

ANNUAL MESSAGE

OF

GOVERNOR RAMSEY

TO THE

LEGISLATURE OF MINNESOTA.

DELIVERED JANUARY 9TH, 1862.

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GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives :

The representatives of one of the youngest States of the American Union, you are assembled, at the most eventful, and perhaps most critical period of American history, to take your share, not without its importance or influence, in the grave responsibilities which the National peril imposes on the authorities of every State.

Since I last had the honor to address you from this place, secession, then regarded as an impotent threat of a few disappointed politicians, too causeless in its motives and too monstrous in its aims, for serious persistence, has developed into the most gigantic rebellion of modern times. Eleven States have renounced the authority of the Federal Constitution ; and more than half a million of our fellow citizens, then following the peaceful pursuits of life, are now arrayed in arms against the nearly equal hosts of the rebellion. War rages, by land and sea, along three thousand miles of American territory, and we stand upon the brink of events that may decide the fate of the Republic and of the human race on this and every other continent.

All purely local objects of legislation sink into insignificance beneath the shadow of this stupendous national calamity. The peril which menaces the fabric of the Federal Government involves the institutions and the destiny of every State.

The Constitution, under which the youngest and poorest is the peer of the oldest and wealthiest member of the Confederacy, imposes equal obligations upon all. While our brave regiments rank among the foremost of the country's defenders in the field, it should be the care of those entrusted with the direction of affairs at home to curtail every unnecessary expenditure ; to improve every resource and husband every element of strength which will enable us to give the most effectual support our limited means will permit to the national cause.

While this unprecedented condition of affairs will invest your delibera-

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tions with unusual importance, the law, as well as the necessities, of a tax burthened community, necessarily place a limit to your session, and will suggest to you the expediency of proceeding immediately to the consideration of the grave questions growing out of the present emergency. I shall be most happy to co-operate with you in a speedy disposition of the business of the session, and feel assured that I may rely upon your best counsels in the discharge of the important and often delicate duties which devolve upon the Executive in these peculiarly difficult times.

We have cause to felicitate ourselves that, in spite of the still visible effects of the financial prostration of 1857, and the enormous pressure of the war upon the resources of the nation, the State of Minnesota has continued her onward progress in population, wealth, agriculture, and in nearly every department of industry and social improvement. It is scarcely less indicative of the elastic energy of our people, than it is honorable to their loyalty, that, having made the first tender of armed aid to the General Government, upon the fall of Sumter, in April last, our State was among the first which furnished their full quota of the half a million men called by the General Government to the national defence.

Notwithstanding the force we have sent beyond our borders, in military array, our population, by the best data, has increased from 172,000 in June 1st, 1860, to over 200,000 souls. Our farmers in three years have nearly doubled the dominion of the plough and the reaper. In place of importing a part of our own food, our exports of grain have swollen, in the same short period, to three or four millions bushels. In the mean time the expenses of the State Government have been reduced more than one-half; the State tax has been lessened twenty per cent, while the taxable property has largely increased; the county and township organizations have been placed upon a far more economical and efficient basis; the interests of public instruction have been organized and stimulated by an effective supervision; the public credit has been maintained; the people have been educated by the stern discipline of necessity to habits of economy and industry; our State has become, or is rapidly becoming known abroad as the synonym of health and plenty, and the foundations are being securely laid in our civil and social economy for a career of solid and enduring prosperity when trade and business shall have resumed their ordinary channels.

The annual report of the Auditor, Treasurer, Superintendent of Schools, Secretary of State, Attorney General, Adjutant General, Commissioner of Statistics, Librarian, Warden and Inspectors of the State Prison, Regents of the State University and Register of the State Land Board, are herewith transmitted. Next, to the simplicity, scope and thoroughness of the depart-

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mental organization, no feature engrafted by recent legislation upon our State Government is more important, in its practical bearings, than the complete and systematic exposition of its affairs, which is afforded, from year to year, in this series of official reports, constituting a compact body of public documents readily accessible to the whole people. These reports which will be laid before you, according to law in a printed form, not only contain a valuable mass of descriptive and progressive statistics of great popular utility, as a record of our financial, civil and social history; but are replete with information indispensable to the Legislature for the intelligent discharge of its duties. They will furnish, too, abundant evidence of the industry and fidelity with which the officers from whom they emanate have discharged their duties.

The report of the Treasurer gives an encouraging view of the finances of the State. This report, it will be seen, covers a period of but eleven months, from January 1 to December 1, owing to a change made in the fiscal year by the last Legislature.

The receipts from all sources for the year 1861, were as follows :

Taxes collected from Jan. 1, 1861, to Dec. 1, 1861, - - - - -	\$100,186 38
Received from Treasurer of the United States on account of five per cent. fund of sale of public lands, - - - - -	3,463 67
Received from Treasurer of the United States in payment of expenses of Sunrise expedition, - - - - -	1,111 77
Received from Treasurer of the United States in payment of board of United States prisoners in penitentiary, - - - - -	258 84
Refunded by Minn. & Pacific R. R. Co., - - - - -	668 09
Refunded by banks, - - - - -	97 40
Balance in Treasury January 1, 1861, - - - - -	675 78
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Total receipts for the year 1861, - - - - -	\$106,462 38
Total disbursements, - - - - -	101,732 96
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Leaving a balance in the Treasury of - - - - -	\$4,729 42

The State tax having been reduced last year, from five to four mills on the dollar, the receipts from this source, though greater than last year in proportion to the tax levied, are less in the actual amount realized.

To avoid the expense of an extra session of the Legislature, which did not seem to be imperatively called for, by the nature of the exigency, in order to meet the expenditures made necessary for military purposes, I requested the Treasurer to advance the sum required from his private funds, which he generously and patriotically consented to do.

The expenditures thus made are as follows :

Paid Minnesota Telegraph Company,	\$808 30
For printing Adjutant General's orders in newspapers of the State,	285 61
For collecting and transporting arms,	113 51
For goods bought for 2d, 3d and 4th regiments,	1,441 50
Advanced to Governor's contingent fund,	504 25
Paid account of John A. Stees,	23 44
Making a total expenditure for military purposes of	\$3,179 61

In addition to this, the Treasurer has advanced \$760 to cover a deficiency in the appropriation for interest on the eight per cent. bonds, making in all a sum due that officer of \$3,939 61. It is earnestly recommended that he be promptly reimbursed by an appropriation to this amount which charged against the Treasury, will leave a balance on hand of \$789 81.

In addition to the amount already paid by the Treasurer on account of military expenses, there are further accounts on the same behalf still pending, amounting to some four or five thousand dollars, making the whole war expenditure about \$8,000, the greater part of which may be paid by the General Government, but otherwise it constitutes an equitable claim against the State, for which it is recommended that an appropriation be made.

The reduced expenditures of the State Government afford a gratifying proof of the wisdom of the ameliorations and reforms instituted by your predecessors.

The ordinary expenses of the State Government for 1861, in which I do not include the interest on the funded debt or the amount absorbed in the redemption of the old floating debt, compare with the like expenses of 1860 as follows:

	1860.	1861.
Executive Department,	\$18,500	\$13,934 91
Judicial Department,	19,200	18,761 94
Legislative Department,	37,856	19,086 45
Printing,	14,120	12,335 91
State Prison,	3,593 88	5,131 57
Normal School,	2,000	1,315 19
	\$95,269 88	\$70,515 97
To which must be added expenditures due to deficiencies of the previous year amounting to		\$4,242 43
Making the total expenditures on account of the State Government during eleven months of 1861		\$74,758 43

Two or three thousand dollars will cover the expenditures chargeable to the remaining month, so that notwithstanding the increased scope and efficiency of the governmental machinery by the creation of the School,

State Land and Statistical Bureaus, a saving has been effected in the civil list of about \$22,000, and the cost of the State Government is now about one-third of what it was in 1858.

In no direction are the fruits of the policy of retrenchment more conspicuous than in the item of printing, which now amounts to but one-seventh of the sum expended for that purpose in 1858; when, indeed, the printing bills largely exceeded the whole present cost of the State Government. At the same time the quality of the work has improved, and the amount of useful publications greatly increased. It is to be hoped that the system by which these important results have been achieved will not be lightly abandoned for new devices.

The aggregate demands upon the Treasury were as follows, in the eleven months ending Dec. 1, 1861:

Ordinary civil expenses as above,	-	-	-	-	-	\$74,758 43
July interest on State loan,	-	-	-	-	-	11,000 00
Miscellaneous expenses,	-	-	-	-	-	7,464 95
Amount of floating debt paid,	-	-	-	-	-	8,509 58
						\$101,732 96
The total expenditure for eleven months being	-	-	-	-	-	\$101,732 96
Against \$125,296 84 for the calendar year, 1860, a decrease of	-	-	-	-	-	\$23,563 88

The law requires the reports of the State officers to be deposited in the Executive office on or before the fifth of December. The State Auditor has been greatly embarrassed in meeting this enactment, from the neglect of the Legislature to require the County Auditors to make their returns before the date fixed for his report. This oversight will, of course, receive your attention. The very interesting report of the Auditor exhibits a steady increase in the wealth of the State, even in these depressing times. The appraisal of real estate being made biennially, remains as equalized in 1860. But the addition of new taxable areas, new structures, and the increase in personal property, raises the whole assessed valuation of 1861, to \$39,000,000. In 1860 it was \$36,000,000, showing a very gratifying expansion of the basis of taxation. At the present rate of taxation of four mills on the dollar, it will yield a revenue of \$156,000 for the year 1862.

