

ANNUAL MESSAGE

OF

GOVERNOR MARSHALL

TO THE

LEGISLATURE OF MINNESOTA,

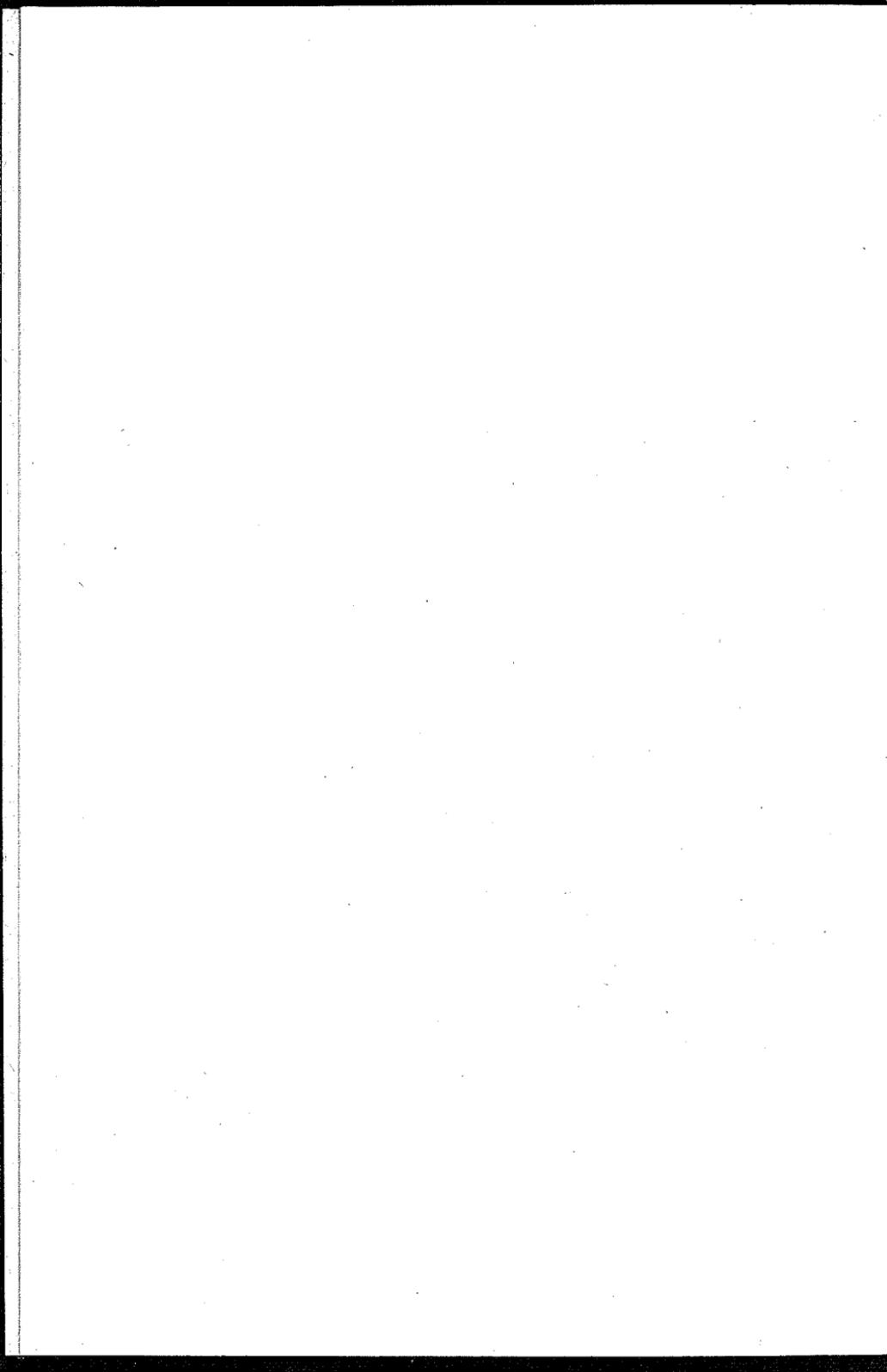
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GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives:

During the year since I last addressed the legislative assembly, the abundant favors of Divine Providence vouchsafed to Minnesota, call for profound gratitude to the Giver of every good and perfect gift.

We have enjoyed peace in all our borders. No pestilence has visited us. Fair rewards have been given labor and industry in all departments. We have made great advances in population and material wealth. The yet higher blessings of extended and improved educational and moral advantages keep pace with our material progress. By the enactment of wise and necessary laws, it is your province to help forward this progress, and to further the development of our fair commonwealth.

In informing you of the affairs of the state government, I lay before you the able reports of the heads of the several departments. These reports will exhibit to you fully and in detail the transactions of the past year, and the present condition of the finances, property and institutions of the State.

1861-41-1 1st

TREASURER'S AND AUDITOR'S REPORTS.

