

BIENNIAL MESSAGE

OF

GOVERNOR WILLIAM R. MERRIAM

TO THE

LEGISLATURE OF 1893

INAUGURAL ADDRESS

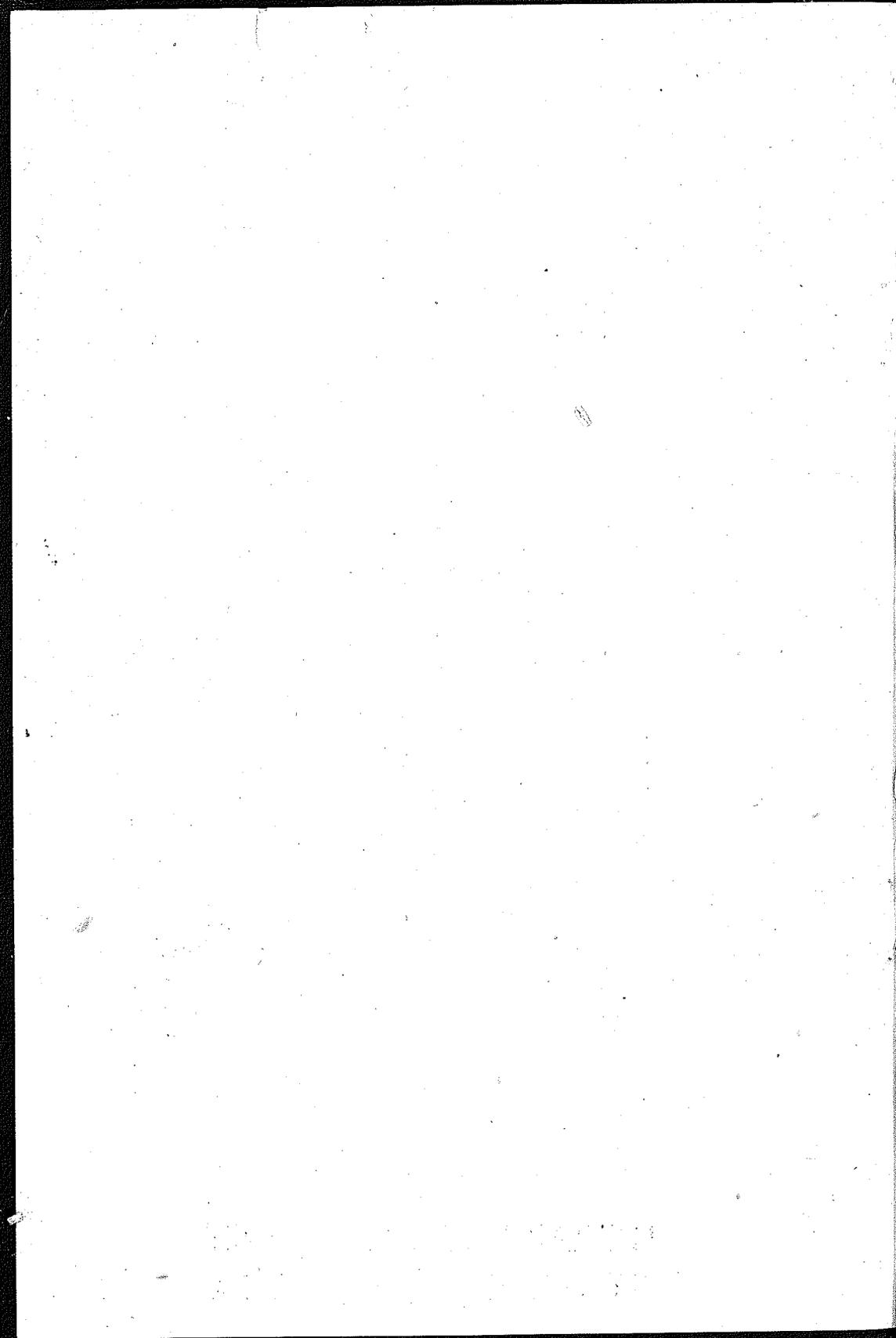
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GOVERNOR KNUTE NELSON

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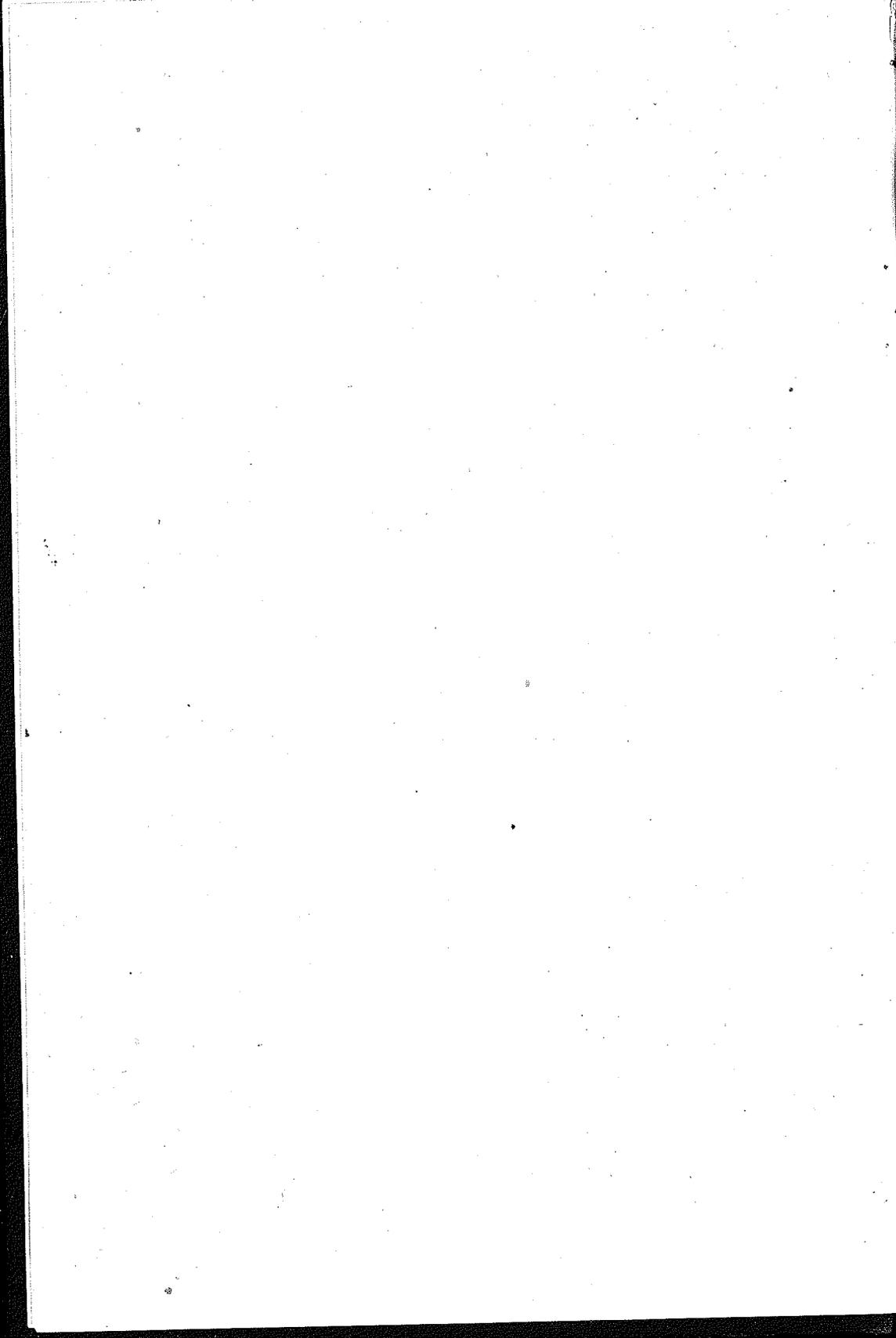
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MESSAGE.

