

DAILY CLARION EXTRA.

MACON, MISSISSIPPI, WEDNESDAY MORNING, MARCH 30, 1864.

GOVERNOR'S MESSAGE.

EXECUTIVE CHAMBER,
MACON, Miss. March, 1864.

Gentlemen of the Senate
and House of Representatives:

The recent legislation of the Congress has rendered it necessary to call you together. I do not propose in this communication to discuss its measures further than they may require your action. They are now laws, and until repealed, will be obeyed and respected as such by every good citizen. If they should be deemed by any one to be unconstitutional, the question can be submitted to the courts, the proper tribunals for such adjudication. If you should deem either of them an infringement of the rights of the State, or the exercise of powers not delegated, I would respectfully suggest that by a timely protest, you may by influencing the public mind, arouse an opposition which would greatly embarrass the Government at a time when it needs and expects the support of every citizen. Let us suffer while evils are sufferable. This is no time to cavil about nice questions of constitutional construction, when we are waging a terrible war in defence of individual and civil liberty, involving the very existence of the constitution itself and the Government founded upon it.

There is no necessity for hasty action; your rights will not be lost by delay in asserting them. There is no statute of limitation against States. They cannot lose their rights by failing to make continued claim or protest. No caveat need be filed. Our patent is the constitution, and no violation of its provision can annul one sentence in it or impair one right under it. Except so far as you may recommend modifications by the Congress, we may safely leave those statutes to the decisions of the courts, and the law-makers to the judgment of the people at the polls.

CONFEDERATE NOTES AND BONDS.

There is now in the Treasury about eight hundred thousand dollars in Confederate Treasury notes. This sum by the first day of April next will be largely increased by payments from tax collectors. By the provisions of the act of Congress entitled "An act to reduce the currency, and to authorize a new issue of notes and bonds," this money may, before the first of January, 1865, be invested in 6 per cent. bonds payable twenty years after date, the interest payable semi-annually.

It will be observed that these bonds cannot be at par with the 6 per cent. coupon bonds, as there is no provision made for the payment of the interest, as in the case of the coupon bonds, the coupons of which are receivable in payment of duties on par with coin and sterling exchange. No provision is made to receive them in payment of public dues, or even to render them assignable. They are not receivable as are the 4 per cent. bonds in payment of taxes. Although they may not be taxable while the property of the State they are not exempt by the bill from taxation in case they should be made assignable. At present, therefore, no use can be made of them except as a fund for the payment of the State twenty year bonds that may be hereafter issued. If by regulations of the Confederate Treasury Department, or by future act of Congress these bonds are made assignable, they may be sold in the market on such terms as you may prescribe for the new issue of treasury notes or for the notes of the State. I recommend that you authorize the investment to be made in 6 per cent. and that the bonds may be exchanged for the bonds or notes of the State, under such regulations as you may prescribe.

The Currency Act is so ill digested that it will doubtless be revised and amended by the next Congress. The Confederate notes that may be received into the State Treasury after the first of April, will only be available in payments at the discount of 33 1/3 per cent, and the \$100 notes at a further discount of 10 per cent per month from the first of April. The \$100 notes should be no longer receivable, those of a less denomination only at a discount of 33 1/3 per cent. The reports of the Auditor and Treasurer show the condition of the Treasury and the wants of the Government to be such that the State should not sustain the loss of the discount on the notes. The tax payers of the State who have had notice of the provisions of the Currency Bill, will doubtless make provision for payment for the Confederate and State tax by funding the Confederate notes and procuring State paper. The difference between those Confederate notes and four per cent bonds after the first of April will not be equal to the discount on the notes, as brokers can, by sending the notes west of the Mississippi, have them funded until the first of July, and no regulation of the Treasury by oath or otherwise can prevent unscrupulous persons from doing this. If you authorize the receipt of the four per cent bonds in payment of taxes, it will also be necessary to give power to the Treasurer to dispose of them, as they are not receivable in payment of public dues after the first of January next. I do not recommend the receipt of the four per cent bonds for taxes as it will afford but little relief to the people of the State, the majority of whom owing to the derangement of the mails and their distance from the depositories, will not have received information in time to enable them to fund their notes, and they will be thrown into the power of unscrupulous brokers. I also fear that these bonds will, by December next, be of no greater value than the notes, for it will be observed that the notes of a less denomination than \$100 are, until January next, exchangeable at 33 1/3 per cent discount for the new issue, and no such provision is made for the bonds. The bonds are also taxable to the full amount of their interest. The bonds are practically twenty year bonds without interest, and it requires no great financial acumen to determine their total worthlessness in the market after January next.