First in order I would direct your attention to the reports of the chief financial officers of the state, the Auditor and Treasurer. You will learn from these that the receipts of the treasury for the fiscal year ending Nov. 30, 1867, were as follows:

From tax for general revenue,.....	\$193,648 30 ⁰
For interest on loans,.....	46,191 62 ⁰
For sinking fund,.....	46,175 79 ⁰
United States direct tax,.....	431 61 ⁰

Total from taxation,..... 286,447 32⁰

From 7 per cent. loan of July, 1867, for state institution build- ings,.....	\$100,250 00 ⁰
From sales and stumpage of school lands,.....	110,227 13 ⁰
From sales of U. S. 10-40 bonds,.....	76,000 00 ⁰
From interest on invested school fund,.....	96,110 94 ⁰
Revenue from railroads,.....	9,373 55 ⁰
Miscellaneous sources,.....	9,312 64 ⁰
Balance in treasury Dec. 1, 1866,.....	68,189 93 ⁰

Total,..... 755,919 91⁰

The disbursements of the treasury were as follows :

For general expenses of State Government,.....	\$199,717 08 ⁰
For buildings for state institutions,.....	134,790 84 ⁰
For payment of interest on loans,.....	25,620 40 ⁰
Land office fees and expenses locating internal improvement lands,.....	4,076 12 ⁰
Investment for permanent school fund,.....	187,000 00 ⁰
Investment for sinking fund,.....	57,125 56 ⁰
General school fund apportioned,.....	91,629 42 ⁰
Premium on bonds,.....	812 10 ⁰
Bounties for destruction of wolves,.....	3,912 00 ⁰

Total disbursements for the year,..... 704,683 52⁰

Balance in Treasury Nov. 30, 1867,..... 51,236 39⁰

755,919 91⁰

Unredeemed warrants at the beginning of the year,..... \$1,849 14⁰

Outstanding treasury warrants Nov. 30, 1867,..... 1,727 59⁰

FUNDED DEBT.

Of the recognized state debt, there was outstanding at the close of the year, the following :

Eight per cent. bonds of July, 1858,.....	\$125,000 00 ⁰
Seven per cent. Sioux war loan, 1862,.....	100,000 00 ⁰
State building loan, July, 1867,.....	100,000 00 ⁰

Total funded debt,..... 325,000 00⁰

During the year one hundred and twenty-five thousand

dollars of the eight per cent. loan of 1858 was redeemed, and a new loan of \$100,000, for buildings for state institutions, made; thus decreasing the bonded debt \$25,000. All the above funds are held by the permanent school fund, except \$16,000, which latter will be purchased as soon as they can be obtained.

REVENUE AND EXPENDITURES FOR 1868.

The resources for 1868 must be had chiefly from collections on the grand tax duplicate of 1866, and from delinquent taxes. The valuation of taxable property for 1867, is about sixty-five million dollars, (returns not complete,) which is an increase of seven million over that of 1866. The present rate of taxation, three mills for general purposes, one mill for interest on public debt and one mill for sinking fund, will produce, taking the collections of last year as a guide:

For state purposes and interest on debt,.....	\$190,000 00
For sinking fund,.....	50,000 00
Estimated collection of delinquent taxes,.....	35,000 00
From other sources,.....	15,000 00
Balance in treasury for state purposes,.....	15,269 00

Gives the total revenue for 1868,..... 305,269 00

As referred to more fully elsewhere, the Auditor does not think it safe to count on our receiving anything within the current year from the United States on account of our war claims.

The Auditor says, a close estimate of the necessary expenditures for the current year required by law, and the estimates of officers for the various state institutions of their current expenses, will be as follows:

STATE GOVERNMENT.

Executive Department of the State,.....	\$ 26,950 00
Judicial,.....	31,900 00
Legislative,.....	35,000 00
Public Printing,.....	17,600 00
Interest on State bonds,.....	22,000 00
State Land Office,.....	2,000 00
Miscellaneous,.....	18,000 00
Total,.....	153,450 00

STATE INSTITUTIONS.

Current expenses of State Prison,.....	\$ 17,000 00
Current expenses of Institute for Deaf, Dumb and the Blind, .	12,500 00
Current expenses of Hospital for the Insane,.....	30,000 00
Current expenses First Normal School,.....	5,000 00
	<hr/>
Total,	64,500 00

Redemption of outstanding warrants, claims subject to draft and deficiencies, are estimated at.....	\$ 32,107 00
Investment required by law for sinking fund,.....	50,000 00
	<hr/>

Total necessary for current expenses of the year,..... 300,057 00

Or nearly equal to the estimated receipts of the treasury, leaving nothing for the estimated building expenses of the several institutions. The appropriations asked for by the several institutions, or already secured to them by laws enacted, are as follows :

Building expenses of State Prison,.....	\$ 23,300 00
Deaf, Dumb and Blind Institute,.....	11,000 00
Hospital for the Insane,.....	100,000 00
For three Normal Schools,.....	35,000 00
State University,.....	7,000 00
House of Refuge,.....	38,600 00
	<hr/>
Total,	214,900 00

It will be seen that while one hundred thousand dollars was borrowed last year for building purposes, one hundred and thirty-four thousand seven hundred and ninety dollars were expended ; thus taking from the general revenues, over thirty-four thousand dollars for this purpose. This excessive expenditure, taken in connection with the reduction of one mill of the general revenue tax last year, accounts for the straightened condition of the finances for the current year.

It will be seen from this exhibit of the Auditor, that whatever appropriations are made for building purposes of State institutions, will have to be provided from resources outside of the ordinary revenues of the state as at present adjusted, or, in other words, by borrowing. I have heretofore counselled a scale of expenditure for the public buildings that would have brought them within the ordinary revenues

of the State, with slight additional taxation. A different policy was inaugurated by the last Legislature, and a loan resorted to to meet the expenses of buildings for the institutions.

The recognized constitutional limit of state loans is \$350,000, (until the war debt of 1862 matures, after which the limit will be \$250,000.)

The debt is now \$325,000. The sinking fund for the current year will cancel \$50,000 more of the loan of 1858, so that the State can borrow within limits, say from \$75,000 to \$100,000. Within this amount the aggregate appropriations for building purposes must be brought, thus unavoidably cutting down the sums asked for by the different institutions.