The very prudent requirement that one and a half mills of the State tax should be paid in gold and silver, will enable the treasury to provide more rapidly than heretofore for the interest upon the eight per cent. bonds payable in New York.

The estimate of the Auditor for the ordinary civil expenses of 1862, are as follows:

Executive Department,	-	-	-	-	-	\$16,550
Judicial	"	-	-	-	-	19,600
Legislative	"	-	-	-	-	18,000
Printing,	-	-	-	-	-	10,000
State Prison,	-	-	-	-	-	3,050
Bureau of Public Lands,	-	-	-	-	-	3,100
State Normal School,	-	-	-	-	-	1,500
Repairs of Capitol,	-	-	-	-	-	1,000
						\$72,800
Total,	-	-	-	-	-	\$72,800
If to this be added the interest on the State loan, due July 1, 1862, and Jan. 1, 1863, amounting to	-	-	-	-	-	20,500
						\$93,300
We have a grand total of	-	-	-	-	-	\$93,300
as the estimated expenditure of the current fiscal year.						
To provide for this, the four mill tax of 1861, now due, amounts to	-	-	-	-	-	156,000
Delinquent tax of 1860, due Dec. 1, '61,						62,000
" " previous years,						174,000
						236,000
Total,	-	-	-	-	-	\$392,000

From the nature of things in a sparsely settled country like ours, the delinquent tax will continue for some years to be disproportionately large; but with the steady increase of the settlement and wealth of the State, it will eventually cease to present these annually recurring disproportions.

If the current taxes alone were promptly paid, a rate of three mills would be ample to meet all the current demands upon the treasury. Were it possible in the next year to collect the current and delinquent taxes, it would be in the power of the State, not only to meet the year's expenses, but to discharge all its funded and floating debts; and a tax of two mills would then be more than sufficient, on the present property basis, to carry on the Government. But the people just emerging from a severe and protracted financial depression, cannot be expected to do this at once.

It is clearly our policy then to persevere in an economical administration of our finances, cutting off every useless expenditure when exposed, and only entering on such new enterprises as are indispensable, and in a short time with the rapid increase of population and wealth, and the consequent expansion of the basis of taxation, we shall float into the condition of a State free from all debt, and the burthens of the people will be so reduced as to be scarcely perceptible.

The extraordinary taxes which the war compels the Federal Government to impose upon us, furnish another and cogent reason for a frugal management of our affairs, and though it is hoped this tax will not be repeated after the present year, it is the part of prudence and patriotism to be prepared for any sacrifice, which our country may require at our hands.

When this war shall have terminated, as it apparently soon will, in the triumph of the cause of the Constitution and the laws, judging by the past experience of the country, we may justly anticipate a revival of the business and industry of the West beyond any precedent in our frontier history.

Tens of thousands of our countrymen, after having been drawn from the quiet and monotonous life of our eastern towns, to share in the adventurous turmoil of the battle-field, will prefer the excitement and prosperous activity of a new career in the West, to a return to their old homes. This has been the case in all similar epochs in our military history. The termination of the old French war, the war of the Revolution, that of 1812, and more recently the war with Mexico, have been the great eras of westward emigration.

Then, too, the business energies, which have been cramped by the consequences of past misfortunes, will bound forward, with a new impulse, on the tide of westward emigration; and Minnesota, and the immense tributary region on her northwestern border, open the only field now left on the American continent, for the westward extension of settlement, and the continued play of the prodigious energies which have built up the great States of the Mississippi Valley. This is the only "new country" available for agriculture which remains to the American emigrant. West of us beyond the turbid Missouri, the boundless Buffalo plains stretch in sterile nakedness to the mountain border of the Pacific, and southward to the Mexican boundary. The ceaseless drouth which consumes the sources of vegetable life, in this interior desert, and which often visits its eastern borders in Kansas and Nebraska, carrying starvation and death in its train, inexorably forbid it as the home of the farmer.

But in our luxuriant and well-watered domain, extending for hundreds of miles to the northwest, millions of homes, stocked beforehand, with every requisite of health and prosperity, are yet to be had for the taking. Under these circumstances, we have reason to anticipate a most prosperous future in store for us. And I beg of you, gentlemen, to believe that it is for the purpose of making this beautiful State of ours more inviting to the emigrant when that day comes, and which I have never doubted would come, that I am especially solicitous to have our household in order.

It was not the mere consideration that \$100,000 annually might be saved to our impoverished people in the administration of the Government with advantage to its efficiency, it was not to satisfy the honest citizen that a wasteful annual expenditure of nearly \$90,000 for printing might be beneficially reduced to one-eighth that sum, immediately important as these objects are, that I have so long persisted in urging an economical policy;

but, after having afforded the needed relief to an overburdened people, it was to hold out to the great army of emigrants whom the inevitable course of events must soon turn toward the virgin lands of the Northwest, the assurance that here, in Minnesota, their industry was not to be hampered, nor their aspiration thwarted by oppressive taxes for the support of official extravagance; it was to make our noble State esteemed throughout the world as inviting in its municipal, as it is in its physical aspects, and as desirable in the present, as it is promising in the future.

Our position as a member of the confederacy imposes upon us an important, but to us a new and unexpected duty. The war in which the rebels of the South have causelessly involved the country, has compelled the Federal Government to exercise her constitutional privilege of levying a war tax, a part of which devolves on us.

The Congress of the United States, in extra session, passed an act, approved August 5, 1861, providing "that a direct tax of twenty millions of dollars be and is hereby annually laid on the people of the United States." By this act the sum of one hundred and eight thousand five hundred and twenty-five dollars is apportioned to Minnesota. The leading provisions of the act of Congress are as follows:

"Sec. 9. On or after the second Tuesday of February, 1862, the President shall appoint assessors and collectors with the consent of the Senate in each district, and may divide the United States into districts, and may erect each State into one district. * * *

"Sec. 11. Each assessor shall divide his district into a convenient number of assessment districts, and appoint assistant assessors in each.

"Sec. 12. On the 1st day of March, 1862, the assessors shall cause the assistant assessors to assess all lands and improvements in conformity to such regulations as the Secretary of the Treasury may establish, and shall make such assessments with reference to the assessment rolls of the State, and to any other records and documents.

"Sec. 13. Lands and improvements to be valued at the rate they are worth in money on April 1st, 1862. United States and States property exempt from taxation, also property exempted by State laws, and property of individuals residing on such lands, not exceeding \$500. In making such valuation, regard shall be had to any State valuation made nearest to said first day of April. * * *

"Sec. 15. If the owner is not prepared to exhibit a written list, the assessor shall make one, which on being read and consented to by the owner, shall be taken as his list. * * *

"Sec. 21. The lists shall be returned to the assessor] within sixty days after the time fixed by this act. [April 1st] * * *

"SEC. 35. In default of the payment of taxes within twenty days after the application of the assessor, the personal property may be distrained.

"SEC. 36. If the personal property is insufficient, real estate may be sold, but may be redeemed within two years upon repayment of purchase money with interest at twenty per cent. * * * * *

"SEC. 53. Any State may assume the collection and payment of its quota through its own officers, in its own way, and shall give notice of its intention to do so, on or before the second Tuesday of February annually, and in lieu of the compensation allowed to United States officers, shall be allowed a deduction of fifteen per cent. on its quota, if paid on or before the last day of June, and on that portion paid thereafter, but before the last day of September, ten per cent.; and if the State makes such election, no U. S. officers shall be appointed unless the State makes default. Any liquidated claims against the United States will be received in payment of the U. S. tax and discount allowed."

Under this law then, the State may elect between two modes of meeting this levy. She may assume its payment in her own way, or by neglecting to do so, leave it to the operation of the Federal collection laws.

The latter alternative is liable to serious objection, as it would introduce a new machinery of assessment, new standards of valuation, employing a large class of federal agents unfamiliar to our people; while the peremptory modes of collection necessarily enforced under the Federal laws might introduce elements of irritation, distress, and popular discontent, which it is the part of patriotic policy to avoid. From every point of view, it seems desirable that the State should assume the payment of the tax. In that case, the fifteen per cent. remitted to the State, will reduce the amount to be raised from \$108,525 to \$92,245. I take it that the claims of the State against the Federal government will amount to about \$8,000, which if allowed, will reduce the amount due the Government, to \$84,245.

What is even more important in assuming its payment, the State is at liberty to select the method of raising the amount which her authorities may deem least burdensome to the people. As notice of our intention to provide for it must be given by the second Tuesday of February, I beg to press upon you, gentlemen, the necessity of proceeding immediately to an election of the alternative propositions thus submitted to your consideration.

If it shall be your judgment that the State undertake the responsibility of paying this tax, three several modes suggest themselves by which provision may be made for its liquidation.