Gentlemen of the Senate and House of Representatives:

In accordance with a well established precedent, I am accorded the privilege of calling attention to the results attained in the various departments of the state government during the two years intervening since the assemblage of the legislature, and to that end I desire to submit briefly for your consideration such items as I deem of especial interest. I shall as well take the liberty of making some suggestions with reference to the future action of this body upon matters considered of importance to the people of the commonwealth. Permit me to again reiterate the sentiment expressed in my last message to this body with reference to the desirability of avoiding all legislation which has for its aim the protection or benefit of any special interest. It is one of the prevailing evils, if I may be permitted to say so, of all legislation of the present time that there is too great a tendency to seek remedies for ills that are impossible to cure, through legislative enactment. It is desirable and necessary to enact laws that will protect all citizens equally in their personal and property rights, but to attempt to provide a panacea for every trouble, whether imaginary or real, is of doubtful propriety and must result in clogging the statute books with legal forms utterly impossible of execution. Discrimination of any character that is to the advantage of one citizen and works injury to another should be studiously avoided as unfair and not in accord with free institutions. The spirit of paternalism, so-called, in government seems to pervade the public mind to an alarming extent, and, if carried to its logical and legitimate conclusion, must eventuate in the building up of favored classes and communities to the detriment of the people.

The apparent danger of a visitation to our shores of a dreaded plague in the form of Asiatic cholera, through the medium of emigration from the infected cities of Europe, has called the attention of the public mind to a necessity for a revision of all laws governing the admission of emigrants from

Western Europe to the United States. It was deemed advisable by the general government to take steps to prohibit temporarily all persons, who are classed as emigrants from landing at any of our ports. As the Northwest, and particularly Minnesota and the two Dakotas, were the points of destination for many of those coming from infected ports, it was deemed desirable by the board of health of the State to procure a corps of experienced physicians to examine all trains coming into the State and properly quarantine any person, suspected of having the malady, or those exposed to it. Precautions were wise, as in this way a competent plan was provided for the management of a menace to the health and lives of our citizens during the coming season, should emigrants be allowed to land in the United States until the disease is thoroughly stamped out in Europe. It would seem to be of questionable policy for the general government to permit any emigration pending the World's Fair, lest this great National Exposition be a complete failure through the introduction of this terrible plague within the confines of this country. I recommend that a joint petition be sent to Congress requesting that all emigration be suspended during the year 1893, and, as well, to consider the desirability of a revision of all laws governing emigration, and, if possible, seek to forbid our shores to large numbers of people who are not at all in sympathy with our form of government, and who are likely, many of them, to become a charge on the public. The time has arrived for some emphatic action upon the part of the American people against this indiscriminate incursion of foreigners, who come to this country without money, without education, many of them criminals, and few of them calculated to become useful citizens. We cannot protect our own laboring classes and provide proper compensation for them if we are to be perpetually the place of refuge for the thousands who are sent to us by the governments of the Old World.

RAILROAD AND WAREHOUSE COMMISSION.

The Railroad and Warehouse Commissioners have submitted their biennial report and have indicated the work that has been accomplished under their direction during the past two years. The board has pointed out the desirability of making some changes in our present law, so as to have it conform as far as possible with the interstate law governing railroads throughout the national domain. They have renewed recommendations of various kinds made in their reports in the past, and I

beg to especially invite your consideration of those sections which call attention to the desirability of enacting laws relative to the issuance of passes for the free transportation of passengers. This discrimination should also be done away with at the earliest possible moment. The law should be amended so as to permit the commission to enquire of their own motion into the rates and practices of any of the railroads without being compelled to wait until some formal complaint is made. It is gratifying to state that the sections of the law requiring that cars shall be furnished to individual shippers have been carried into effect very generally during the last two years. The transportation companies as a rule have manifested a desire to comply with the spirit of the law in this respect. The most important work entrusted to the board of railroad and warehouse commissioners is the inspection and weighing of grain. During the past year, with one or two exceptions, the elevators at the terminal points have become private warehouses and are not amenable to the laws of the State. The commission very properly makes some suggestions as to the amendment of the law which should make all warehouses at terminal points public institutions and under the direct charge of the warehouse commissioners. The question of the inspection and weighing of wheat at points outside of the large cities is a most vexatious one, and is a problem most difficult of solution. There is every reason to believe that at country points there has been much discrimination in the way of dockage and in grading wheat, and very many wrongs have been perpetrated in this direction to the detriment of the farming community in the wheat growing districts. There have been many suggestions made as to the most desirable way to avoid these difficulties, and as far as possible protect the individual seller at such stations, as he may present his wheat for inspection and sale. The commission after giving the matter careful attention, have arrived at the conclusion that it will be well to place all warehouses at country points within the general supervision of the commission, allowing it through its proper agents to have general oversight over the various elevator companies, and whenever complaints arise to at once proceed to investigate them, and if possible ascertain the cause of the difficulty. I am rather inclined to the opinion that this is the best plan that has been presented, or is at all practicable, up to this time. I confess that the grading and weighing of wheat at local stations is one of the most intricate

questions to determine that has come within my observation, and I am well aware that many hardships arise from under-grading at country stations, and I see no way whereby this difficulty can be compassed unless it be in the way indicated.

THE STATE PRISON.