You will, I trust, by appropriate and faithful committees, enquire into the needs of the several institutions, before making appropriations for any, and thus be able to decide which, and how much, any or all, shall be curtailed in their estimates.

I may be allowed to suggest that the State Prison which has had the longest existence of any state institution, and had the largest appropriations in the aggregate, may perhaps more justly than any other do without any, or at least, with a very small appropriation for building purposes and improvements this year. Indeed, prisons in many of the states are self-sustaining, or sources of revenue to the state. It is time that our prison was approaching this character, or at least not demanding constant appropriations for building purposes.

RETRENCHMENT.

I cannot too strongly urge upon your consideration the necessity of the strictest economy consistent with public requirements in every branch of the public service. The facts presented by the financial reports speak loudly for frugality in respect to every expenditure, care in every appropriation and retrenchment wherever it can justly be effected.

SCHOOL FUND.

The additions to the permanent school fund last year were \$253,871 44.

The fund now amounts to \$1,587,210 78; 246,126 acres of lands had been sold up to the close of the last fiscal year.

The school lands of the state, when all the public lands are surveyed, will amount to about 3,000,000 acres. The fund ultimately to be derived from these lands will, with a continuance of the present prudent and successful management, amount to fifteen million dollars, exceeding the united school funds of Massachusetts, New York and Ohio. There is nothing in the past history or future prospects of the state for which we have so much reason to rejoice and be thankful as for this unequalled endowment of common schools, this munificent provision to endure through all coming time for the free education for every child in the state.

SECRETARY OF STATE.

I would direct your attention to the concise and perspicuous report of the Secretary of State, the recommendations of which commend themselves to my approval. The inconvenience that may arise from certain features of the present law in relation to the public printing, are clearly indicated and should be remedied. The recommendation that the general laws should be published in *all* the newspapers of the state is obviously just. Under the present statute, they are published in at least nine-tenths of the journals of the state. Surely the readers of the few excluded journals should not be denied the same advantages, of knowing the laws, given the patrons of the more favored journals.

Other judicious recommendations are made in the report.

PUBLIC INSTRUCTION.

I commend to you the very able report of the State

Superintendent of Public Instruction. In the extent of the information which it gives concerning common schools, and in general the educational interests of the state; the evidence it gives of intelligent and laborious effort on the part of the Superintendent to awaken interest in and to promote the efficiency of all the public instrumentalities of education; in its valuable suggestions of the deficiencies of our laws and practice, and of remedies and improvements, it will, I am sure, commend itself to your high approval, and vindicate the wisdom of the law that gave separated existence to the department of public instruction.

The report presents a gratifying exhibit of increase of educational facilities in the state.

The increase during the year in number of organized school districts is 209; the total number of districts being 2,207. The number of districts not reporting in 1867, is 172, being forty-five less than failed to report in 1866. The whole number of children between the ages of five and twenty-one years as returned is 114,421, being an increase of 12,303 on the number in 1866. The Superintendent estimates that the number of children not returned would make the total number of the state 125,000.

The whole number attending school in 1867 was 65,807, an increase of 13,054 on the number the year before.

The whole number of teachers employed in 1867, was 2,585, being an increase of 428. The sum paid teachers in 1867, was \$254,986, an increase of \$85,840.

The value of school houses in 1867, was \$746,291. The number of school houses built in 1867, was 337. Owing to the imperfect returns, these figures fall short of the facts.

The sum apportioned from the general state school fund in 1867, was \$91,906, an increase of \$13,407 over the year before.

The amount raised by the two-mill county tax, and disbursed by the counties, for the year, is estimated at \$144,935, an increase of \$29,000. The whole amount of tax voted by districts in 1867, \$225,672; increase over 1866, \$136,651. Whole amount expended for school purposes in 1867, \$736,532, being an increase of \$229,221.

The balance of school funds in district treasuries Sept. 30, 1867, was \$50,557.

There have been erected or completed during the year, new school houses costing, in the aggregate, \$331,219. It may safely be claimed that this is an exhibit, that of the kind has never been surpassed by any state in the Union, due allowance being made for the age, population and wealth of Minnesota. It is a fact of which we may justly be proud.

School buildings have been erected at Winona, Minneapolis, St. Anthony, Red Wing, Rochester and Faribault, that would grace the wealthy cities of the East. They are splendid monuments of the enlightened enterprise and liberality of the people. Buildings of less note, but comparatively as good, have been erected at many other places. These are not among the least attractive features of our state to strangers, and are an inducement in each locality to increase of immigration and capital.

I will not detain you to call attention to the many valuable recommendations of the Superintendent. I trust, that, as presented in the report, they will receive your thoughtful attention.

I endorse the statement of the necessity for a clerk for the Superintendent. The usefulness of the Superintendent and the department will be very greatly increased by the assistance of a competent clerk.

No interest of the state can claim so high consideration as the education of our children. All other interests could be neglected with less injury than this. But I am sure no words of mine are needed to give weight and effect to the eloquent plea of the report in behalf of this great interest and duty of the state.

NORMAL SCHOOLS.

The reports of the President of the Normal School Board, and of Prof. Phelps, Principal of the Normal School at Winona, give information of that state institution. They show the continued and increasing usefulness of the school. The

number of students is 87; the attendance in the model classes 171. Many applications for admission have been refused for want of room.

The spacious building for which appropriation was made last winter, is under contract to be enclosed by next September.

The citizens and City Council of Winona have made liberal donations, in all amounting to twenty-five thousand dollars, which enabled the board to carry out the original plan of the building.