First by the ordinary method of a direct tax, payable in cash and collected through the established channels. A levy of two and one-fourth mills, if it could be collected within the year, would enable us to meet the Fed-

eral requisition, reduced as before specified ; but as this could not be done judging from past experience in our State collections, the rate would have to be increased to three mills, making the aggregate rate for Federal and State purposes seven mills. One and a half mills is now collected in specie. The war tax must also be paid, in coin or treasury notes, making four and one-half mills of specie tax. Or otherwise stated, you want for State purposes in all in 1862, \$93,300 ; for Federal purposes, \$84,245.40, making the total sum to be collected, \$177,545.40. The State tax of four mills would yield upon a valuation of \$39,000,000, \$156,000 ; a Federal levy of three mills, \$117,000, making a total of \$273,000.

Doubtless our people would respond to a national tax in the present crisis more cheerfully and promptly than to any other, but it is easy to see that this nearly double burden would press heavily on the already strained resources of the people, and it behooves us then to devise, if possible, the means of postponing an immediate resort to taxation, till the expansion of the property basis shall have made it less onerous.

A second mode is to create a State loan, (which I doubt not we are warranted in doing under Sec. 7, Art. 9, of the Constitution,) from the moneys arising from the sale of the school lands. The preliminaries for such sale, if directed by the Legislature, may soon be adjusted, and a sum sufficient for the purpose may possibly be realized within the required time.

Or, thirdly, if this is doubtful, in anticipation of the revenues from this source, a loan might be effected in the money market for a period of two or three years, at a rate of interest not, I trust, exceeding seven per cent., to be reimbursed from the proceeds of the sales of school lands, which may be converted into a funded debt for that purpose.

One or two, or all of these expedients will enable us to provide for the present exigency without serious embarrassment to the people.

While Minnesota will cheerfully and gladly accept her full share of the sacrifices which the obligations of patriotism impose upon the nation, it is nevertheless much to be regretted that the Federal Constitution provides no way of apportioning the direct tax which it authorizes, except upon the basis of the population of the different States—a principle, which, since the tax is levied upon property, distributes the burden very unequally among the different members of the Confederacy, and works a serious injustice to the new and sparsely settled, and comparatively poor states of the West.

This inequality will be made clear by comparing the rate of taxation necessary to produce the amount levied upon the assessed valuation of Minnesota with that of Rhode Island, having the same population :

	Population 1860.	Assessed valuation.	Federal tax.	Rate of taxation.
Rhode Island, -	174,621.	130,000,000	116,900	9-10 mills.
Minnesota, - -	172,022	39,000,000	108,500	2 8-10 mills.

That is to say, the quota of Minnesota relatively to the value of her property, is more than three times as great as that of Rhode Island. The comparison might be extended with somewhat similar results to nearly all the States. Against our 2 8-10 mills, California pays but 1 7-10, Ohio and New York, 1 8-10, and so on.

But the injustice of a system which operates so unequally is sufficiently manifest from these examples. While it is of course impossible for Congress under the terms of the Constitution to concede us any abatement of the present tax, equity demands, and there can be no technical objection to their making, such a modification of the collection laws in our favor as would serve to obviate to some extent the practical inequalities of the present system. Our claims to the consideration of the Government in this matter are enhanced by the fact, that while the burdens of the war fall three fold upon us, our remote frontier position excludes us from any of the compensatory benefits arising from the disbursements of the Government for the materials of war.

In the Banking Department, the Auditor reports but few and unimportant transactions. The general solvency of the few banks which remain in operation is a gratifying feature. Their limited circulation forms an inconsiderable fraction of the currency in use among our people, and required by the necessities of a rapidly expanding business. In many instances, the currency introduced from other States has proved itself even less entitled to public confidence than our own.

The repeated failures of the banking institutions of Illinois and Wisconsin have inflicted upon the people of the Northwest a loss of millions of dollars, in which, unfortunately, our people have largely participated, and have proved the whole system of Western banking upon State stocks to be false in principle and ruinous in its operation. Our experience, in common with that of all the Western States, has prepared us to receive with unanimous favor the excellent suggestions of the Secretary of the United States Treasury, looking to the issue of Treasury notes upon the credit of the United States, to be used under proper restrictions for banking purposes, by responsible parties agreeing to their redemption. This scheme, if adopted, will probably solve the difficult problem of Western banking.

It will furnish an unimpeachable currency of equal value everywhere, and besides the manifest advantages of a uniform and familiar medium of circulation over the endless and perplexing variety of issues now current, it promises a final relief from the recurrence of the enormous losses

which are now suffered by our people, with the periodical explosion of the banks.

The Report of the Register of Public Lands presents a subject of the first importance. The acts under which the Land Department was organized literally create two separate Boards, in name, consisting of the same persons, and exercising functions essentially identical. You will of course remedy this confusion of names and things, by the enactment of a more perfect law. The business of the Department has progressed as rapidly as was practicable, or consistent with the magnitude of the interests entrusted to its supervision. The plats and necessary books are in course of preparation, and will soon be in such readiness as will enable the Board to take the necessary steps for supplying the deficiencies of the school sections, and for any action you may deem advisable for the disposition of these and other lands.

The experimental re-survey of the Swamp Lands in certain designated townships prescribed by the act of March 11, 1861, was found to be impracticable under its provisions, and from the partial survey had, was not deemed likely to lead to any useful results, even if it could have been prosecuted. The conclusion arrived at by the Board, that the State would be the gainer on the whole by accepting the Government surveys, is commended to your favorable consideration.

The rent on the occupied school lands, assessed under a law of the last session, will probably amount to about eighteen thousand dollars, implying an occupancy of about 52,000 acres, worth at the minimum valuation about \$360,000. These, it is reasonable to infer, are among the most valuable of the school lands now left, and it is not unnatural that the persons who have been permitted to retain possession of them through the forbearance of the State, should hope by another exercise of legislative clemency, to secure titles thereto at prices far below their value. But it is difficult to see what special claims to legislative favor these persons have acquired by an admitted—though perhaps not always designed—trespass upon the public property.

A just and liberal spirit ought to pervade all the laws enacted for the sale or rent of the school lands; alike without invidious discrimination against one class, or in favor of another. If the provisions of the present law bear unequally upon the lessees, they might perhaps be so modified as to remedy cases of individual hardships. But this should be done with a strict view to the paramount public interest involved. It is obvious that if any considerable school fund is to be realized to the State, for a number of years, that the utmost circumspection must be observed, in the disposition of the class of lands which have now reached a respectable value.

My own views upon this subject have been urged at so great length heretofore, that it is unnecessary to repeat them. But I should be unfaithful to a strong conviction of duty, if I failed to inculcate once more upon the representatives of the people the necessity of the most rigid and scrupulous guardianship of the sacred trust which the Constitution confides to you in the management of the school lands, and to admonish you against any attempts, disguised under any pretext, to induce you to sacrifice the interests of the school fund.

Unfortunately, a large proportion of the most valuable school lands have been pre-empted under the act of Congress of March 3d, 1857. The equivalent quantity, which the State is authorized to select from the Government lands, will be far from equivalent in value to the original sections. It is hoped that a considerable portion of the latter may be recovered to the State. It will be perceived by a reference to the Report of the Attorney General, that the question which has been mooted, regarding the right of the State to vindicate her title in her own Courts, to school lands fraudulently pre-empted, by parties falsely swearing to settlement prior to the survey, has been substantially decided in our favor.

There is reason to believe that much of the most valuable land has been thus pre-empted, and patents issued therefor.

If these patents can be successfully impeached, the school fund will be greatly enhanced. The action which has been taken by the Executive thus far, has been without express legislative direction. The question, however, is assuming a practical importance which entitles it to your serious attention, and it is desirable that the Executive should have the benefit of your advice and sanction, in a matter of so much interest to every citizen.

I also commend to your favorable notice the suggestion of the Attorney General, as to the collection and preservation of the Criminal Statistics of the State. It is believed that much information of great value to the enlightened legislator might be collected with little or no expense.

During the recess of the Legislature, the office of Superintendent of Public Instruction having been resigned by the Rev. E. D. Neill, to assume the Chaplaincy of the First Regiment of Minnesota Volunteers, it afforded me great satisfaction to be able to supply his place by the appointment of the Rev. Dr. B. F. Crary, a gentleman who brings to the office all the requisites of scholarship, ability, and energy which distinguished his predecessor.

The Department of Public Instruction, has been embarrassed by the imperfect legislation of the last session, rendering it necessary to issue numerous explanations of the law, and confining the Superintendent to the work of his office at the capitol. He has not been able to visit the different

counties of the State, because the compensation of the office was not adequate to pay the expenses of a clerk.

The interests of education are paramount in importance, and ought not to be delayed for want of attention, nor hindered by laws which cannot be satisfactorily executed.

The experience of older States enables us to begin right, if we will; and shows us a plain path to success. The report of the State Superintendent contains a recommendation for a new law, the main features of which are believed to be in accordance with the wishes of the friends of Education throughout the State. The logical form of the law, the substitution of county for town superintendents, a change in the dates, so as to make them consistent with each other, the provision for the examination and licensing of teachers; a simpler form of collecting school taxes, and governing school districts, constitute the principle changes proposed.

Your special attention is called to the recommendation of the State Superintendent in reference to County Superintendents. This office has proved satisfactory in other States, and seems peculiarly adapted to a country like ours. It is simple and economical, and has the advantage of being approved by the most experienced teachers in all parts of the country.