The annual report of the board of managers of the State Prison at Stillwater has been submitted, with a very full account of the transactions that have occurred since this body last assembled. A very desirable contract was made in October, 1891, for the use of the convicts during the two years, in accordance with the law under which the state penitentiary is now in operation. The sum received per diem for each prisoner is in excess of any sum heretofore obtained, and in addition desirable arrangements were made for the use of machinery owned by the State as well as for furnishing of power to operate the same. The last legislature provided for the purchase of additional machinery for the purpose of manufacturing binding twine, and although some delay occurred in securing the necessary machines to carry into effect the law, owing to the existence of the twine trust, which controlled not only all of the twine manufactured in the country, but the manufacturers who produced the implements necessary to the making of twine, as well. I am pleased to state that the results obtained have met the fullest expectations. Binding twine was sold last year to farmers in various parts of the State and gave good satisfaction. The binding twine machinery is now in full operation, and I have no doubt the results during the coming year will be not only beneficial to the farmers of the State, but of value for the purpose of the employment of the convicts. The present system of contracting the labor of a portion of the convicts for a short time is of great disadvantage to the State and it is not possible to induce manufacturing concerns of responsibility to purchase the necessary machinery to employ the convicts on contract when they are able to purchase the labor for so short a time. It is absolutely requisite, in order to obtain an advantageous arrangement for the State to permit the board of managers to make a contract for at least eight or ten years. In this way the best results would be obtainable as far as the State is concerned. A certain number of the convicts can be employed on state account in the manufacture of twine and in other work about the prison, but at least one-half should be permanently employed in some labor that will bring a revenue to the State and make the institution self-sustaining.

HOSPITALS FOR THE INSANE.

I desire to again call your attention to the desirability of some change in the mode of management in connection with the hospitals for the insane, and to reiterate my recommendations made two years ago. I would suggest that greater supervisory powers be vested in the lunacy commission and that it be charged with a larger responsibility in the commitment and discharge of patients. A very admirable law relative to this subject was brought before this body two years ago, but failed of sanction. There is the greatest need for immediate attention to this matter, and I sincerely hope that the committee who are especially to consider matters relative to the hospitals will present plans for the correction of some of the evils.

The board of managers of the insane hospitals have presented estimates for needed improvements. I need hardly call your attention to the urgent necessity of providing for the unfortunate people of our State who are compelled to be cared for in our insane institutions and it is as little as our citizens can do to see that ample accommodations are provided for all these within our borders. Increased facilities will have to be provided at Fergus Falls for the natural increase during the next two years, and in addition the center building at the Rochester asylum should be replaced with a fire-proof structure, lest a terrible calamity occur that will cause the death of many of the patients now confined within the asylum. I especially urge upon you the necessity of the granting of the demands of the board, in order to properly provide for the future.

THE STATE BOARD OF HEALTH.

Owing to the universal alarm resulting from the near approach of cholera, I convened the board of health in extra session for the purpose of consultation and taking such active measures as may be necessary to preclude this disease from gaining a foothold in this state. It was apparent that our only means of protection consisted in thorough and efficient interstate quarantine. I summoned in consultation with this board representatives of all the railway systems of this state, and their co-operation was enlisted in bringing about immediate steps for the exclusion of all immigrants enroute to the state that were believed to have been in any way exposed to contagion. It was found upon investigation that we were in need of more legislation to carry into effect adequate interstate quarantine. In view of a probable epidemic of this disease the coming

year, your attention is solicited to ascertain and supply these wants. The efficiency of this board is hampered by the action of the last legislature in reducing the annual appropriation for its support. Its duties are onerous and indispensable and require, in the face of impending peril, your solicitous attention.

CAPITOL BUILDING.

The last legislature selected a commission to inquire into the desirability of selecting a site upon which to place a new building for the use of the state officers. In my judgment, the time has now arrived, in view of the present crowded condition of our capitol building, to seriously contemplate the necessity of providing for the future uses of the executive officers of the State. The present structure is entirely inadequate for the needs of the officials charged with the performance of the public duties of various kinds, and as some years would necessarily elapse before a new building could be completed, it would be well to provide during the present session for the future uses of the State in this regard. A very small sum based upon the assessed valuation of the property of the State levied yearly, would provide the amount requisite during the next ten years to construct an edifice in keeping with the wealth and population of Minnesota. Two-tenths of a mill collected each year would yield something like one hundred and twenty-five thousand dollars, and this sum could be placed in a separate account to be used specifically for the building of a state capitol. The building would necessarily, be designed with a view to the future growth of the State, and to that end could be constructed with the purpose of having it ready for use eight or ten years hence. The amount collected year by year would be so small as to be hardly felt by the taxpayers, and by the time the building was an absolute necessity we should be possessed of a handsome edifice entirely proportionate to the importance of the State. I sincerely commend to you the desirability of prompt consideration and action upon this subject.

WORLD'S FAIR COMMISSION.

The members of the World's Fair Commission selected in accordance with the law passed by this body at its last session, felt the necessity for a larger sum of money than was appropriated by the twenty-seventh session of this body in order to carry out the true spirit of the act under which they are operating, and to secure such, appealed to the people of the various counties who responded with commendable promptness. With

this additional fund the commission have been enabled to construct for the use of our people at the exposition, a building which bears credibly upon the state, and to cover every field of material interest within our borders in a broad and liberal manner, not permitted by the original appropriation. Inasmuch as the advantages to be gained by the proper presentation of the resources of Minnesota at the World's Fair will be general, I would recommend an appropriation be made by the legislature sufficiently large to repay these various contributions. I sincerely trust that no means will be spared to in every sense present to the large numbers who will come to Chicago from abroad, in a proper way the unusual opportunities afforded to any who may desire to make their permanent home within our borders.

SWAMP LAND GRANTS.

I desire to again call the attention of this body to the desirability of disposing of the several unsettled swamp land grants. The State has granted from time to time during the last twenty-five years, quite an amount of swamp lands to aid in the construction of various railroads. Some of the roads have selected nearly or quite the number of acres to which they are entitled. Others have delayed for one cause or another, until a large amount of unfinished business has accumulated in the land office, necessitating the employment of extra clerks, and causing more or less expense. Some of the grants have been forfeited by non-performance of contract, while others await further legislation to determine rights. A sufficient number of acres have been deeded to the State by the general government to fill the grants to railroads (saving possibly one road) and State institutions, whose rights have been fully determined. The time has now come for the lands to be deeded to the proper parties and the State relieved of further annoyance and care. To that end I suggest that a law be enacted directing the parties entitled to land to select the same within a reasonable time, say three or five years, and after the expiration of that time to provide that all grants, of every kind and nature, be declared absolutely forfeited.

BANKING DEPARTMENT.

The report of the bank examiner gives in detail the result of the work accomplished in his department. I again desire to call attention to the desirability of furnishing the bank examiner with a sufficient number of clerks to properly discharge

the duties which have been assigned him. There has been no additional appropriation for clerical force allowed this department for a number of years, although the duties that have been placed upon the banking department by legislation have quadrupled. By the natural growth of the State, various banking institutions have been started, and in addition the department is charged with the responsibility of examining a large number of building associations, all of which necessitate quite an amount of clerical work. I would recommend that all banking and trust companies, and all building and loan associations be charged a fee commensurate with the capital invested, to be paid into the state treasury, to defray the expenses of additional help. A large amount could be obtained in this manner, which would aid in defraying the expense of maintaining the office of the examiner.

THE ITASCA STATE PARK.

