much can be done to impart a practical understanding of the pursuit of the farmer.

Within a few years past the general government has expended a large sum of money in the construction of a dry dock at the Philadelphia navy yard, a railway attached, to facilitate the operation of [illegible]ing and repairing vessels. A survey of the Delaware river has also been made, which justifies the opinion that there is a sufficient depth of water in its channel to admit vessels of a large class with entire safety. The location of this yard, on the bank of the Delaware, in the southern part of the county of Philadelphia, accessible from all points, surrounded by a vigorous and flourishing population, and blessed with a healthy climate, gives to it advantages not surpassed by those surrounding the navy yard of any other section of the Union. There is, then, no reason why it should not receive a full share of patronage from the government. Why it has not been so, I shall not, at this time, attempt to learn, but that fact has been the cause of regret and complaint among the people of Philadelphia and other parts of the State, is a circumstance which cannot be disguised. No considerations of public interests, which I have been able to discover, would seem to demand this policy. Nothing, in my opinion, is gained on the economy, efficiency or skill in the construction of vessels. The materials for this work can be [illegible] and cheaply procured at Philadelphia as at any other point in the country, and her mechanics stand as high as any others in point of skill and efficiency in all the branches of this business, [illegible] in the construction of steam machinery. I [illegible] fied, therefore, in entertaining the hope that a more equal distribution of patronage shall hereafter distinguish the action of the department at Washington.

The consolidation of the city and county of Philadelphia into one municipal government, is a question that will be pressed upon your consideration during the present session. Without desiring to express an opinion on the policy of the measure, I may say that I regard it as involving vast considerations connected with the welfare of our metropolis, and consequently to the State at large, and as such it [illegible], as I have no doubt it will, command prompt and judicious consideration.

I have long believed that the loans of the State should be consolidated into three or four classes, to be under the direct control of the treasury department at Harrisburg. The books are now kept at the Bank of Pennsylvania, where the loans are transferred, reissued and cut up into any shape to suit the wishes of the holder; for which service the bank is claiming a heavy yearly compensation. There would be no difficulty whatever, I am convinced, in exchanging new coupon bonds for the certificates of loan now outstanding, without any increase [illegible] of the maturity of the loans, at a cost of a few thousand dollars. Indeed, on this point I am [illegible] certain that the exchange can be made a source of profit to the State above all expenses. This [illegible] ed, and the interest can be paid at the Treasury, the whole business of that department [illegible] more simple and safe.

The financial year commences and closes on the last day of November, and the appropriation for the school year on the first of June. The effect of this arrangement is to beget confusion in the accounts of the several departments of government [illegible] completely is this the case, that it is [illegible] for a person not familiar with the subject to comprehend their operation. I suggest the propriety of commencing the fiscal year for all purposes on the first of December. This would bring the Treasury, School and Auditing Departments into [illegible] action, and render their operations clear and simple.

I have never felt willing to see [illegible] changed for light or doubtful reasons. I [illegible] believe that when the proper time arrives [illegible] wise so to amend the Constitution as to [illegible] each law shall be passed in a separate [illegible] ceive not less than a majority of votes [illegible] on a call of the yeas and nays; to provide that [illegible] of a public nature shall be general in their [illegible] and apply to the entire State; that municipal corporations, vested with all the powers the Legislature could confer, should not have the right to become subscribers to or holders of the stock of [illegible] corporations; to interdict the creation of debt for any purpose except war; to unite some other [illegible] with the Governor in the exercise of the pardoning power.

In compliance with the provisions of the [illegible] tion of the last general appropriation bill [illegible] the Governor to sell and convey the [illegible] property in Juniper street, in the city of Philadelphia, conditioned that the sum of thirty thousand [illegible] should be obtained for the same, I [illegible] be given, through the press, that [illegible] would be received for the same, and [illegible] num price and terms of sale. The highest bid received was that of the Pennsylvania [illegible] company, naming the sum of thirty thousand [illegible]. There being no other bidder, the property was accordingly conveyed to that company.

The purchase of another suitable lot and the erection of a new building, presented [illegible] difficulty, the law restraining the [illegible] price obtained for the old property. I [illegible] proper that military gentlemen of Philadelphia [illegible] be consulted, as to the location of the new [illegible]. The general wish appeared to be the [illegible] central site, and at the same time the [illegible] building of greater dimensions and cost [illegible] seemed to contemplate. Recently, however [illegible] tions have been started, for the purchase of [illegible] ground, which it is believed will answer the [illegible] and give general satisfaction as to the [illegible].

The Attorney General, as required by an act approved the 19th of April last, has [illegible] to close the claims of the Commonwealth [illegible] defaulting agents and public officers. [illegible] his labors will be communicated [illegible] day.

In accordance with the 35th section of the [illegible] priation act of last session, I appointed George [illegible] tenberger, Esq., to superintend the removal of [illegible] obstructions out of the "raft channel in the Susquehanna river, at Brubaker's Island." He [illegible] the work to be completed in a satisfactory [illegible] a cost of $247.50, leaving $102.50 of the [illegible] tion unexpended, in the Treasury.

I deem it proper to remark in this connection [illegible] there are obstacles in the way of the [illegible] gation at various points in that stream [illegible] which, by the State, would be [illegible] those interested in the navigation [illegible] they have suffered in personal comfort and [illegible] profit, as a consequence of the obstructions [illegible] public works.

The numerous accidents that have occurred on railroads of the country during the past season [illegible] consequent destruction of human life and property [illegible] the difficulties that have surrounded all efforts [illegible] these casualties to their true cause, and to [illegible] the delinquents just responsibilities, have [illegible] the necessity for more specific laws on the [illegible] and I respectfully recommend the measure [illegible] favorable notice. It is believed that much [illegible] accomplished for the security of railroad [illegible] additional precautionary measures in the [illegible] passenger trains. Our State, it is true, [illegible] the scene of so many of these disasters [illegible] ers; but this may not be the case [illegible]