Your more intimate acquaintance with the sentiments of the people at large, will enable you to judge of the necessity of this and other proposed changes, and to meet, it is hoped, the general expectation, in the passage of an efficient school law.

The Normal Board, according to the law passed last winter, recommended a uniform series of text books, which has been adopted by most of the schools in the State. Contracts have been made with the publishers of the books, and they are furnished to the State at reasonable rates, and the prices according to the terms of the contract, cannot be raised for five years. Teachers and Boards of Education differ in reference to school books, and entire uniformity is impossible, but the act of the Legislature and selection of the Normal Board being followed by a contract with the publishers, should be regarded as binding until the terms of the contract are fulfilled.

The report of the Superintendent on the question of elevating the teacher's profession, must meet the hearty concurrence of every right minded man. By the enactment of suitable laws, and the liberal support of the Normal School, we may secure a corps of teachers that will be an honor and a blessing to the whole State.

The report of the Normal Board, made to you through the Superintendent of Public Instruction, will give an account of its action, and of the success of the school during the year. The Legislature will, no doubt,

feel, in common with the whole State, that it is creditable to us to have a successful Normal School at so early a period in our history. The legislation necessary to its greater efficiency, and continued usefulness, we trust may be given.

The increasing business in the office of Superintendent of Public Instruction, and the importance of giving that officer more time to visit the different sections of the State, require that a more liberal compensation should be allowed, and provision made for a clerk for the office.

The recommendation of the State Superintendent, that military drill be enjoined as a part of school exercise, is brought to your attention. Whether this should be left to the Normal Board, and to Boards of Education, is left to your judgment; but the subject is commended as one of no ordinary importance to our state and nation. The precious time and vast amount of means lost to our country, for want of military training, during the present war, should admonish us that it is wisdom to prepare for future emergencies. American youth, if trained as suggested, would grow up into an invincible people, fully armed, and hence profoundly respected abroad. That adequate preparation for war is the only sure guarantee of peace, is a lesson imperatively taught by the calamities of the times.

The affairs of the University will demand your attention. The Report of the Board of Regents will give you a very full understanding of its circumstances, and will doubtless leave the impression on your minds, as on others, that the unfortunate condition of that Institution can, in view of present events, be best adjusted by appointing a commission with full power and authority to transfer the lands and property of the University in payment of its debts. The claims against the Institution amount to \$93,500. Upon close scrutiny, this may doubtless be reduced. It is possible that the lands, of which there are 46,080 acres, may be made to liquidate the debts, and save to the University, the buildings and adjacent lands.

I come with great regret to this conclusion; but after much consultation with the members of the Board, who have been actuated by a sincere desire to save this much prized foundation to the noble uses for which it was granted, no other alternative seems practicable, while its continued retention only adds to its embarrassments, without opening any new sources of relief.

It is probable that the authorities at Washington may yet concede the construction we have contended for, of that clause of the enabling act of February 26, 1857, donating two towns for University purposes. If this hope be realized, and more considerate counsels should in the future govern those having charge of these interests, the University of Minnesota may yet be a richly endowed institution.

To guard against the possibility of abuse, in the disposition of the present property of the University, the arrangement, whatever it may be, might be submitted to a future Legislature before consummation, and the expenses that may be incurred should be confined to a certain and limited sum.

It is but justice to the present Board to say that they have indulged in no expenditures but the small sums which the care of the property required, and which were at once discharged, as will be seen by the report of the Treasurer and Agent of the Board of Regents.

The information communicated by the Secretary of State, and which has not before been published, is important to a correct knowledge of the condition of affairs. Your attention is referred to the notes on county lines, a fruitful subject of legislation, and which resulted for the first time, by the election of October, 1861, under the Constitution, in settling several disputed boundaries. The boundaries of Meeker and Sherburne have been thus adjusted, and the county of Buchanan has been incorporated with that of Pine. A list of Notaries Public, and of Commissioners in other States, as also of pardons granted to State convicts, are among the valuable features of the Secretary's report.

The labors of the Commissioner of Statistics are justly regarded as of the highest importance to the welfare of this new and but partially known State. That indefatigable officer, by the collection and dissemination through influential channels, of the statistical evidences of the progress and capabilities of Minnesota in agriculture, manufactures, commerce, population, wealth, and social improvement, is sowing the seeds of a correct appreciation of the State abroad, which has already had a marked influence, and cannot fail to result in great and lasting benefits. His second annual report will repay as an emigrant document a hundred fold the small expenditure incurred in its publication and distribution.

The proposition of the Commissioner to publish abstracts of these reports in German and one of the Scandinavian dialects, but without additional expense, may perhaps require to be authorized by the Legislature. When our finances shall admit, more extensive efforts to influence emigration may be employed, but for the present the Bureau of Statistics, while of great utility in other directions, seems likely to achieve far more in this interest than the much more expensive and ostentatious agencies of other States, while the character of its publications is such as to influence opinions in quarters inaccessible to the ordinary class of emigration documents.

The following statistics compiled from the census returns indicate a progress in agriculture of which we may well be proud :

	1850.	1860.
Number of farms,	- 157	18,081
Number of acres of tilled land	- 1,900	433,267
Number of bushels of grain and potatoes produced,	- 71,709	14,693,517

The capital employed in agriculture in 1860, \$23,241,754, and the value of the products of the farm was \$6,748,709, or a gross return of 29 per cent. upon the capital employed. Other branches of industry show a like progress. The value of the products of manufactures at the same time, was \$4,295,208. The entire product of these two branches of industry of Minnesota for 1860 being \$11,043,916.

The surveyor general of the two most important lumber districts report as follows :

The number of feet of logs surveyed in the First District from Jan. 1st to Dec. 13, 1861, - - - - -	51,394,044
The number of feet of logs surveyed in the Second District, - - - - -	41,196,484
Total number of feet surveyed, - - - - -	92,680,528

The products of Minnesota for 1861 are estimated at the following values:

Products of agriculture, - - - - -	\$6,000,000
Products of manufactures, - - - - -	2,500,000
Furs, cranberries, ginseng, and other products, - - - - -	350,000
	<u>\$8,850,000</u>

Our taxable valuation being about \$39,000,000, this is equivalent to a return of about 22 per cent. The exports of wheat in 1861, are given at about 3,000,000 bushels, against 1,650,000 bushels in 1860, and 370,000 bushels in 1859. Before that, we imported, instead of exported, food. With such progress in the midst of all the depressing influences of the times, what may we not expect in more auspicious seasons.

I invite your attention to the very interesting reports of the Warden and of the Inspectors of the State Prison, at Stillwater. For some unaccountable cause, the legislature at their last two sessions omitted to provide for the most urgent and ordinary necessities of this institution. This neglect has embarrassed the operations of the officers having care of the institution, and at the same time has necessarily resulted in an additional charge to the State.

The appropriation for the enlargement of the Prison, so as to furnish a hospital, a dining room, and a few cells for female prisoners, has been prudently expended.

The convicts at this time are twenty-two in number, against sixteen on the first of January, 1861, and with one or two exceptions, all the cells are occupied. It is barely possible that we may get through the present year without the necessity of adding to our present cell accommodation; but this can only be done by assigning two or more of the class of prisoners charged with minor offenses to the same cell, an expedient which would hazard the security of all. An expenditure of twelve or fifteen thousand dollars,

it is believed, will be sufficient for an enlargement which would furnish eighty additional cells, and afford all the accommodation which would probably be needed for eight years.

The hospital, dining room, &c., just erected will, it is thought, suffice for all the wants of the prison within that time. The sum need not all be expended in one year, but its disbursement may be very profitably distributed through a period of three or four years, if the Legislature should deem it advisable to commence the required extension at once. John B. Stevens, the contractor for the labor of the convicts, having abandoned his contract on the 20th of March last, I advised the inspector to invite proposals for labor, and, under the competition of rival applicants, the terms of the contract made with Geo. M. Seymour were the best that could be obtained at the time. Since, however, this arrangement, though, under the circumstances necessary, contravenes the express enactments of law, it will require your ratification.

The discipline of the prison is excellent, and the health and comfort of the convicts all that could be desired.

With the increase of the price of labor which may be reasonably anticipated, the earnings of the convicts will in a few years meet all the current expenditures of the prison. The current expenses of the institution the past year, including—

Salaries, clothing, provisions, &c., have been,	-	-	-	\$5,877 91
The earnings of the prison have been,	-	-	\$1,538 24	
Amount received for keeping U. S. prisoners previous to Oct. 1st, 1860,			258 84	
Amount due from United States to December 5th, 1861,	-	-	1,271 38	
			<hr/>	3,068 48
Actual charge to the State for current expenses of the past year,				\$2,809 45

The estimated expense of conducting the prison for the current year, above receipts from the earnings of convict labor, from United States courts, &c., is \$1,962 81.

The suggestions of the Warden that some small sum, not exceeding ten dollars in any one case, be paid to the convicts on their discharge, and that an abatement of sentence be made on condition of good behavior, will commend themselves to your favorable judgment on the score both of expediency and humanity.

The report of the State Librarian exhibits the gratifying fact that the very excellent system of exchanges between the States, the only source of our supply, has given us an increase of volumes during the past year beyond that of any previous one.