At the session of the legislature of 1891, an act was passed creating a state park around Lake Itasca, the source of the Mississippi river. Pursuant to the provisions of that act, on May 4th, 1891, I appointed Mr. J. V. Brower as commissioner of the park. Mr. Brower at once proceeded to secure concessions from the owners of the lands in the reservation, and with much success, so that now, the State can acquire the entire ownership of the tract, with a very reasonable outlay. The entire area of the park amounts to 19,701.69 acres. I also requested Mr. Brower to examine the question of what is the true and real source of the Mississippi, and his conclusions regarding that topic are given in his report submitted herewith. It will remain for the legislature to decide whether it will provide for the outlay necessary to purchase the lands included in the limits of the Itasca state park.

STATE FINANCES.

You will learn by the report of the state treasurer of the very satisfactory results reached in carrying out the law authorizing the funding of the public debt. A very large saving of interest resulted in the exchange of the securities provided for by the act authorizing the sale of the three and one-half per cent. bonds, and the purchase and cancellation of the railroad adjustment bonds. The state debt is now comparatively small, and in a few years it will be paid off through the operation of

the sinking fund authorized by law. The law under which the state treasury is managed should be amended so as to require that a larger bond be furnished by the state treasurer, and the executive, the treasurer, and the auditor should make up a commission which should indicate where the public moneys are to be deposited, and upon what terms. I ventured two years ago to suggest the desirability of not increasing the tax levy. It was, however, deemed advisable to do so, and in accordance with the action of the legislature at that time, the tax for revenue purposes was raised two and two-tenths mills on the dollar, based upon the entire property of the State. It will be seen by the statements attached to this paper that there will be quite a surplus resulting from the collection of taxes for the years 1893-94, should the present rate be maintained and all money expended awarded, and I sincerely trust that the tax levy will be reduced to the amount suggested as necessary two years ago. At least a reduction of eight-tenths of a mill, computed upon the present assessed valuation of the property of the State can be made, thereby reducing the amount of taxes to be collected nearly \$480,000 per year for the years of 1894-95. This would be a very material saving to the tax-payers of the State, and in my judgment would be sufficiently large to pay all expenses as well as providing for all needed expenditures. The accompanying documents will indicate the directions in which sums are required for the construction of new public buildings, as well as for such other purposes as seem necessary.

I need not indicate to you your responsibilities which you have assumed at the instance of the people, and that you are charged with the execution of no ordinary trusts. I have no doubt that the result of your labors will prove advantageous to the people of the State.

IN CONCLUSION.

My successor brings to this office a ripe training in public life, a high reputation as a citizen for character and ability; all of which entitle him to the good-will and sympathy of the people of this commonwealth, and I trust he may enjoy the same consideration at the hands of his associates in official life and the public, that has been so generously accorded to me.

I cannot permit the opportunity to pass without testifying to the ability and high sense of duty to the people which has marked the discharge of the duties assigned to my co-workers in official life. Each and every one is deserving of commenda-

tion for his uniform and unwavering attention to the public service. Finally, I may be permitted to express my warmest thanks for the uniform courtesy and cordial co-operation extended to me by my associates during the four years I have been honored with the office I am about to surrender.

I resign the trust reposed in me by the people of Minnesota with the sincere hope that the choicest blessings of a Divine Providence may in the future be showered upon this fair commonwealth and its loyal citizens.

W. R. MERRIAM,
Governor of Minnesota.

ESTIMATED RECEIPTS AND DISBURSEMENTS FOR FISCAL
YEARS, 1894 AND 1895.

This estimate is made on a basis of a tax levy of 1.4 mills.

RECEIPTS.

	1894.	1895.
State taxes.....	\$ 855,000	\$ 855,000
Railroad taxes.....	875,000	900,000
Insurance taxes.....	120,000	120,000
Insurance fees.....	16,000	17,000
Telegraph and telephone taxes.....	20,000	21,000
Incorporation fees.....	32,000	35,000
Interest on deposits.....	20,000	20,000
Seed grain loans.....	10,000	10,000
Mining taxes.....	12,000	15,000
Earnings of state institutions.....	100,000	100,000
Forestry transfer.....	35,000	40,000
Miscellaneous.....	10,000	10,000
Totals.....	\$2,105,000	\$2,143,000

DISBURSEMENTS.

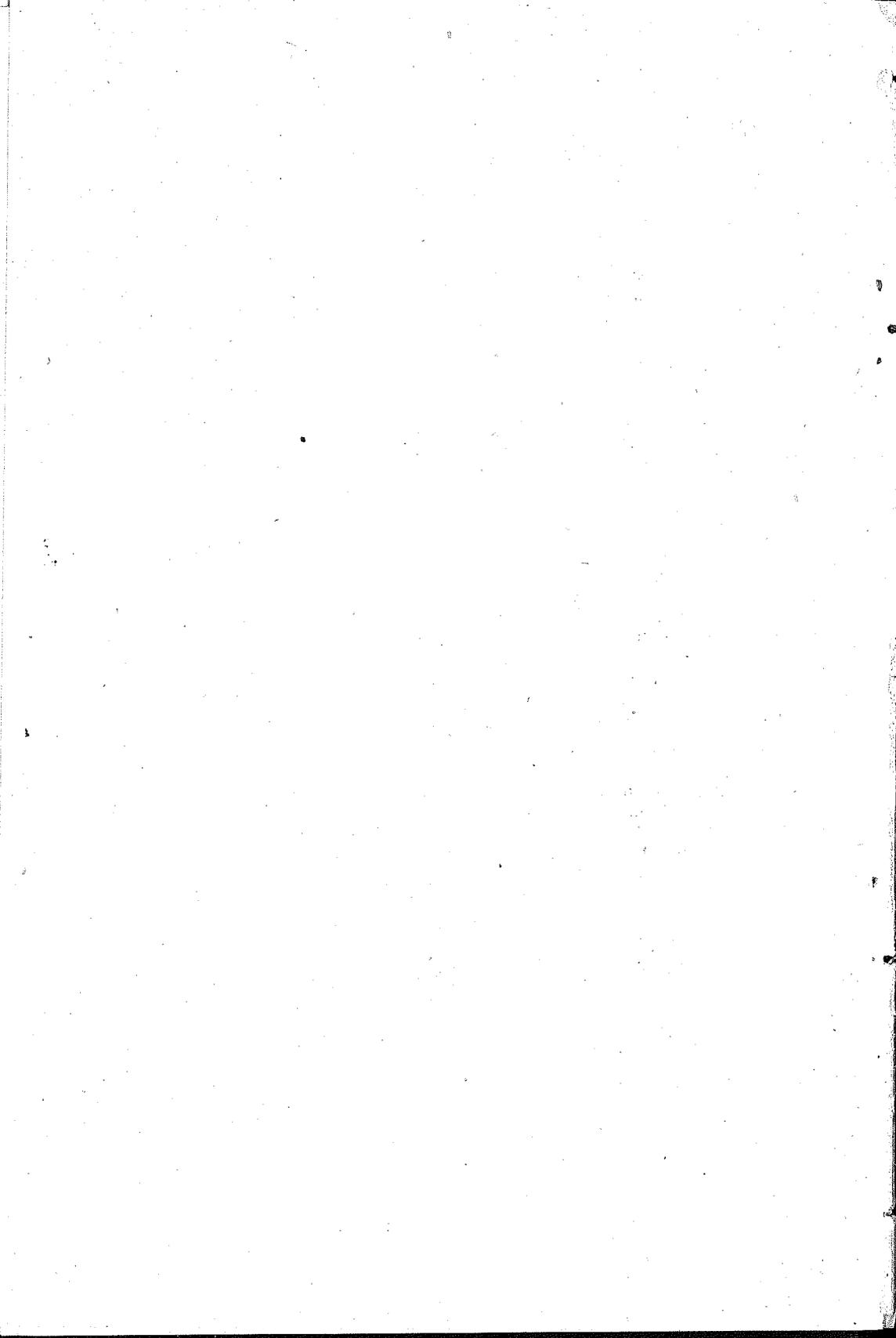
	1894.	1895.
Executive expenses.....	\$ 100,000	\$ 100,000
Judicial expenses.....	135,000	135,000
Printing and paper.....	30,000	70,000
Support state institutions.....	835,000	840,000
Improvements, repairs, etc.....	50,000	50,000
Boards and commissions.....	65,000	65,000
Societies, etc.....	45,000	45,000
Fire companies.....	31,000	32,000
Miscellaneous.....	225,000	225,000
Printing laws in newspapers.....		35,000
Legislative expenses.....		150,000
Totals.....	\$1,516,000	\$1,747,000