In this connection I feel it a duty to refer to the death of Dr. J. D. Ford, of Winona, late President of the State Normal School Board, to whom the state owes a lasting debt of gratitude for unwearied labor in the interest of education. His death is a public loss.

The Superintendent is advised that the corporate authorities of Mankato have taken steps to provide the five thousand dollars, required by sec. 5, chap. 37 of the statutes, as the condition upon which the state would make appropriation for opening the Second Normal School provided by law. I am unofficially informed that similar action is being had in the case of the Third Normal School located at St. Cloud. Commensurate with the interest and co-operation of the localities and the growing wants of those sections of the state, the Legislature should meet its obligations in this behalf. These schools are not the growth of a single year, nor can they be called into existence by mere appropriations. Only by the earnest and effective labor in their behalf of friends of education where they are located, can they be developed.

STATE UNIVERSITY.

The preparatory department of the State University has been organized during the year and fifty students have entered the different courses. Prof. W. W. Washburn, a graduate of the Michigan University, and who comes highly recommended, has been chosen as Principal of the school, assisted by Professors G. Campbell and I. Moore. An au-

spicious beginning has been made, that under the fostering care of the Legislature, it is confidently hoped will be developed into an institution that will rank with the first of the land, and not only secure to the youth of our own state the highest facilities for intellectual training, but shall, with the natural attractions of our climate and scenery, bring students from afar.

The very able and successful financial management of the institution, under the present Board of Regents, relieving it of over one hundred thousand dollars of debt, and saving over thirty thousand acres of land that was at one time supposed to be lost, entitle Messrs. Pillsbury, Nicols and Merriman to the lasting gratitude of the state, and commend the suggestions of their report, in regard to the future of the institution, to your grave consideration.

They recommend, among other things, for the higher usefulness and success of the University, as well as for the effective accomplishment, in their judgment, of the objects of the Congressional Agricultural College grant, that the latter grant be united with the endowment of the University, the charter of which provides for an agricultural department. The precedent and example of most, if not all, the New England States, in disposing of their agricultural college grants, is in favor of this plan.

AGRICULTURAL COLLEGE.

I would call your attention to the report of the State Agricultural College Board.

The Board exists by virtue of the provisions of title one chapter 35 of the statutes. Since the last meeting of the board, my attention has been called to the fact that the act of March 2d, 1865, the 19th section of which appropriated five thousand dollars to carry into effect the provisions of the act, was repealed by express provisions of the Revised Statutes of 1866. The act of 1865 is substantially re-enacted in the Revised Statutes of 1866, except the section making the appropriation. The board have been acting under the belief that the five thousand dollars appropriated in 1865 was at their disposal.

Their action in appointing a committee to visit the institutions of other states to gain information in regard to the disposition made of the Congressional grant for agricultural colleges, and the condition and prospects of colleges of this class organized in other states, will not be carried out without your sanction in the way of an appropriation.

It seems to me that something of this kind ought to be done to get information for the guidance of the state in disposing of the agricultural college grant. If the Legislature shall not at the present session be able to determine the question of disposing of the grant, I recommend the confirmation of this action of the board, or the appointment of one or more commissioners to make inquiry and report to the next Legislature.

There are such conflicting views as to what is best to be done, that I fear we shall not arrive at conclusions and take definite action without such information.

REPORT OF THE ADJUTANT GENERAL.

The brief yet clear report of the Adjutant General, indicates the work of that officer during the year.

Of soldiers' claims, 761 presented by that office, amounting to \$94,142.57, were collected at Washington and paid to claimants, leaving 2,675 still pending. 1,596 new claims were prepared and forwarded during the year.

I commend to your favorable action the suggestions of the report.

The publication of the appendix to the report of 1866, which gives the military history of each soldier from this State during the late war, was delayed by the printers until late in 1867. It is an invaluable record of the noble men who stood between us and the dishonor and dismemberment of the nation, and destruction of free government. Alas! that opposite the names of so many of these devoted men there is the brief, sad record, "Died in the service," "Killed in battle!" Yet these are glorious in the associations of such imperishable names as Gettysburg and Nashville, and the other memorable fields where their blood was poured out a

free offering that we who live, and all who shall come after us in this beautiful land, shall enjoy the infinite blessing of free and equal government.

The national government has not yet discharged its reasonable duty in the matter of equalizing bounties and giving adequate pensions. I recommend a memorial to Congress on this subject.

There is a considerable number of soldiers suffering from disease of the eyes, contracted in the service, rendering them very helpless, and requiring the professional skill and advantages that can only be obtained at well organized eye and ear infirmaries, none of which are established in Minnesota. There is a charitable institution at Chicago, specially endowed for this purpose, where no charge is made for treatment, only the board of patients is required while they are under treatment. Wisconsin and Illinois, by their legislatures, have appropriated sums to meet the expenses of patients at this infirmary. I recommend that four hundred dollars, or so much as shall be required, be appropriated for the benefit of Minnesota soldiers at this infirmary. This will afford relief to many very helpless and sorely afflicted ones.

It has been a subject of much thought with me to know in what way the state could consistently supplement the action of the national government in providing for the - abled soldiers and the widows and orphans of soldiers.

The comparatively small number of soldiers in this state who are rendered indigent by disabilities would not warrant at present the establishing of a soldiers' home. From their own efforts and pensions they prefer to support themselves, rather than resort to a charitable institution of this kind. For such as would avail themselves of institutions of this kind, the national asylum at Milwaukee, is accessible. Nor would any institution of this kind in our state meet the wants of widows or orphans.