If our finances admitted of it, I should be pleased to recommend a small appropriation so that the broken sets of State reports, &c., might

be completed. Four hundred dollars, it is believed, would be amply sufficient for the purpose. The newspapers of the State that are furnished the Library, form valuable materials of local history, and as they have now accumulated to an inconvenient degree, it might be well to have them bound.

The decennial census returns of this State for 1860, deposited with the Secretary of State in pursuance of law, are a most important part of our State archives, and I would recommend that they be assorted and bound under the direction of the Commissioner of Statistics, who has them in charge. For these objects small appropriations will be needed. The necessity of preserving the small collection of books we now possess from spoliation, gives an evident emphasis to the suggestion of the Librarian for a modification of the law of last session in reference to the Library.

As a measure of retrenchment, made necessary by the circumstances of the times, I recommend the suspension, for two or three years, of the act making an annual appropriation to the Historical Society of Minnesota. This Society, incorporated in 1849, is the oldest literary and scientific organization in the State, and has been fostered by a small appropriation, as similar societies have been by Wisconsin and Iowa. To its silent and unobtrusive labors we are indebted for the rescue from oblivion of many curious and romantic incidents in the early history of this region, that will be prized by the future historian. For two or three years, the society, appreciating the financial pressure upon our people, voluntarily forbore asking their annual appropriation; but last year they incurred expense in the publication of "Major Long's canoe voyage to the Falls of St. Anthony," which was distributed to the members of the Legislature and others. I would therefore recommend that, in suspending the annual appropriation, provision be made for that due to last year, to enable the Society to honestly discharge the obligations incurred by virtue of the existing act.

By several acts of the last session, certain parties or companies were authorized upon certain conditions to construct severally the Minnesota and Pacific, the Cedar Valley, the Transit and the Southern Minnesota Railroads. And for this purpose they were to be invested, as construction advanced, with all the lands, properties and franchises to which the State had previously become entitled by forfeiture and purchase upon foreclosure, and they were required to deposit with the Governor the sum of ten thousand dollars as a guarantee of good faith, to be forfeited in case of a non-fulfillment of their obligations. These measures have resulted in no advance of these desirable improvements, and the ownership of all remains in the State. The breaking out of the war has effectually suspended all enterprises of this nature, and it is therefore not surprising

that the construction of these roads was not even attempted, except in the case of the Minnesota and Pacific. In this case the Company paid the State Treasurer the amount of legal costs and expenses incurred by the State in the foreclosure and sale of the said road, and deposited with the Governor on the 25th of June, thirteen Ohio Union Loan Bonds, amounting in the aggregate at 90 cents to \$7,200, and three State of Minnesota Interest Warrants of one thousand dollars each. This sum so deposited agreeably to the fourth section of the "act to facilitate the construction of the Minnesota and Pacific Railroad," has been absolutely forfeited to the State, in consequence of the failure of said Company to construct the said road from St. Paul to St. Anthony on or before the 1st of January, 1862.

Whether, under the peculiar circumstances of the case, the State shall retain the forfeited property, rests with you to determine; and in that case it will be your duty to direct how and by whom these stocks shall be disposed of for the benefit of the State.

As there is no ability on the part of the State to construct these roads, and in view of the fact that the grant will be entirely lost in a few years unless the work is prosecuted. I can see no objection to a substantial re-enactment of the Legislation of last winter in the case of each road, giving to parties who may be willing to undertake their construction, the opportunity for another year to do so, upon a deposit as before of a pecuniary guarantee of their sincerity. In this connection I would renew the suggestion made in my annual message of 1861:

"In any legislation regarding the transfer of our Railroad lands, I desire your attention to be directed to the claims of certain settlers thereon prior to their location by the late Companies, whose rights have reverted to the State from their inability to pay for their claims at the recent land sales. The enforcement of our strictly legal rights in the premises, will work great hardship to a worthy and industrious class of citizens and sully the honor of the State by an act of flagrant injustice. You should therefore extend to them every protection compatible with the interests of the State."

While there is not much to encourage the hope that at the present time anything considerable will be attempted towards the construction of these roads, which all admit are essential to the development of an extensive territory, and the prosperity of our people, no obstacle should be placed in the way of those whose far-seeing enterprise may induce them to undertake even a small part of these improvements now, with a view to their eventual accomplishments when that "better day" comes, which, from our unrivalled advantages we have a right to anticipate.

The Aborigines within our borders, the Dakotas, Chippewas and Winnebagos, a people whose history and destiny can never be without interest to those who have succeeded to their ancient homes in the broad plains and forests of Minnesota, have given us, during the past year, no more than the ordinary amount of care. Many were under the impression that as the minds of the Southwestern Indians had been poisoned against the Government, the tribes of the Northwestern might be more or less disaffected; but so far as I have been able to discover they have preserved unabated loyalty to the Government.

Our southwestern counties have indeed complained of troubles occasioned by roving and predatory bands of Sioux, not affected, however, by political causes, but by the ordinary motives that actuate parties of these tribes. Arms and blankets were furnished the people in Jackson county, who, no doubt, recollecting the sad affair at Spirit Lake in 1857, had their apprehensions of a similar disturbance excited by the presence of these vagrant parties of Sioux. Subsequently, at my request, Capt. Western, of the Second Minnesota Volunteers, repaired with his company to that part of the country, and remained there some weeks. No Indians were discovered, and, so far, nothing has occurred to disturb the peace of that portion of the frontier.

The Chippewas of Red Lake and Pembina have occasioned some anxiety to the Stage and Express Company, and others carrying on a trade with and transporting goods into the British settlements on Red River. These Indians, the most needy of any of the bands of the North, have for years been encouraged in the expectation of a treaty with the Government, from which, in their simplicity, they doubtless anticipated immense benefits. So far, from a variety of causes, their hopes have been disappointed, and, seeing the steamers of the Company regularly plying upon Red River, stages carrying mails and passengers at regular intervals through their country, and their old trail appropriated as a habitual thoroughfare of transportation, it is not surprising that they are becoming apprehensive that a title to the Red River and the adjoining lands is steadily growing up against them, and that the prairies and hunting grounds of their dusky ancestors will be appropriated by the aggressive race of pale faces without making compensation therefor. At length, determined to use force or intimidation, a body of them came upon the steamer North Star at Pembina, and demanded forty thousand dollars or an interest in the profits of the boat, in default of which, they threatened to destroy the boat and cargo. The persons in charge finally bought off the party with three hundred dollars worth of goods, upon the agreement, however, that some permanent arrangement should be made for the future.

The boats and a large amount of valuable stores and goods, *in transtiu*, have been lodged for the winter at Georgetown, and, as there was some apprehension expressed by owners and residents that during the winter this property might be destroyed, and the remote settlers in that quarter molested, I deemed it prudent, in answer to a request from the Superintendent of Indian Affairs, to direct Col. Sanborn, of the 4th Volunteer Infantry, to detail one of his companies, if necessary, to quarter at that place during the winter.

As this trade with British America is assuming large and rapidly augmenting proportions, while the mail and passengers destined for the posts and settlements in that immense region are now carried exclusively by this route, it has become a matter of international importance that the route should be kept free from molestation. It concerns the dignity and honor of the Government that we should ever be able to give safe conduct to the persons and goods of British subjects through American territory, and it would be a disgrace, of national proportions, if harm should come to the life or property of those engaged in this commerce from any inattention to the supposed rights of these savages.

A treaty for the purchase of their lands has become an urgent necessity, and I have no question that it may be effected upon very reasonable terms. I have addressed a representation upon this subject to the President.

How far it may be within the ability of the several Governments, at this time, to consider the interests of our remote frontier, it is difficult to judge. But while it would ill become us to be unnecessarily importunate in view of the great and absorbing issues that are engaging their energies, it would be well for the Legislature to memorialize Congress on the subject, asking at least for some measures that will satisfy the Indians owning the valley of the Red River, and give security to trade and travel along that route into the British settlements upon our border, either by treaty for their lands, or at least for a right of way through them. An appropriation of fifty thousand dollars was made by a recent Congress for the construction of a fort near the international boundary. In view of more than one possible contingency, it might be well to suggest to the Government, as a measure of prudent foresight, the propriety of entering upon this work at an early day. If happily no events should occur to test its importance in case of a foreign war, it would give great confidence to the settlements that are extending in that direction, and stimulate a trade that is every day becoming more valuable.

As the British mail matter destined to the subjects of that power in the north is now transmitted almost exclusively by the mail route through

this State, it would seem proper to grant it every reasonable facility in our power. With this view, and for the accommodation of our own growing settlements in that direction, an increase of mail facilities to the Red River country should be urged upon the Government.

I have so often heretofore expressed my conviction of the prospective importance of this part of the State, and that opinion has been so amply confirmed by events, that I do not feel called upon to urge it more at length on this occasion.

I have received the notification of the Secretary of the Interior, dated July 9th, 1861, certifying in pursuance of the Act of Congress, of the 23d of May, 1850, "that the State of Minnesota is entitled to one member of the House of Representatives for the Thirty-eighth Congress, and until another apportionment shall be made according to law." I am not aware that the statutes relating to elections require any modification in consequence of this reduction of our Representation in Congress.