RECAPITULATION.

Receipts, 1894.....	\$2,105,000	
Disbursements, 1894.....	1,516,000	
Surplus, 1894.....		\$589,000
Receipts, 1895.....	2,143,000	
Disbursements, 1895.....	1,747,000	
Surplus, 1895.....		396,000
Total surplus, 1894 and 1895.....		\$985,000

Suggestions as to expenditure of surplus revenue, to be available April 1894, and April, 1895:

Fergus Falls Insane Asylum, new buildings, etc.....	\$ 300,000	
St. Peter Insane Asylum, " " ".....	18,000	
Rochester Insane Asylum, " " ".....	100,000	
State Public School, Owatonna, new " ".....	35,000	
State Reformatory, St. Cloud, " " ".....	103,000	
Institute for Defectives, Faribault, " ".....	75,000	
Extraordinary repairs.....	52,000	
State University.....	150,000	
World's Fair.....	100,000	
Deficiencies,		
Judges salaries.....	\$45,000	
Wolf bounties.....	5,000	50,000
Total.....		\$983,000

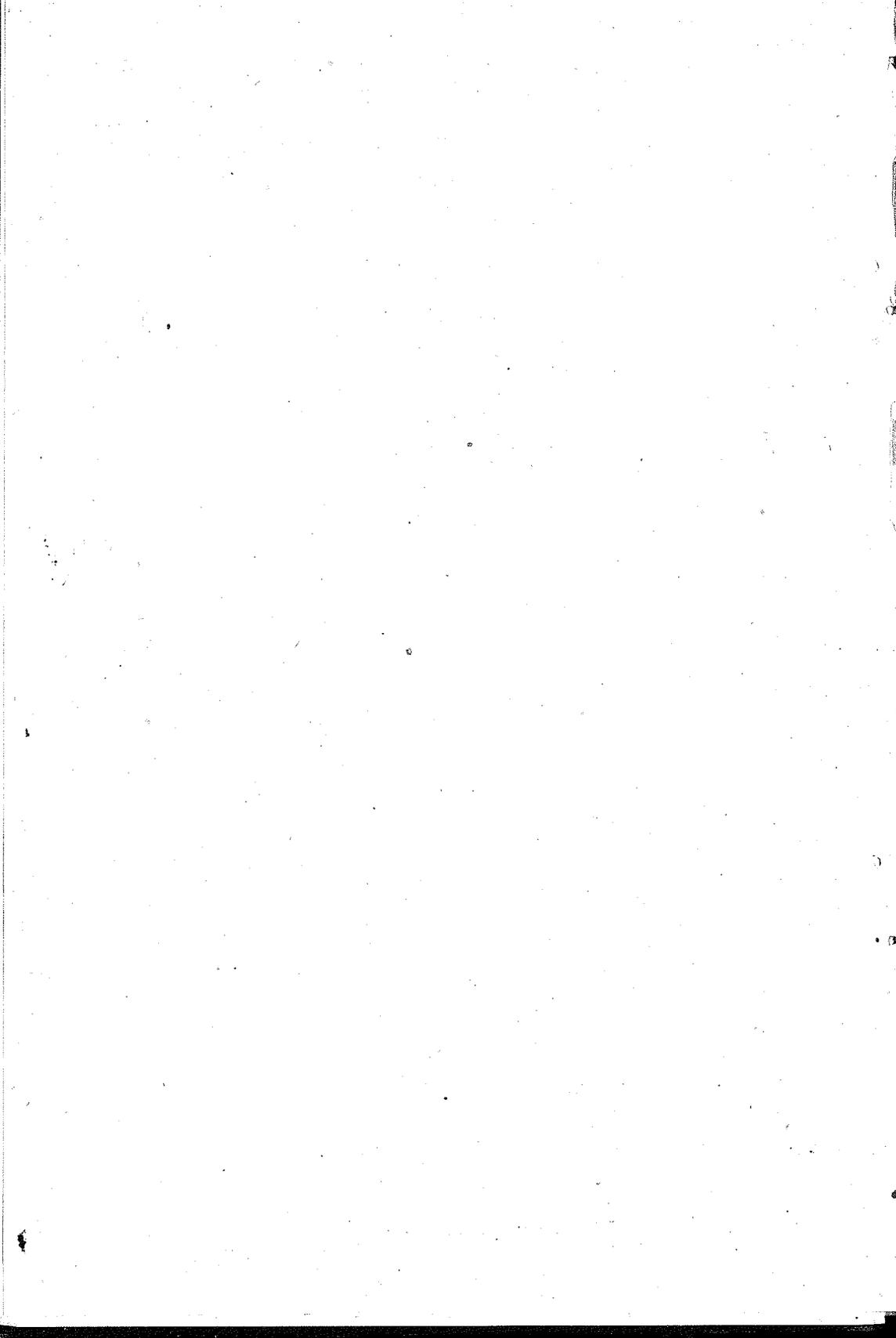


INAUGURAL ADDRESS

—OF—

GOVERNOR KNUTE NELSON

TO THE LEGISLATURE OF 1893



INAUGURAL ADDRESS.

Gentlemen of the Senate and House of Representatives:

In obedience to law and conformable to custom, I submit to you this message touching the condition of our State and its public affairs.