Of one thing I have thought, which I believe would be grateful to soldiers: An appropriately engraved certificate, issued under the seal of the state, to every soldier who enlisted from this state, and received an honorable discharge. This certificate could show the campaigns and battles in

which the soldier served. It could be a brief history and testimonial of his service, and something that with just pride the soldier could preserve and hand down to his children.

The discharge papers which private soldiers receive, contain no statement of battles and marches—no history of the soldiers' service, beyond dates of enlistment and discharge. They are frequently lost, and required to be transmitted through the mails as evidence for bounty and other claims. The state certificate would be of different character and value, and less liable to be lost. I recommend the small appropriation necessary to carry this into effect.

STATE LIBRARY.

I commend to your favorable consideration the statements and recommendations contained in the Librarian's report.

A larger annual contingent is required to meet the expenses of exchanges with other states. If it were possible, additions should be made to the law library.

I recommend that the large accumulations of unbound newspapers be transferred to the historical society for preservation.

STATE PRISON.

The reports of the Inspectors and Warden of the State Prison show satisfactorily in regard to the condition of this institution. The discipline of the prison has been excellent. The number of convicts at the beginning of last year was 35. The number received during the year was 36. Of this number 25 were discharged, and one died, leaving the number of convicts at date of report 45. A new and commodious shop was erected at a cost of \$9,383.75, for which an appropriation of \$7,000 had been made. The prison yard was extended, at a cost of \$2,101.44, for which no appropriation had been made.

New cells were erected and furnished at a cost of \$8,650.53, for which an equal amount had been appropriated.

The salaries and current expenses of the prison were \$18,259.18, for which \$16,054.59 was appropriated.

The necessity and advantages of the improvements are set forth in the report.

The total expenses of the prison for all purposes during the year were,	\$36,543 05
Appropriations,	29,593 58
Deficiency,	6,949 47

In this connection let me say these deficiencies are a growing evil, and should be checked. The appropriations for building purposes for the prison were exceeded by some four thousand dollars. Deficiencies will unavoidably arise in the current expenses of an institution. These expenses cannot always be accurately estimated; but when specific appropriations are made for specific purposes, the expenditure should only in extreme cases ever exceed the appropriations, and improvements not authorized by law should not be made in advance of appropriations.

Without wishing to reflect upon the Inspectors and Warden in this matter, (for they may satisfy you that their action was warranted by exceptional circumstances), I wish to indicate a general rule that should be applied to all State Institutions.

I would recommend that all staple supplies for the State Prison, the Hospital for the Insane, Institute for the Deaf and Dumb, and the Blind, and House of Refuge, be purchased by contract from the lowest bidder, after the manner of army supplies.

THE HOSPITAL FOR THE INSANE.

The report required by law from the Trustees of the Hospital for the Insane, has not reached me. I am informed that it has been delayed, under a misapprehension of the law, but will be prepared and transmitted to the Legislature in a few days. In the absence of this report, I cannot understandingly speak of the transactions of the Board the past year, or their plans for the future.

The Superintendent of the hospital, Dr. Shantz, advises me by letter that during the year ending Dec. 1st, there had

been treated ninety-seven patients, of which number ten had recovered and been discharged; two had died and eighty-four remained. Since Dec. 1st more patients had been received, and the number Jan. 1st was ninety-five. The greatest capacity of the temporary hospital is one hundred. From fifteen to twenty applications are now pending. Dr. Shantz estimates the number in excess of accommodations, that will require treatment during the year at from forty to fifty cases.

It is to be regretted that the commencement of a state institution for the insane was not made years ago. It now seems almost impossible to provide for and keep pace with the large and rapidly increasing number of these most unfortunate of all our helpless and afflicted ones. One year ago the Trustees had provided accommodations for fifty patients. The past year additional buildings have been supplied, making the capacity one hundred. This is now filled and numbers will be denied admission during the current year. I urged upon the Trustees in 1866 that they should commence a permanent building of more ample capacity, and of a style that could be speedily constructed and added to in sections, as increasing wants should require. They then thought that temporary buildings could be made to answer for several years. The mistake is now apparent and much time has been lost.

In the absence of a report from the Trustees, I cannot judge of what they have done. It will be your duty, by appropriate committee, to make a thorough examination of the institution and of the measures taken to supply its wants. I can only urge that according to the means of the state, adequate provision be made for the insane.

The Auditor recommends a change in the law respecting the accounts of the hospital.

That the Judge of Probate in deciding applications for admission to the hospital, should enquire into the pecuniary circumstances of the person, and determine whether the patient should be a public or private charge, and the accounts opened accordingly with the friends of the patient or the state; and not as now, whether public or private, to send

accounts to the counties for collection, which, in most cases, are neglected by the county officials.

INSTITUTE FOR THE DEAF, DUMB AND THE BLIND.

The report of this institution makes a very satisfactory showing. The new building, ample for all present needs of the state, is about completed, and its cost has been brought within the means appropriated.

I feel it a duty to commend especially the wise and economical management of this institution. There are balances left over, as shown by the report, from both the building fund and the appropriation for current expenses.

The only departure from strict economy is in the somewhat voluminous character of the report. The number of pupils in the deaf and dumb department is twenty-seven, in the blind, four.

Without dwelling upon the several recommendations of the report, I commend them to your consideration. It is a noble charity, in good hands, and should be adequately sustained.

HOUSE OF REFUGE.

The first annual report of the board of managers of the house of refuge is laid before you. An advantageous site and buildings have been purchased for the institution. Improvements in the building have been made, adapting it to the use of the institution, and the managers indicate that it will speedily be ready to receive inmates.