I therefore recommend that no Confederate notes be hereafter received in payment of taxes or other public dues, except the new issue to be made after the first of April and the old convertible notes of less denomination than \$100 at their convertible value, and that the Treasurer be authorized to exchange the latter for the new issue, and unless you retain them as a basis for a future issue of Treasury notes that the Treasurer be authorized with the advice of the Governor and Auditor to sell the 6 per cent bonds for the market value for the new issue and the paper of the State, or pay out the same for such value for Auditor's warrants.

TAXES.

The time for the collection of the tax assessed in 1862 having been extended, a large part of that tax, as well as of that assessed for 1863 remains unpaid. A part of such has been paid into the Treasury and no doubt large sums are in the hands of the collectors. On the 29th of February, I issued a circular notice to the tax collectors, a copy of which is herewith submitted. It was transmitted by couriers, and such other means as I could avail myself of. It is feared, however, that some of the collectors will not have received it in time to

make their payments by the time prescribed. I had no authority to require the payment of the balance in their hands to be made by a certain date, but as the law declares, "that the discrimination between the notes subject to the tax and those not so subject, shall be left to the good faith of each State, and the certificate of the Governor thereof shall in each case be conclusive," I deemed it proper to issue the notice. As some of the collectors may have received in payment of taxes, notes of the denomination of \$100, which may not be paid into the Treasury by the first of April, I recommend that when they are paid in the collector shall be required to make affidavit, or produce proof, that such notes were collected at a time when they were receivable, to wit, before the passage of such act as you may pass forbidding the receipt of such notes. And that in all cases of payment into the Treasury after the first of April they shall produce proof of or swear to the amount collected and held by them for the State before that date. I may thus be enabled to prepare a certificate, which will comply with the intention of the law, although its letter seems to require the personal knowledge of the Governor, which can only be had of the fund in the Treasury and other departments at the seat of Government. Stringent laws should be passed to prevent the collectors and other holders of public money from exchanging the monies received by them, and requiring them to pay into the State Treasury the very money received by them for taxes or other dues.

By the incursions of the enemy, many of our citizens have been deprived of property, for which they have been assessed; the tax on which they are liable to pay. I advise in all such cases that the tax be remitted.

I would most heartily concur with you in urging upon Congress a reduction of at least fifty per cent. of the tax of five per cent assessed by the first section of the act entitled, "An act to lay additional taxes for the common defence and support of the Government" and to change the tax on solvent credits to a per cent on the interest they bear. I believe the tax on land and slaves unnecessarily onerous. No agricultural capital can bear a tax of 5 per cent. in times of peace and no nation is expected to provide for the payment of its debts in time of war. It is ill-timed, for in several of the States no part of the tax can be assessed, in others but a partial collection can be made—sacrifices of property at prices controlled by the lowest money capitalists will occur with embarrassments of title, and all the other evils that result in tax sales.

It is unnecessary, for it will add nothing to the credit of the Government. No prudent creditor desires to see his debtor exhausting his capital in making a partial payment, when by time he may pay the whole debt. It may be safely estimated that the taxable property of the Confederacy will be doubled in thirty years. If the whole debt on the first of January, 1865, should be fifteen hundred million dollars, and funded in five per cent. bonds, redeemable at the pleasure of the Government, a rate of taxation which would pay the interest for the first year, would pay both the principal and interest in less than thirty years, assuming that the increase of taxable values will be uniform and will be doubled in thirty years. This would leave the increasing revenues from duties on exports and imports to be applied to the payment of the principal after providing for the current expenses of the Government. And there is no need of sinking fund or other devices to which States whose rateable wealth does not increase, are compelled to resort. The credit of Governments is limited only by their

ability to pay, and their good faith in the application of adequate means of ultimate payment. Spasmodic efforts, by onerous taxation by which property and industry are overburdened and driven from the country, are destructive of their credit. Non payment of the principal at the time when it is due or even of the interest, will not cause loss of confidence if the circumstances are unusual, such as the occupation of part of the territory by an enemy, by reason of which the levy and collection of taxes cannot be effected, or such political or financial revolutions as would make the punctual payment of them impossible, without so overburthening property and industry, as to destroy the very sources of revenue.