The financial affairs of our state government are in a sound and prosperous condition. With a population of 1,400,000 and an assessed valuation of \$600,000,000, there is an outstanding indebtedness of only \$2,154,000, subject to an annual interest charge of but \$77.390, and on the last day of November, 1892, there was a balance in the state treasury to the credit of the different funds of \$1,688,946.54. Such a showing as this clearly indicates that the government has been conducted prudently and on careful business principles.

The Correctional and Charitable Institutions of the State are fulfilling their mission and purpose to an extent that keeps us abreast of the times and up to the demands of modern civilization.

It is highly gratifying to observe, that, notwithstanding our rapid growth, no increase has taken place in our prison population during the last three years. As a matter of fact there was a smaller number of state convicts on the 31st day of October, 1892, than on the 31st day of October 1889. This fact indicates the prosperous, industrious, and law abiding character of our population, and demonstrates that the problem of American civilization is here finding its best solution.

The Reformatory at St. Cloud is successfully accomplishing the benign purpose for which it was intended, but its successfulness is likely to be embarrassed and handicapped by existing recent legislation. Constant employment is absolutely necessary for the physical and moral well-being and the permanent reformation of the convicts. When the reformatory was located upon a vast granite quarry, it was hoped and expected that the problem of keeping the convicts employed was

LEGISLATIVE REFERENCE LIBRARY
STATE OF MINNESOTA

solved, and that ample work for many years to come would be found in the quarries. But under the provisions of chapter 112 of the general laws of 1891, only 33 per cent. of the convicts can be employed in quarrying and preparing granite for sale. The balance of the convicts, if engaged in granite work at all, can only be employed in quarrying and cutting stone for public buildings of the State, and for walls and improvements on the grounds of the reformatory. With this law in force, it is evident that the State, in order to provide employment for two-thirds of the convicts, must either utilize the granite for public buildings, or inaugurate some new industrial enterprise within the limits of the reformatory. Under these conditions, inasmuch as additional buildings are urgently needed at the institution, it would seem to be the part of wisdom, at as early a day as practicable, to make use of the granite and the labor of the convicts, as far as possible, in the construction of such buildings.

The manufacture of twine has been successfully established at the state prison, and meets with much favor among our agricultural population. This enterprise should be greatly enlarged and extended, not only for the reason that it affords a permanent field for convict labor, as little in conflict with other labor in the State as can well be obtained, but more especially for the reason that our state prison twine, if furnished to the consumer at near its actual cost, will always to some extent afford our farmers protection against unjust combinations, and abnormal prices on the part of the twine manufacturers.

It is encouraging to note, that, though for a time *insanity* seemed to increase at an undue pace, yet, that within the last two years the increase has not been as great as was anticipated, nor out of proportion to the increase of our population. The growth of our State, which in the future will be less rapid and more from within, than in the past, will no doubt tend to further decrease the proportion of the insane. This promising outlook will obviate the necessity for any unusual haste in constructing additional buildings, and will also save us from any material increase in appropriations for the current expenses of the hospitals for the insane. An appropriation of \$38,500 is urgently needed to finish and equip the southwest wing of the third hospital at Fergus Falls. This wing, when completed, will furnish accommodations for two hundred additional patients, and will thus meet our immediate want for room for some time to come. Large appropriations are asked, for build-

ings at the hospitals at Rochester and Fergus Falls, and at the School for Feeble Minded. When you come to consider these requests in detail, you will no doubt take such action, as the necessity for further accommodation calls for, and as the burdens of taxation will warrant.

The Soldiers' Home at Minnehaha Falls is successfully performing its great mission of affording a cheerful and pleasant retreat for the needy and homeless veterans of our wars. The institution is a monument of the gratitude and patriotism of a great people. Subsidiary and supplemental thereto and existing under the same law, is a scheme of furnishing assistance at their residence to such needy veterans as have families or homes of their own, and to the widows and dependent minor children, and dependent parents, of soldiers. This mode of relief is especially intended for those who can not well enter the home, but who are nevertheless as much entitled to public aid as the inmates of that institution. Under the prudent and rigid rules adopted by the board of trustees, none but those absolutely in need can get relief, and this aid is not given in money, but in the absolute necessities of life, and only to a limited extent. From personal observation in many cases, I am convinced that this method of assistance is as salutary and as much needed as the Home itself, and is much more inexpensive. The money from which this relief is granted is known as *The Soldiers' Relief Fund*, and is derived from a tax of one tenth of a mill on all the property of the State. This fund is fast overgrowing the demands made on it. At the beginning of the present fiscal year there was a balance from the preceding year of \$24,407.84, and there will be derived from the tax levy of the current year, the sum of \$59,558.85, thus giving a total available fund of \$83,966.69 for the current fiscal year. During the fiscal year ending July 31st, 1892, there was expended but \$39,370.42 out of this fund, and there is not likely, in view of the increasing results of the dependent pension law, to be any greater demand on it in the future. In view of these facts, it seems to me it would be advisable to transfer \$40,000 of this fund to the so called *Soldiers' Home Fund*, which would afford that fund ample supply for its wants during the fiscal year, commencing August 1st, 1893, and August 1st, 1894, thereby obviating the necessity of any other appropriation for that fund during those years. In addition to this, the annual tax levy for the *Soldiers' Relief Fund* should be cut down from one tenth of a mill to one half of that rate, which I think would be ample to meet all necessary demands.

In the field of education Minnesota occupies high and advanced grounds at all points. *Our State University* has within the last ten years grown beyond all precedent in quality, scope and numbers, and today ranks as one of the leading educational institutions of our country, to which we can all look with pride and admiration. In 1882 the total attendance of students was 253. In 1892 the number had reached 1,374. And during 1893 the number will exceed 1,500. Departments of law and medicine have been established and are in most successful operation. There were 453 law and medical students in attendance in 1892, and in 1893 the number will no doubt reach, if not exceed, 600. The fees charged students in these departments are nearly sufficient to pay the salaries of all the instructors, and will in the near future be more than ample for this purpose. Perhaps nothing pertaining to the progress and growth of the University has been more marked and original than the establishment of a *school of practical agriculture*, giving special instruction in all that pertains to the theory and practice of agriculture, in all its branches. In connection with this school and as a part thereof, is a dairy hall ample and well equipped, in which instruction is given in the theory and practice of cheese and butter making by an expert instructor. This school has been well patronized by the sons of our farmers. In 1891 the attendance was 104, in 1892 it was 115, and in 1893 it will be over 140, and would be far more if there were sufficient accommodations. While the State has dealt liberally with the university, yet its growth has of late been so rapid that appropriations have not always kept pace with its wants. An increase in the force of instructors has been made from time to time, and is still needed, and such increase, to my knowledge, urgently calls for additional appropriations. The library and assembly room are located in the old main building, which was so injured by fire in April, 1892, that the assembly room has been unfit for use since that time. The quarters occupied by the library afford very inadequate room, and are wholly unsafe in case of fire. An assembly room sufficient for the great audience of students and a safe and commodious place for the large and valuable library are among the most urgent wants of the university. The regents think that, with economy and advantage, these two—the library and assembly room—should be combined in one suitable and substantial building, and for this they appeal to you for a liberal appropriation at your hands.