There can be no nobler charity than that which takes the young and erring and leads them back to a life of virtue and usefulness. Thus protecting society and saving the individual. It is the prevention of vice and crime—for less expensive than to take care of the adult criminal. This is what this institution aims to do, saving juvenile offenders from the contamination and sure destruction of association in our prisons with hardened criminals.

The conditions and objects of the institution are fully

set forth in the report. While I think the appropriations asked for should be greatly curtailed, I commend the institution to your fostering care.

The law creating the institution needs considerable amendment, as indicated in the report, and the power of the Board of Managers, as an independent corporation, should be curtailed.

THE HISTORICAL SOCIETY.

I transmit herewith the annual report of the Minnesota Historical Society.

The report shows very gratifying progress made by the society the last year. The law of 1856, which secured to the society an annual appropriation of \$500, was repealed by the revised statutes of 1866. It is thought that this was an oversight. The officers of the society had no intimation of the repeal until recently, and the appropriation was continued last year as usual. Without some aid from the state the society will be unable to continue its successful work. I commend to you the suggestions of the report.

FRONTIER DESTITUTION.

Among the south-western frontier settlements of the state, and to less extent along the border settlements to the Sauk Valley, there was developed at the beginning of the planting season last spring a great scarcity of subsistence for the people and seed for planting. The chief causes appear to have been the advance beyond the older and productive settlements in the year 1866, of a class of settlers who were wholly dependent on the crop they should raise the first year—the year of their settling. Many of them arrived so late that the earlier frosts of that year cut off their crops. The long winter of '66-67 exhausted the resources of these people—compelled them to use their seed grain for subsistence, and left them helpless for the future. I was appealed to to afford relief, both in the way of subsistence and seed for planting. The counties where this

destitution existed, were either quite new or unorganized, and through their officials, where organized, plead their utter inability to provide relief. It seemed clearly my duty, under these extraordinary circumstances, to take the responsibility and to give the means of the state to relieve these people. I did so, and to the amount of \$6,940 32, money was irregularly paid out of the Treasury for this relief, besides a thousand dollars from the executive contingent. Your action is needed to legalize this advance of money by the State Treasurer.

A full and particular statement of the disbursements of this fund, with the vouchers given for it by the several counties, and of committees and individuals, is herewith transmitted for your information and guidance in legislating upon the subject.

I sought to establish some system of accountability and responsibility in the disbursements of this fund, by making the advance from the state to the county authorities, the counties in turn advancing to the towns, and the towns to the individuals needing the relief. Where there was no efficient county and town organizations, of course I could only reach the suffering through local committees and individuals. My acknowledgments for assistance in this matter are especially due to Messrs. L. Gorton, R. Richardson and — Lewiston, committee at St. Cloud; to Messrs. G. K. Cleveland, J. C. Wise and Thomas Marshall, committee at Mankato; and to Col. Samuel McPhail, of Red Wood county.

If without encouraging unnecessary appeals to the state for assistance of this nature, you could relieve the counties, which are all new and poor, of the obligation to reimburse the state treasury for these advances, it would be an act of consideration and justice to do so. I submit the whole subject to your charitable judgment and action.

INDIAN AFFAIRS.

Happily our borders have been entirely free during the past year from any Indian incursions or alarms.

To Brevt. Maj. Gen. Terry, commanding the department, and to Brevt. Brig. Gen. Alexander, commanding the district, and the officers and men of the Tenth Infantry, we are indebted for the efficient measures protecting our frontier and the route westward to the Upper Missouri.

I learn that the remnant of hostile Sioux beyond Devil's Lake, have come in to that post this winter in abject want and humility, and that U. S. Agent Thompson has promptly taken measures to secure peace with them.

It is now confidently believed that an end has been put to Indian hostility this side of the Missouri river.

The last year has witnessed the opening of a mail route from Fort Abercrombie to Montana without molestation from Indians. An inferior sort of service has been performed in the beginning, but it is understood that facilities for transporting passengers will be introduced.

IMMIGRATION.

An act of the last Legislature appropriated ten thousand dollars to promote immigration, and created a board of immigration commissioners, "to do every thing which may enhance and encourage immigration to the state." The board consisted of the Governor, Secretary of State, and a third person to be appointed. Col. Hans Mattson, of Goodhue county was appointed and confirmed as the third member. He acted as secretary and active member of the board. The report of the board, prepared by Col. Mattson, with minor reports of agents employed by the board, will be laid before you, with other executive documents, showing fully the action of the board.

Sixty thousand immigration pamphlets in different languages were published and distributed by authority of the commissioners.

Agents were employed in New York, Quebec and Milwaukee during the period of active immigration.

The conclusions arrived at from the year's experience and observations, are that agencies are of comparatively little use, and that the most effective means of promoting immi-

gration, are the publication through pamphlets and newspapers of information setting forth the advantages of the state as a home for immigrants. To reach and influence effectively foreign immigration, this work will need to be done in the countries from which the immigrants come.

I commend to your consideration the views and suggestions of the several reports.

If it were not that other new states are putting forth efforts to control and direct immigration to their territory, I should be inclined to forego any direct effort in behalf of our state, and to leave to the slower, but sure operation of spontaneous causes, the increase of population and development of the state. As other states are actively competing, it is probably our duty to do something to secure our just share of immigration, which might otherwise be diminished.

STATE RAILROAD BONDS.

In my last annual message, I recommended that the 500,000 acres of internal improvement lands should be set apart to provide a sinking fund, to save the people from taxation to pay whatever should ultimately be decided to be due the holders of the so-called state railroad bonds.

This suggestion was by the last Legislature embodied in an act for submission to the people at the late election, coupled, however, with a provision devoting also to the payment of the bonds, the revenue which the state receives in lieu of taxation from the several land grant railroad companies, which latter proposition involved taking money from the treasury, for the payment of the bonds, that would otherwise go to lessen the present burdens of taxation.