Recent experience has developed an obvious error in our election law which calls for your attention. Fifteen days notice on the part of election officers is required to be given before any general election, stating the officers to be elected. The law also makes provision for special elections to fill vacancies, the time thereof to be designated by the proclamation of the Governor, providing, however, that if the vacancy occurs before the general election, it is to be filled at that election.

Obviously a vacancy may occur before a general election, but after the fifteen days notice have been given, and it would be therefore impossible to comply with the first of these provisions. Furthermore, even if notice may be disregarded, the law implies the dangerous absurdity, that if the incumbent of an office should die or resign, the day before the election, the office must be filled the next day, when, of course, the knowledge of his death must be confined to the immediate neighborhood of his residence. As the law applies to members of Congress as well as members of the State Legislature, it is easy to perceive the evils to which it might lead. A vacancy occurring within fifteen days of a general election should be filled at a special election.

Appreciating the difficulty which pre-emptors would have in meeting their payments in October and December, 1861, as in strict law was required, I appealed to the authorities at Washington that a longer indulgence might be extended to them, until more auspicious times should enable them to discharge the small money obligations enuring to the Government, and thus secure to numbers of needy men, women and children the homes, for which, in most instances, they have long and laboriously struggled with the difficulties of the times.

I regretted to learn that under the law the Executive Departments were incompetent to extend this relief. As the Government would gain comparatively nothing by allowing these people to be dispossessed, while they would suffer great and needless distress, I pray you to appeal to Congress in their behalf.

From researches recently made, I am led to believe that there are about seventy-five deaf mutes in the State. If you can devise any plan for securing to them the benefits of that instruction which every enlightened State of our day affords to their unfortunates, I shall be most happy to co-operate with you.

The very full, detailed, and interesting report of the Adjutant General will of course receive a prominent share of your attention.

The publication of the rolls of the gallant men, who for the first time in the history of Minnesota, were called upon to cross the border in defence of the common weal, is a just tribute to their valor and patriotism, and will, in after times, be cherished by the millions who shall inherit these broad lands, as the roll of her primitive heroes. The names emblazoned there will furnish the theme of many a story, of patriotic daring and heroic adventure, in after times; and future generations will be as proud to trace their lineage to these soldiers of the Union, as are we to the heroes of the Revolution.

When the infamous attack upon Fort Sumter occurred in April, 1861, I was in the city of Washington, on business connected with the State, and at once called upon the Secretary of War, in company with two of our fellow citizens in official station, and tendered one thousand men to the Government on the part of Minnesota.

I am proud to know, that this was the first tender of troops made to the President. I explained to the Secretary that our Legislature would not meet until January, 1862, unless called in special session, and that in the embarrassed condition of our finances, it would facilitate the organization of our contingent, if he would, in the meantime, furnish the necessary clothes, arms, equipments, &c., which he at once agreed to. It would, perhaps, have been more gratifying to our pride, if the State had been able, like its older and wealthier sisters, to have advanced the sum required for this purpose. But as it is the uniform practice of the general Government to meet all the expenses of the troops called into the service, such tenders of pecuniary aid are merely in the nature of temporary loans, to be reimbursed from the Federal Treasury. Many of the States, having full treasuries and abundant credit, promptly advanced the necessary funds to place their troops in the field, and have since been partially, or wholly, repaid. For the timely aid thus given to the depleted Treasury of the nation, these states deserve the thanks of our countrymen everywhere.

But it would have been folly for a State like ours, with a barren treasury, to have emulated the example of New York or Pennsylvania. If the Legislature had been convoked in extra session for this purpose, the required sum could only have been raised by the issue of bonds or treasury warrants, at a great sacrifice; and, without resulting in any substantial benefit to the Government, would have entailed a large addition to our own embarrassments.

I hope that, so long as the sacred trust of caring for the interests of the people is confided to my hands, I shall never be guilty of adding to their burthens for the mere *eclat* of an empty display.

Minnesota's quota of the half a million men authorized to be raised for the war, is four thousand one hundred and eighty men. Her actual contributions have already exceeded this by five hundred men, and, before the opening of navigation in the spring, her volunteers will number fifteen hundred men in excess, or our proportion of an army of seven hundred thousand men.

In addition to one regiment of three months men, we have raised the following number of

<i>Infantry.</i>		
First regiment,	- - - - -	1,028
Second regiment,	- - - - -	1,020
Third regiment,	- - - - -	910
Fourth regiment,	- - - - -	880
Recruits after the battle of Manassas for the 1st regiment,	- - - - -	84
Peteler's company of Sharpshooters,	- - - - -	92
<i>Cavalry.</i>		
First company, Capt. Von Minden,	- - - - -	95
Second company, Capt. West,	- - - - -	95
Third company, Capt. Brackett,	- - - - -	95
<i>Artillery.</i>		
First artillery,	- - - - -	156
		4,400

In all four thousand four hundred men. The Fifth Regiment is in process of formation, and will doubtless be ready to march South as early as the opening of navigation. A second battery of Artillery is also in progress.

Much difficulty was experienced by the Adjutant General acting as Quartermaster in furnishing the First Regiment. It was early in the season. The nights were cold, and an immediate supply of blankets and other articles was necessary. Compelled to seek these without funds in a very restricted market, he did the best that seemed possible under the circumstances.

But for the energy and activity of this officer, the difficulties connected with this early organization would have been most discouraging to all concerned, and it is but one of the misfortunes of public place that his efforts in this behalf, which entitled him to commendation, should have furnished the occasion of unmerited abuse.

The First Regiment was ordered to Washington in the latter part of June, and a month afterward took a part in the van of the memorable conflict at Manassas. How well and gallantly they deported themselves, on that disastrous occasion, how gloriously they bore the bullet-riddled banner of Minnesota through the fearful vicissitude of that bloody day, impartial history will ever testify.

The Second, Third and Fourth Regiments are also full and have been in service. The Second and Third in Kentucky, and the Fourth, so far, in manning the several frontier forts of Minnesota and Dakota.

Our Cavalry and Artillery are in Missouri.

The number of armed men contributed by this young State in 1861, to the common defense, is greater than her entire population in 1850, will be suggestive to every one, of the beneficence of that Government under which such astounding progress is not merely possible but habitual, and rebukes, more than words, the sacrilegious attempt to destroy a Government fraught with such rich blessings.

The compensation of the Adjutant General now established by law is but two hundred dollars. As his time since the 20th of April, until the 1st instant, has been devoted in a great degree to the duties of his office, it will be but just to him that additional compensation should be allowed him, with a reasonable sum for clerk hire, and the incidental expenses of his office.

As it is probable that during the current year the official duties of the Adjutant General will engage his whole time, I trust that an adequate salary will be provided for him, with an appropriation for the incidental expenses of his office.

You will perceive from the report of the Adjutant General that all our military expenses except an amount not exceeding eight thousand dollars, have been provided for. After an examination of the accounts constituting this sum, I trust you will make the necessary appropriation to meet the contingency of its non-payment by the Government.

Under a recent order of the war office giving the general superintendence of recruiting to an officer of the regular army with his headquarters at Fort Snelling, the State authorities will be relieved of much of the labor and care heretofore devolving upon them; and unless I misinterpret the significance of this order, it will, I think, obviate the necessity of any large

appropriation for military purposes. Nevertheless, in view of possible contingencies, and to avoid the necessity and expense which might otherwise arise of a special session, I would advise the appropriation of some ten thousand dollars, the expenditure of which may be placed under the supervision of a Board consisting, perhaps, of three of the State officers.

I have, by circular letters, taken pains to impress upon the chaplains of our regiments the propriety of designating the burial places of such of our brave soldiers as may fall upon the battle-field or die from ordinary diseases, in order that the State or their relatives may, at the proper time, bring home the sacred relics of their honored dead, to find a resting place amid fitting memorials of private affections and public gratitude, in the bosom of a State which will never cease to cherish their ashes and to revere their memories.

I have likewise desired the chaplains to provide for the necessities of such of our men as may be discharged and desire to return home without the means of doing so, giving the assurance that the State will defray the expenses of their homeward travel. Our very worthy Treasurer has been entrusted with the mission of procuring from our volunteers an allotment of a portion of their pay for the subsistence of their families at home, and it is believed that our soldiers, who are intelligent and benevolent, as they are brave and patriotic, are generally availing themselves of this means of providing for their friends. I am not aware that any legislation is necessary to give greater efficiency to this system. It would be well here, as in other States, to make some discrimination in the operations of civil process in favor of our volunteers, whom a noble devotion to their country has withdrawn from the immediate guardianship of their property interests at home.

I would especially invite your attention to a remodelling of the present Militia law. It was conceived in a time of peace, and is full of redundant and cumbersome provisions, entirely unsuited to an exigency when real active, energetic conduct is required. The scheme of a law submitted by the Adjutant General will, I trust, receive your careful consideration.