Our normal schools are increasing in usefulness and in attendance, and seem to keep on advanced ground in all that pertains to their special lines of education.

Our high schools have become excellent feeders for our University, and have, to a large extent, assumed the sphere and absorbed the work of the old fashioned academies, and thereby they have brought the advantages of higher education close to the doors of the mass of our people.

Our common school system—the priceless jewel of our liberty—grows in quality and effectiveness year by year. Through summer training schools, at the university and at other points in the State, as well as through teachers' institutes, the teachers acquire a skill and aptitude for their work which greatly raises the standard of our common schools. Liberal appropriations for these training schools is money well invested, and there can be no serious objection to setting aside a portion of the one-mill school tax for this purpose as recommended by the superintendent of public instruction. The contract for the supply of text books for our common schools, which has been in existence for fifteen years, expired last August. We are now remitted to the status which existed prior to 1877, under which the pupils supplied themselves with such books as the school board for the time being selected. Under this system books were dear, changes frequent, and there was an entire lack of uniformity. To avoid these drawbacks, some action, it seems to me, is urgently needed on your part. To secure the highest order of books at the lowest possible price, with uniformity and stability, ought to be the central idea of any plan that may be devised.

THE JUDICIARY.

There are sixteen judicial districts in the State, with twenty-nine district judges, doing the *nisi prius*, or original trial work; and in addition to this there are a number of municipal courts, with considerable local jurisdiction. We cannot well shut our eyes to the fact that this judicial force is in the aggregate in proportion to our population, unusually large, and that the work is very unevenly distributed. In some districts there is very little to do, while in no district, do I think, is there any substantial overwork. I think it would be the part of wisdom and good administration to affect a judicious rearrangement of our judicial districts, so as to distribute the work more evenly, and to leave each judge a reasonable and proper amount of work to do.

The dairy industry of the State, especially in view of the fact that it is to that source we must look for relief when wheat raising ceases to be promising, deserves our earnest care and protection. In connection with the school of agriculture, and the experimental station at St. Anthony Park, is our dairy school, now in most successful operation. It is here where our dairymen of all classes can obtain proper instruction and training, by precept and example, by instruction and experimental work. And this is the proper place and sphere for it. The department in charge of the state dairy and food commissioner, as a matter of both law and practice, seems to have no concern with purely educational and experimental work, but is limited, and in its very plan and purpose limits itself, to police supervision and police protection. This work and this duty is undoubtedly necessary and essential, both for the protection of the consumers and the dairymen, and therefore should receive all proper aid and encouragement. But having in mind this limitation and distribution of work, it seems to me that the force employed, and the salary roll, in this department, is out of proportion to the duties entailed and the work to be done. The salary roll is nearly \$15,000,—a greater sum than that of any other of the executive departments of our state government, except the grain inspection department, which much more than pays its own expenses from fees collected. The present commissioner is in no wise at fault for the existing order of things. He found it there when he entered the office. It came into being under the act of 1887, when the appropriation for the department was increased from \$6,000, as it existed under the original act of 1885, to \$15,000. To my mind, it would be wholesome and wise economy to return in this respect to the act of 1885. A \$6,000 salary roll strikes me as ample for this department. I commend the subject to your consideration for such action as you may deem advisable.

CONSTITUTIONAL AMENDMENTS.

At the last election two constitutional amendments were submitted to the people. One of them, that relating to special legislation, was adopted. This will necessitate the enactment of general laws to provide for those cases and subject matters inhibited by the amendment. The other amendment, that relating to taxation, was evidently rejected because it authorized, among other things, the substitution, in the case of railroad companies, of a mere license fee in place of a tax upon gross

earnings. In 1890 the people declared themselves in favor of this tax by voting to reject Chapter 191 of the General Laws of 1889. There is at present no adequate system of taxation for mining, express, parlor car, and sleeping car companies. Under existing laws, insurance companies, both foreign and domestic, pay a tax of two per cent. per annum upon their gross premium receipts, in addition to taxes upon real estate, in case of domestic companies, and in addition to taxes upon both real and personal property in this State in case of foreign companies. From this source we obtained during the last fiscal year a revenue of \$127,244.25; while from the tax upon the gross earnings of railroads, we obtained a revenue of \$894,091.43 during the same period. Thus from these two sources we obtained a total revenue of \$1,021,335.25. In the light of these facts and in justice to the other tax payers, it would seem to be advisable and sound policy to enact a law proposing an amendment to the constitution, authorizing the levy and collection of a tax upon the gross earnings of all the companies and industries named in the rejected amendment, except such as are now paying these taxes, in addition to taxes upon real estate. A tax upon gross earnings is more remunerative, more equitable and more expanding than a mere license fee, unless such fee is measured by and based upon gross earnings. I believe an amendment of this kind would find favor with the people, and so I commend this important subject to your careful consideration.

GRAIN ELEVATORS AND GRAIN INSPECTION.

Wheat raising is the leading agricultural industry of our State, and it is of such paramount importance that a depression in the same vitally disturbs, more or less, all the commercial and manufacturing interests of our people. Everything, therefore, which pertains to the handling, marketing and transportation of our wheat crop, is not only a matter of the highest importance to our farmers, but is something that concerns every citizen who has our prosperity and well being at heart. In 1885 the legislature, in obedience to public demand, enacted a law for the purpose of regulating and controlling the weighing, grading and inspection of grain at the terminal points of St. Paul, Minneapolis and Duluth, and for the further purpose of regulating and controlling grain elevators and warehouses at those places. That portion of the law relating to weighing,

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grading and inspection, has been utilized and put into successful operation. All that handle grain at these terminal points, avail themselves of this feature of the law. The following table indicates the growth and volume of business in the inspection department, from its origin to the present time :

NUMBER OF CARLOADS INSPECTED ON ARRIVAL.

Crop—	Wheat.	Coarse		Total No. Carloads.
		Including Flax.	Total No. Carloads.	
1885.....	92,886	4,767	97,653	
1886.....	113,923	6,412	120,335	
1887.....	115,215	8,637	123,852	
1888.....	74,068	13,410	87,478	
1889.....	107,979	22,675	130,654	
1890.....	117,141	15,532	132,673	
1891.....	200,081	21,465	221,546	

INSPECTED "OUT OF STORE" INTO CARS.

Crop—	Wheat.	Coarse		Total No. Carloads.
		Including Flax.	Total No. Carloads.	
1885.....	13,414	13,414	
1886.....	24,004	24,004	
1887.....	30,899	30,899	
1888.....	31,210	965	32,175	
1889.....	30,941	5,526	36,467	
1890.....	44,015	6,749	50,764	
1891.....	58,838	9,796	68,632	

INSPECTED "OUT OF STORE" INTO VESSELS.