This proposition was regarded by the people as involving "payment of the bonds beyond the just obligation of the state, and taxation for which the people were not prepared." The result of the vote on the question shows an overwhelming majority against the joint proposition.

I have seen no reason to change my opinion that the best interests of the state would be subserved by using these lands as a reserved security against taxation for any amount that may hereafter be agreed upon as justly due the bondholders.

I do not feel called upon to make other recommendations to you, who have just come from the people before whom this matter has been so lately discussed, further than to commend to your thoughtful consideration the able exposition of this question, in all its bearings, given by the State Auditor, and the plan he proposes by which the lands could be made to cancel the entire debt.

ACKNOWLEDGMENT OF E. F. DRAKE'S SERVICES.

I would call your attention to the fact that no compensation or proper acknowledgment has been made by the Legislature to E. F. Drake, Esq., to whom the state is indebted for the investigation that secured the recognition of the right of the state to the 500,000 acres of internal improvement lands. I trust proper action will be taken in the matter.

RIVER SURVEYS AND IMPROVEMENT.

Under the able supervision of General G. K. Warren, the surveys by the General Government, of the Mississippi and Minnesota Rivers, have progressed and nearly reached completion. Under the appropriation of \$50,000, made by the last Congress, for the improvement of the Minnesota River, contracts were let for removing snags and boulders. This work, begun in August, was in progress up to the close of navigation, and the channel of the river where most obstructed greatly improved.

I recommend that you memorialize Congress in support of the recommendation made by Gen. Warren in his report of Sept. 14th, 1867, to the Government, as follows:

For continuing the survey of the Mississippi above Rock Island,	\$ 50,000
For operating snag and scraper boats, and for experimental dams on Mississippi River,.....	46,000
For dam and lock at Little Falls, Minnesota River,.....	60,000
For dam and lock at Mecker's Island, Mississippi River,.....	235,665

Gen. Warren says in his report: "The item for a dam and lock at Little Falls, Minnesota River, is for an improvement demanded beyond any question, and the benefit of the

amount appropriated for removing the snags and boulders will be very imperfectly realized, unless the Falls are also made navigable."

RAILROADS.

During 1867, railroads were extended as follows :

	MILES.
Minnesota Central & McGregor Western, from Owatonna to State Line at LeRoy,.....	60
Winona and St. Peter, from Owatonna to Waseca,.....	15
Minnesota Valley, from Belle Plaine to LeSueur,.....	20
First Division St. Paul and Pacific Main Line, from Minneapolis to Lake Minnetonka,.....	16
First Division St. Paul and Pacific branch line, from St. Cloud to Sauk Rapids,.....	5
	<hr/>
Total construction of 1867,	116
Previously in operation,.....	315
	<hr/>
Total miles in operation in the State,.....	431

NORTHERN PACIFIC RAILROAD.

This great national work in which Minnesota has a large local interest, has not yet received that recognition and aid from the National Government which its importance and great usefulness demand, and which is indispensable to the early accomplishment of the undertaking.

Surveys have been made both from Lake Superior westward as far as the Red River, and from the Pacific coast to the mountains, the past year. Men and corporations of great ability have taken hold of the enterprise, and it needs only the loan of the government credit to put it in rapid progress. Its great benefits to Minnesota in traversing and developing the northern section of the state, as well as its trans-continental business, warrant you in again memorializing Congress in behalf of aid to the enterprise.

CONNECTION WITH THE UNION PACIFIC RAILROAD.

Direct connection of Minnesota with the great Union Pa-

cific Railroad now in operation over five hundred miles west of the Missouri river, is greatly desirable. The law of Congress giving aid to the Union Pacific provided for a branch to Sioux City. An extension of that branch through Minnesota to the head of Lake Superior would give the shortest route from the Great Lakes to the Mountains. I recommend that you memorialize Congress in support of a movement already made by our delegation in behalf of aid to this enterprise.

LOGS AND LUMBER.

Reports of the Surveyors of Logs and Lumber for the First, Second and Third Districts, herewith transmitted, show the amount of logs scaled in 1867, as follows :

First District,	149,562,218 feet
Second District,	113,867,502 "
Third District, (none scaled,).....	
Total,	263,429,720 "

There are no reports from the other districts. The estimated value of these, \$2,107,976.44. An estimate of the Surveyor of the Second District gives the amount of lumber manufactured in that district during the season of 1867, at 79,146,000 feet. Estimated from unofficial sources, the aggregate value of the lumber trade of this state for the year 1867, is \$3,625,135.

POPULATION OF THE STATE.

Without any official data, the increase in population can only be estimated. The immigration of the year is quite reliably estimated at fifty thousand. Add to this the natural increase, and if the estimate of a year ago was correct,—340,000,—it can not now be much less than four hundred thousand.

ACCOUNTS WITH THE UNITED STATES.

The expectation expressed in my last message, that the

claims of the state against the United States for Sioux war expenses, and equipping volunteers, would be settled and paid to the state during the last year, have not been realized. The Auditor's report will fully explain the difficulties in the way of establishing these claims to the satisfaction of the accounting and disbursing officers of the United States. It is probable that resort will have to be had to Congress for a special act for the settlement of these claims, having regard to their equitable character, and waiving the usual formulas of vouchers and technical proof. The Auditor expects to go to Washington soon after your adjournment, to make a final effort to settle with the department. That failing, an immediate resort will be had to Congress. These claims amount to nearly one hundred and fifty thousand dollars. The failure to realize from them the past year made a serious difference with financial estimates of last year for the decrease of the bonded debt, and no calculation can safely be based on them for the immediate future.