One year ago it became my duty to express the public sentiment of Minnesota, in reprobation of certain insurrectionary movements in Southern States, for which the result of the last Presidential election was the most unwarrantable pretext. The American people generously believing that these unconstitutional movements would be relinquished, when the excitement of the canvass of 1860 had subsided, and the policy of the President elect should become apparent, were slow to assume the armor and attitude necessary for the suppression of rebellion. This circumstance, the highest evidence of the just and fraternal sentiments of the Northern people,

gave to the war, since waged against the integrity of the American Union, an immense advantage and has hitherto constituted its chief strength. Even after the attack upon Fort Sumter, notwithstanding the great transformation of the loyal States from the habits and pursuits of peace, to those of war, the public mind has reluctantly yielded to the conviction that an insurrection so wanton and groundless, could become a formidable rebellion. It has required six months to array an army for the vindication of the Constitution, and that entire period has been essential to bring the American people to the stern and uncompromising temper which the crisis demands. Henceforth, all that the laws of war will justify against a foreign foe, and all that the first law of nature warrants for the subjugation of domestic treason, even if necessary to the extinction of human slavery, the undoubted cause of all our troubles, must be made to fall upon the crime and the criminals of this infamous rebellion.

When I made the tender before mentioned, in April, the Government regarded a thousand men as our full contribution of troops for the National defence, but within the year this State has responded to the call of the country by the muster and array of about five times that number. These five thousand soldiers have been turned aside from their self-assigned and noble mission of founding and developing a great State. Minnesota sends them far beyond her borders, with an emotion deeper than pride. They are our most precious contribution to a war which we hold sacred, and removed as we are from any contingent benefits resulting from its prosecution, we freely make this sacrifice, as we hope to make all others which may be required. All that the people of Minnesota, or their representatives, will ask in return, is, that the awful form of the Constitution shall now be revealed to vindicate the flag and Union of our fathers against the parricidal hand of treason at home, and against any Government on earth which shall take advantage of this hour of our extremity to strike a coward blow at our National honor and existence. I trust that the impatience of our people will soon be gratified by such an exhibition of National power, as will bring this rebellion to a speedy conclusion and vindicate the dignity of the Government before the nations of the world.

In this connection, I deem it appropriate to refer to a specific topic. Severe measures are in course of execution by the rebels against the Union men of the South, and the property of all who are residents of the loyal States. The opinion is now general, that further forbearance by Congress in regard to the property of rebels, will be the reverse of a virtue. Individuals who are openly in arms against the United States, have large interests in Minnesota, and I feel well assured that a general Confiscation Act, now so distinctly demanded by public sentiment, will be speedily passed,

so framed as to furnish adequate agencies for the sequestration of all the property of rebels, wherever situated, including the enfranchisement of slaves. Such a measure will be regarded as in the nature of a compensation, however partial and inadequate, for the pecuniary contributions which every citizen expects to make to the restoration of National authority.

I cannot close this communication without allusion to the remarkable disposition manifested by Great Britain towards the United States. Perhaps to no American community is the ungenerous and unjust bearing of the English press, (and I am forced to add), of the majority of the English people, so unwelcome and unexpected as to the people of Minnesota. In my Executive communications during the Territorial period, and since the organization of the State, I have often enlarged upon the community of interests between Minnesota and our neighbors, of British origin and connection, cordially anticipating no possible interruption to our interchange of good offices and friendly sentiments. On one subject only we have been conscious of meriting the rebuke of the kindred communities on both continents, who speak the English tongue. On the subject of slavery, itself inflicted upon the Western world by the unscrupulous greed of British merchants—we have admitted the full extent of our national misfortune and crime. Had we not reason to expect, under the circumstances, when the Republic was rent and torn by the struggles of the monster, slavery, that England, claiming to be the exemplar and friend of Emancipation, would at least have imitated the Levite of the parable and passed by on the other side. Not so, however. With indecent haste, the rights of a belligerent power were conceded to an insurrection, whose leading idea is slavery, and whose success would be the bloody restoration of the slave trade over tropical America; and it needed not the late explosion of English hostility and prejudice, to convince the world that no considerations of humanity, and civilization can turn the scale of Great Britain's hatred of republican institutions or her sordid devotion at the shrine of Mammon. Nations alien to us in blood, in language, in institutions, observe a just and honorable neutrality. Our conspicuous enemy in Europe is that power with whom we had credulously hoped to co-operate in every stage of the long struggle between freedom and oppression.

I do not choose to anticipate future complications with Great Britain. Let us rather turn every thought and energy to the great duty enjoined by Providence upon this generation, namely: to establish if necessary, by exertions and sacrifices such as our fathers accepted in 1776 and 1812, the Republic, one and indivisible. Let us save our children, and children's children, from innumerable wars with the worst despotism known to

human history, by the total subjugation of the oligarchy which has precipitated this struggle; and by a victory of the American Nation over slavery and treason, we shall secure a fresh consecration of the soil long since dedicated by our father's God to the rights of man. This accomplished we shall have ample means and opportunities to discharge all our obligations, including every just retribution as a member of the family of nations.

ALEX. RAMSEY.

ST. PAUL, Jan. 9, 1862.

EXTRA SESSION.

14
MESSAGE

OF

GOVERNOR RAMSEY

TO THE

LEGISLATURE OF MINNESOTA,

DELIVERED SEPTEMBER 9, 1862.

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GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives :

An imperative sense of official duty, supported by an unmistakeable popular demand, has induced me to call you together in extra session, to take measures and supply means to meet the necessities of the present extraordinary crisis in our history, for which the resources at the disposal of the Executive and the ordinary scope of the laws are totally inadequate. It is not probable that in the course of a century to come, an occasion will arise, equally serious or so urgently requiring the immediate interposition of the Legislature.

Through all the horrors of the gigantic civil war which has convulsed the country, and though our best blood has been freely given to its cause, and our homes were left desolate and our harvests to perish, that our citizens might hasten to the rescue of the imperilled Government, we have still been congratulating ourselves that our borders were far removed from the devastating scenes of war—that here, under the serene skies of the far Northwest, our homes and households at least were secure from the havoc and violence of the strife.

From this dream of security we have been suddenly awakened to find our frontier settlements attacked and desolated by a treacherous foe, living unsuspected in our midst, whose first warning of hostility was the indiscriminate massacre of men, women and children.

The circumstances of this outbreak give it an aspect of wanton malignity and perfidy scarcely paralleled, if at all, even in the tragic annals of Indian crime.

Up to the date of this event the Sioux, or Dakota Indians of Minnesota had, as a tribe lived in terms of unbroken amity and confidence with the citizens of this State, a friendship running back for more than a generation of traders and trappers. The depredations often committed by individuals, even the murderous raid of Ink-pa-du-ta's band, at Spirit Lake, in 1857, which was openly discountenanced by the tribe at large, did not disturb this general feeling of confidence in our Indian neighbors.

In return for their lands, once comprising a large part of Minnesota, but which they had voluntarily relinquished to the United States by treaty, a home had been given them in the western part of the State, and magnificent provisions made for their comfort, education, and reclamation to civilized pursuits. Missions and schools had been founded among them. Numbers of our fellow citizens and their families had long dwelt among

them from motives of benevolence or gain, to instruct them in the arts and duties of civilization, or engaged in the peaceful pursuits of industry. White traders had married Sioux women, and their offspring formed a link of sympathy between the races. Numbers of Sioux, on the other hand, had adopted the dress and customs of civilization; lived in houses and cultivated farms.

Prosperous and happy settlements had grown up around and near this mixed community, with whose inhabitants the Indians mingled in daily and friendly intercourse.

Even the occasional menaces and blustering demonstrations which sometime arose when they were congregated in large numbers at the Agency, had never been regarded by the Government officers with serious apprehension, and a company of United States soldiers stationed at Fort Ridgley for the purpose, had always been sufficient to maintain order. On this occasion the usual force had been augmented by an additional half a company at the request of the Agent.

A few weeks previous to the outbreak, a menacing demonstration of this kind had occurred at the Upper Agency, where the Indians had prematurely assembled in large numbers in anticipation of the payment of their annuities, but which on account of the tardy appropriations by Congress had been unusually delayed. But this disturbance had been promptly allayed by the exertions of the Indian Agent, Mr. Galbraith, and the Indians had been sent away to their villages apparently satisfied with his assurance that the money would soon be received, when they should be sent for. So assured was Mr. Galbraith of their pacific disposition, so unsuspecting of any possible danger of a hostile outbreak, that leaving his family in their midst at Yellow Medicine, he had, on the Friday (the 15th of August,) before the revolt, started from Red Wood with a company of recruits, and was on his way to Fort Snelling, when he was recalled by the intelligence of a general massacre of the whites on the Reservation.

The blow indeed had fallen with appalling suddenness.

On the 17th of August, four miscreants, it is said, of Little Six's band, made their appearance at Acton, Meeker county, where they murdered a family of six persons. The assassins fled to Red Wood, where fearful of being delivered up to punishment, they may have sought their own safety by instigating a general revolt. Perhaps this was but the first step in the development of a partial conspiracy—comprising one or more bands. At any rate, their bloody example, and incendiary arguments concurring with previous causes of disaffection, the defenceless state of the white inhabitants, and the tempting prospect of plunder from the well stored warehouses, seems to have fired the slumbering mine of hate and treachery so long masked under an appearance of friendship. The sanguinary contagion spread from band to band, and on the morning of the 18th, in a moment, without a word or sign of warning, without preconcert on their part, or provocation on ours, all the inmate ferocity of this savage race was let loose at once on the unsuspecting white inhabitants, and men, women and children were involved in an indiscriminate and awful massacre. A force of forty-five soldiers, which had been sent up from Fort Ridgley, on the first rumor of disturbance, arrived only to be attacked in ambush and half their number, with their leader, slain. The horrible work of murder, pillage and devastation begun at Red Wood was swiftly extended throughout the Sioux

Reservation, and the adjacent settlements where the families, living in isolated habitations at considerable distances apart, afforded an easy prey to the skulking foe. Hundreds of every age and sex perished by the hands of these remorseless butchers.