Crop—	Wheat.	Coarse		Total No. Bushels.
		Including Flax.	Total No. Bushels.	
1885.....	14,518,813	110,967	14,629,780	
1886.....	21,340,663	206,468	21,547,131	
1887.....	16,867,410	206,568	17,073,978	
1888.....	5,561,111	1,428,069	6,989,180	
1889.....	17,416,788	3,575,480	20,992,268	
1890.....	14,807,431	1,792,871	16,600,302	
1891.....	44,187,919	945,265	45,133,184	

And although the fees charged for the service are small—in fact less than anywhere else for the same work—yet the department is more than self-sustaining, and has today a large surplus on its hands, as appears from the following table:

A comparative statement showing earnings, expenses and balances for the several years since the establishment of the department, viz:

Year ending Aug. 31—	Earnings.	Expenses.	Balance on hand.
1886.....	\$63,471.29	\$62,184.90	\$287.20
1887.....	84,401.51	64,731.30	20,597.41
1888.....	90,731.96	81,496.98	30,192.41
1889.....	69,661.57	78,947.99	20,905.99
1890.....	103,204.07	91,961.08	32,148.98
1891.....	109,652.20	98,321.66	43,479.52
1892.....	173,701.75	132,428.22	84,753.05

This large surplus of nearly \$85,000 should be utilized, by being covered into the revenue fund, for which appropriate legislation is needed at your hands. A further reduction in the inspection fees will prevent the recurrence of so large a surplus.

That portion of the law of 1885, which aims to regulate and control grain elevators and warehouses, has through the action of their proprietors, fallen into wellnigh utter disuse, as appears from the last report of the railroad and warehouse commission, to which I call your special attention. . These elevators and warehouses that thus decline to submit to state supervision, all avail themselves of the weighing, grading and inspection provisions of the law, as all grain consigned to them from interior points is weighed, graded and inspected by state officers, and thus while enjoying the benefits, they decline to share the burdens of the law. This is a condition, which, to my mind, calls for immediate and effective legislative remedy. That you have ample and plenary jurisdiction in the premises, is made plain by the supreme court of the United States, in the case of *Munn vs. Illinois*, to which I call your attention.

Under existing law the *weighing, grading and inspecting of grain* by state authority, and under state supervision, is limited to the terminal points I have mentioned, and the city of St. Cloud. The grain, when it reaches these points, is either owned by local or terminal dealers in grain, or by big farmers, who can ship direct from wagon, in carload lots to the terminal dealers. It is these men therefore who, in their deal between each other, have the State as umpire, both as to weights and grades. But the ordinary farmer, he who is unable to ship in carload lots, and is obliged to sell his grain by the wagon load to the local dealers—and most farmers belong to this class—he has no state umpire, either as to weight, grade or dockage. No state weigher, or state inspector is at hand, or can be invoked to right his wrong, if any, but he is remitted to the vague and dilatory remedy of the common law. This discrimination in legislative protection and legislative relief, has always struck me as anomalous and unjust. And therefore, I have always favored, and still favor some plan, neither restrictive nor burdensome, placing all grain elevators and warehouses, doing a public business under state inspection, and state supervision, to the end that the State may effectively, and beneficially mediate between the warehousemen and the farmer.

But in addition to this, the farmer needs prompt and unrestricted facilities for the erection and maintenance of grain elevators and warehouses at all stations and sidings, with necessary side track and switching accommodations, for the same. Years ago, it was the custom among railroad companies to give exclusive privileges to, or to discriminate in favor of particular elevator, or warehousemen. While in most cases the railroads have now abandoned this policy, yet there are still traces of the old evil in some quarters. A notable instance is that of "The Farmers Warehouse Association of Farwell, Minnesota, vs. The Minneapolis, St. Paul & Sault Ste Marie Ry Co.," described in the report of the railroad and warehouse commission of 1891 on page 15. This association, having first applied for leave to erect a grain warehouse on the right of way at the station of Farwell, which application the company, without just cause, denied, then erected the warehouse on their own land contiguous to the right of way, and have ever since,—now more than three years,—been vainly endeavoring to obtain the necessary side track facilities for the same. Such conduct on the part of the railroad company, aside from mere technical law, is unjust and irritating in the extreme, and tends to keep up a state of feeling between the producing and carrying interests of the country, that ought not to exist. The railroad company, in thus obstructing and defying this righteous claim of the association, obstructs and defies the State, for back of the humblest farmer, in a case of this kind, ought to stand the whole dignity and power of the State. It is not for railroad companies to say who ought, or ought not, to have warehouse and side track facilities. All should be put on a footing of equality. All discrimination should be eliminated to the end that untrammelled competition, one of the best regulators, may be secured and maintained. To entail the duty of maintaining grain elevators upon the railroad companies, as has been contended for in some quarters, would tend to give them a monopoly of the business, and thus stifle competition, which is far from desirable. In view of all these facts, to which I have called your attention, I cannot forbear to earnestly recommend that you devise and enact legislation that will promptly and effectively furnish the necessary relief and redress in all cases of this nature.

While Minnesota is rapidly developing her vast mineral resources, and is fast becoming a great manufacturing state, it is still in pursuit of agriculture that a large plurality of her people

are engaged. In those sections where dairy and diversified farming prevails, fair profits, as a rule, are secured, and the farmers are quite prosperous. But where wheat is still the chief crop and main reliance, there, owing in part to the diminished and inferior yield of 1892, and in part to the unusually low price superinduced by a glut in the wheat market, arising from the large surplus of the great crop of 1891, and the generous winter wheat crop of 1892, some depression, though none of a serious character exists. With an average wheat crop, not exceeding eleven bushels per acre, and an average price, not exceeding fifty-five cents per bushel, it is evident that our farmers are to some extent laboring under more than ordinary disadvantages, and deserve more than ordinary attention at our hands. Under these circumstances, it is our duty, and should be our ambition to keep the expenses of our state government, in all its branches, at as low a level as the needs of the public service will justify. And we should repress and eliminate, as far as we can, all that savors of sinecurism, wherever it occurs or wherever it may be evoked. And above all, we should, at this juncture, refrain, except in cases of urgent necessity, from inaugurating or entering upon new plans or new enterprises, involving the expenditure of public money. We can not give our farmers a better yield nor better prices, but we can, at least, aid them to make the burdens of government rest more lightly on their shoulders.

My predecessor has administered the affairs of state economically and with great tact and wisdom, and has placed the public service on a sound and legitimate footing, for which he deserves the gratitude of all friends of good government. I hope I may be able to approximate the high standard of public administration which he has placed before us.

And now, as you and I are about to enter upon the discharge of the duties assigned to us, may we be imbued with that wisdom, which is from on high, and may our labors, under the blessings of the benign Providence redound to the greatness and the goodness of our State and common country.

KNUTE NELSON,

Executive Chamber, January, 1893.