HOMESTEAD TAXATION.

The State Auditor calls attention to the embarrassments respecting taxation of lands held under the United States homestead law. Under the opinion of the late Attorney General Cole, the Auditor directed that these lands be assessed and taxed. The settlers generally have refused to pay the tax, and there being no express law of the state requiring the assessment of these lands, the assessors in many of the frontier counties have disregarded the instructions of the Auditor. The question of the right of the state to tax these lands should be duly considered by the Legislature, and an express directory law relating to it passed. It is less a question of justice than of legal right. The taxes collected on these lands would enure chiefly to the local benefit of owners.

I would direct attention to the recommendation of the Treasurer's report in respect to the revenue from railroads.

It is recommended that reports from the several companies be made to the State Auditor, and payments be made semi-annually.

PUBLIC LAND SALES.

The evils of public sales of United States lands and the rapid absorption of public lands by college scrip, and in other ways by non-residents, still continues. I again recommend that you memorialize Congress on this subject, praying that no lands may be sold except to actual settlers.

TRIBUTE TO TREASURER SCHEFFER.

I feel it a duty to refer to the retirement from office of the late Treasurer, Charles Scheffer.

Mr. Scheffer entered upon the duties of the office eight years ago, when the finances of the state were at the lowest ebb, the treasury exhausted and heavy demands against it. It was largely due to his ability and fidelity that the credit of the state was speedily restored, and through all the trying years since has been steadily maintained, and a creditable balance shown on his books at the end of each year. I am sure that I not only express my own feelings, but those of all other state officers with whom he has been associated, in saying without disparagement to his worthy successor, that we part with Mr. Scheffer with sincere regret.

DEATH OF GOV. ANDREW.

It seems fitting that I should give expression to what, I am sure is felt even here in Minnesota, as a national loss, the death during the past year of ex-Governor John A. Andrew, of Massachusetts.

It will not be regarded as any disparagement to the other noble men who were at the head of affairs in the loyal states, during the dark and trying time of the late war, to say that Gov. Andrew was pre-eminent in patriotic zeal and ability. He combined in his character rare qualities fitting him for public usefulness. Stricken down in the meridian of life, he has left behind him few equals in broad, philosophical statesmanship, philanthropic sympathy and devoted patriotism.

AMENDMENT TO THE ELECTION LAWS.

The late election developed defects in the registry law and laws regulating elections and election returns. I recommend a careful inquiry into their defects and any frauds perpetrated under them, and such amendment to the laws as this inquiry shall suggest.

Next to treason, there can be no higher crime against the state than to violate the sanctity of the ballot box as the arbiter of the will of a free people. He who commits this crime, under whatever pretext, should suffer punishment commensurate with the danger to our free government. If elections are not to decide justly every question under our laws submitted to the people, our form of government is a failure.

I recommend that you make it one of the penalties of the law against illegal voting, or making fraudulent election returns, that the offender shall, upon conviction, be disfranchised, and forever after, in this state denied the right to vote or hold office.

IMPARTIAL SUFFRAGE.

The amendment to the constitution striking out the word "white" as a qualification of electors submitted at the last election, failed of adoption by minority of 1,315 votes in a total vote on the question of over 56,000. Two years ago when the same question was submitted it failed, lacking 2,327 in a total vote of 26,000, showing a very considerable advance of sentiment in favor of equal political rights for all men.

This question involves a principle vital in free government. It will triumph. I recommend that you again submit the question to the people.

"For freedom's battle once begun
* * * * *
Though baffled oft, is ever won."

It is a proud record of any party or any people that they espouse the cause of the oppressed and despoiled—that they

respect the rights of the weakest and humblest. It will be a proud day for Minnesota when she shall, by popular vote, remove from her constitution the disfranchisement of a class—having its origin in the prejudice of cast growing out of the enslavement of a race—from whom she demands and has received the honorable service of the soldier, and whom she taxes without representation.

NATIONAL AFFAIRS.

In my last annual message I referred to the then pending amendments to the Constitution proposed by Congress as the terms on which the states, that had forfeited all rights in the Union by rebellion and war, might again enjoy those rights, and I expressed the hope that the rebellious states would accept and ratify the amendment and be speedily restored to full participation in the national government.

I regret that such hope was disappointed. With the exception of Tennessee, the rebellious States rejected the more than liberal terms offered. Congress has since sought to establish just civil government in the South, and under the administration of Sheridan and other patriotic and fearless commanders, the work of reconstruction was auspiciously begun. The President, whose fatuous course has multiplied the evils and prolonged the self-inflicted sufferings of the erring and unfortunate people of the South, by removing these commanders, seeks to defeat the work of reconstruction, He cannot defeat it; he may delay it during the few brief months that remain to him of official power.

Without lowering the standard of equal human rights so much as a hair's breadth,—still firm in its resolve to re-establish the government on the everlasting foundations laid for it in the principles of the Declaration of Independence,—the great Union party that maintained the integrity of the Government against the deadly assaults of treason and rebellion, is advancing; and under the leadership of him to whom the unerring popular instinct points as the man for the hour—under him who led our armies to final triumph on the battle-field—will march on resistlessly to

the consummation of its victories, by the rescue of the executive department of the government from the perverse and reactionary influences which now control it; and then, when all the powers of the government are wielded for the protection of loyal men and the vindication of the great principles of liberty, and not till then, will the great work of restoration be accomplished.

WM. R. MARSHALL.

ST. PAUL, Jan. 10, 1868.