In regard to our own finances, I recommend the continued suspension of the specie tax; and that no more taxes be raised than sufficient to pay the interest of the public debt and the current expenses of the Government, and leave to the time of peace the provision for the principal. If the military establishment is reduced as hereinafter recommended, I believe that less than two millions of dollars will be sufficient for the payment of the outstanding liabilities of the State on account of military expenses, and provide for the support of the State forces and civil government, and meet all appropriations during the present year. To meet this I advise a further issue of treasury notes fundable in 6 per cent coupon bonds at twenty years, redeemable at the pleasure of the State, the interest payable annually. The coupons should be receivable in payment of all public dues except the tax for the payment of the convention notes. Such amount of the annual taxes should be specially appropriated as may be necessary to pay the annual interest on the whole debt. The holders of the State treasury notes are by law entitled to fund them in eight per cent bonds. These bonds will soon be prepared. When issued they will be subject to taxation by the State. They will be without coupons, and the interest will be payable at the Treasury only. I believe that 6 per cent. coupon bonds may be issued, which may be made more acceptable than the eight per cents, and I recommend that you authorize the issuance of such bonds to an amount sufficient to fund all treasury notes heretofore issued, or which you may authorize to be issued. These bonds should be exempt from taxation. This exemption being part of the contract cannot be repealed. The coupons should be receivable in payment of all public dues, and to insure their prompt payment if presented at the treasury, a portion of the revenue sufficient for that purpose should be specially set aside and appropriated.

In order that the bonds may be uniform and the coupons payable on the same day, the bonds should be dated on the first of August, that being the day of payment for the collectors, and to enable the holders to use the coupons or payment of taxes the coupons should be receivable three months before their maturity in payment of public dues. With such advantages I believe that these bonds would be more desirable securities than the six per cent Confederate bonds, but as some holders might prefer the latter, they should have the privilege of exchanging the State bonds for such Confederate bonds as the State may receive for her Confederate notes. To further encourage the funding of all State notes, I recommend that on all deposits of notes for funding, interest shall be allowed to the date of the bond that is on the ten per cent notes, at their interest of ten per cent, and on the other outstanding Treasury notes at 8 per cent from the day of presentation, the amount of the

interest to be included with principal in the bond. There is no financial reason why the credit of Mississippi should be depreciated. She has the elements of wealth and greatness of which this war cannot deprive her. Her fertile soil and genial climate will hasten to her borders with the termination of the war an amount of wealth greater than her loss, and the manufacturing and other industrial interests which have been created and the spirit of economy which adversity has notated and that self-sustaining energy which war has produced will in a few years, make her in wealth and population greater and more powerful than she could ever have been if her dormant energies had not been so effectually aroused. And when prosperity has been restored, she will have it in her power, by a grand display of magnanimity, in providing for the liquidation of claims, which, on constitutional grounds, she has declined to acknowledge—to place her faith and credit on a foundation that will enable her to decrease her burthen, by causing the bonds that may be issued at long dates with greatly diminished interest to be at par with the best securities in the world. There is no cause for despondency. Numbers have suffered loss of property as numbers have died in battle. Many may yet suffer and many yet bleed, but the great body of the wealth and resources will be secure. As the firm rooted oak whose branches have been torn by the stormy gusts forth bearing new, strong and beautiful to the winds and the sun, Mississippi will again erect herself in wealth and power, the pride and glory of her people.

PUBLIC BUILDINGS.

No sufficient appropriation has been made for the repairs of the Capitol and Executive Mansion at Jackson. The copper roofing is in need of extensive repairs. The fence around the Capitol should be rebuilt, other repairs are needed to prevent dilapidation. I recommend an appropriation of ten thousand dollars for the purpose. The keeper of the Capitol elected at your last session has not given bond or entered upon the discharge of his duties. I recommend that you elect another. The office is an important one, doubly so at the present time and the salary should be increased. No one can afford to attend to its duties at the present salary.

PENITENTIARY.

The death of the Superintendent, Mr. Russell, in January last, and the incursions of the enemy have delayed the establishment of a temporary penitentiary. I think the appropriation made by you at your last session should be applied to the rebuilding of the penitentiary at Jackson, and I had given orders to apply it. The prisoners sent to Alabama are still in the penitentiary of that State. I ask that you authorize the payment of the charges on this account to be made from the Treasury. The vacancy occasioned by the death of Mr. Russell should be filled by an election during your present session.

COTTON NOTES.

There has been paid into the treasury on account of the cotton loan, \$741,576. Many of these notes are so defaced that their numbers are illegible, and they cannot be registered, as is required to be done, before they are to be burned. As a registration of a part only would be useless, I recommend that you authorize the commissioners, who are now engaged in examining the Auditor and Treasurer's offices, to count the notes and burn them in the presence of the Treasury. The investigation of the Committee should also be extended to the Executive Department and that of the Quartermaster General, and a further time given them to complete their labors.