Hundreds who narrowly escaped, fled to Fort Ridgley, New Ulm, St. Peter, and other towns for protection, and the fearful tidings which they bore spread universal consternation among the people. Tens of thousands, including many far from the scene of danger, fled with their families from this sudden unseen, and stealthy foe, against whom all ordinary precautions seemed vain, leaving their crops to perish in the fields, and their property to pillage. The towns and cities could scarcely afford even shelter to this crowd of frightened fugitives.

When the first vague news of the revolt at Red Wood was received on the evening of the 19th, I hastened immediately to Fort Snelling, and ordered four companies of the 6th Regiment, which had just been organized, to march at once to the scene of reported disturbances, and Hon. H. H. Sibley, whose residence of thirty years on the frontier, and intimate familiarity with the Indian character and modes of warfare, indicated a special fitness for the service, was designated to the command.

On the 21st, when authentic information of the extent and character of the outbreak was first received, accompanied with the announcement that New Ulm had been attacked in force, and Fort Ridgley beleaguered, another force of seven companies was instantly sent forward under Colonel Crooks, with orders to report to Col. Sibley. At the same time, mounted volunteers were called upon, by proclamation, to join the forces moving up the Minnesota Valley. This call was responded to with generous alacrity by about 500 mounted citizens.

While these bodies were moving up the Valley, companies of mounted men and infantry were sent as rapidly as they could be raised and equipped, for the protection of the sparsely settled districts of country lying north and south of the scene of the Sioux depredations on the Minnesota river, which seemed to be exposed to incursions of marauding parties from that quarter.

In the meantime, the Chippewas had assumed a threatening attitude, for reasons not now distinctly understood, but which, from its conjuncture with the Sioux raid, gave rise, at the moment, to a wide-spread apprehension that these inveterate enemies had buried the hatchet in a league against the whites. The Chippewa agent, Mr. Walker, having failed in an attempt to arrest the Chief, Hole-in-the-day, fled to Fort Ripley, under an impression that a general massacre was to be attempted.

In consequence of this threatening disposition, the citizens of various exposed localities on the Chippewa border were as far as possible supplied with arms and ammunition, and detachments of troops, including companies of mounted citizens, were sent for the protection of the St. Croix, Rum river and Upper Mississippi Valleys. Four companies were sent to Fort Ripley, where the Commissioner of Indian Affairs, Mr. Dole, who had come to the State for the purpose of effecting a treaty with the Chippewas of Red Lake, undertook the task of restoring order among this tribe.

No depredations, however, have as yet been committed by the Chippewas, and if they ever entertained any hostile intentions, which is doubtful, it is likely that the efforts of Commissioner Dole, backed by the ample preparations made to enforce his authority, will be sufficient to ensure their quiet.

The outbreak of the Sioux occurred at a time when we were little prepared in many respects to meet so sudden an emergency. Fortunately, we had just raised a considerable part of the new levies ordered by the President. But most of these were farmers taken from the thick of the pending harvest, and had enlisted on the promise of a furlough to the first of September to secure their crops, and so large a part of the volunteers were absent at the time, that the forces sent had to be made up of fragments of different companies and regiments.

A still more serious embarrassment was felt at the outset from the want of arms and ammunition. Application was, however, immediately made by telegraph to Washington, St. Louis, and the Governors of adjoining States, and in addition to supplies received from regular sources, I am much indebted to the Governor of Wisconsin for a prompt response to my request for cartridges.

The occasion also revealed a very surprising and unexpected deficiency of fire arms and ammunition among our frontier settlers. Nothing more strongly shows the feeling of security among the people, and the great change in this respect from the frontier habits of twenty or thirty years ago, than the fact that guns of any sort, it is said, were not to be found in one-third of the houses. The deficiency was made up as much as possible by such arms as we could furnish, and by supplies of ammunition purchased here.

The urgent necessity for the prompt and speedy conveyance of troops and supplies to threatened points, and the want of regular means of transportation, made it necessary to authorize the impressment of horses and teams, which were in general willingly yielded and often volunteered by their owners for the purpose, in all cases to their great inconvenience, and often to their damage, though at stipulated rates of compensation.

Certain persons were also commissioned to raise detachments of mounted men for special and instant service, and were authorized under certain restrictions to impress horses. The emergency which made it necessary to resort to this measure, having passed, and learning that the authority given was in some cases abused, or taken advantage of by unauthorized parties,—these orders have generally been revoked. I trust that you will promptly provide the requisite compensation for the parties whose property has been impressed for the public service, and there can be no doubt that necessary expenditures under this head will be ultimately reimbursed by the General Government, in whose behalf they were incurred.

Our new volunteers, though brave, are as yet inexperienced, and in other respects ill prepared for the active service into which they have been ordered. The want of disciplined troops being early felt, the Third Minnesota then on parole at St. Louis, was at my request ordered to report here. They arrived on the 4th inst., and were instantly dispatched under Major Welch to the scene of hostilities.

In the mean time the progress of the Indians appeared to be checked.

On the 24th day of August, New Ulm, into which a body of citizens under Judge Flandrau, had thrown themselves for the protection of its inhabitants, was relieved by a detachment of Col. Sibley's troops, after having most bravely fought and repulsed the enemy in a severe battle on the preceding day. The place was then evacuated in order to convey the women and children who had fled thence for refuge, to the number of 2,000, to a place of permanent safety.

On the 26th, Fort Ridgley was relieved by a volunteer force of mounted citizens, under Lieut. Col. McPhail, sent forward by Col. Sibley, who arrived next day with his whole force.

They found the brave little garrison nearly exhausted with the labors and vigils which they had undergone in their heroic defence of that weak post for a period of nine days, during which they had sustained and repulsed three several desperate attacks in force. A number of brave men fell in these encounters.

While in this direction, the Indians appeared to be retreating before our forces, news came on the 27th, that the settlers at Breckenridge, on the Red River, had been massacred, and that Fort Abercrombie was seriously menaced. To two companies of infantry already on the march for the protection of settlements in that quarter, two more were now added.

On Sept. 3d, Capt. Strout's company was unexpectedly attacked by 150 Indians at Cedar City, in McLeod county, and retreated to Hutchinson, which had been fortified. An attack was made, at the same time, on Forest City, which also had been fortified by its citizens, and was repulsed by them. It was renewed again at Hutchinson, a few days after, and repulsed. Their depredations had now extended through the whole country west of Forest City, and many persons were murdered, and much property destroyed. Reinforcements on the way to this district, at the time of these occurrences, have since been distributed at various points in and beyond the settlements, and a portion of the Third Regiment, as soon as it arrived, was dispatched in this direction.

Intelligence was also received that the raid had extended into Jackson and adjacent counties on the Iowa border.

The troops for the protection of the southwestern frontier, in the meantime, were placed in charge of Col. Flandrau, whose energetic defence of New Ulm, had proved high capabilities for the service. Troops were forwarded to him as rapidly as they could be raised and equipped, and he has now under his command a force of about 500 men, which, in case of emergency can be largely reinforced from the citizens in the vicinity.

All the arms and ammunition not in the hands of troops in active service, which could be obtained from any quarter have been distributed as soon as received to the citizens of every locality which seemed to be in danger. By these precautions, and the distribution of bodies of troops at short distances apart, our whole Indian border, along the line of the Chippewa country, from Chengwatana, in the St. Croix valley, to Crow Wing, on the Mississippi, and thence to Fort Abercrombie, on the Red River, and all along the frontier exposed to Sioux depredations, from the Sauk valley, southward, via Fort Ridgley to the Iowa line, has been put in a posture of defence, as far as defence is practicable against these secret and skulking marauders, over such a vast extent of country, with the small number of troops and still smaller supplies of war material at our disposal.

Two thousand one hundred and fifty troops, and several hundred irregular mounted men are now scattered along this extensive line, and there have been issued to citizens 1,056 stand of arms, 3,175 pounds of powder, 1,200 pounds of lead, and 88 sacks of shot.

These dispositions were at first made chiefly with a view to the immediate security of the lives and property of our frontier settlers, to restore that confidence throughout our western and northern counties, which was necessary to save the crops from destruction, and to support the citizens in measures of self-defence.

Perhaps it will be necessary, in order to prevent the depopulation of these portions of the country, to maintain small bodies of troops there for some time to come.

In the meanwhile no necessary preparations have been neglected for the pursuit and chastisement of the Sioux.

Col. Sibley—with a force of 1500 men at Fort Ridgley, a small body of mounted men, and several pieces of artillery, all we have—has the direction of offensive operations; which he has been instructed to carry on with all possible vigor and despatch.

He is, however, as yet, very deficient in cavalry, the large force of mounted citizens who generously accompanied him for the relief of Fort Ridgley, having disbanded when that object was attained, with the exception of about ninety men.

A large organized body of cavalry was considered indispensable for an effective campaign, and at my urgent request, after many delays, the President has been pleased to authorize the raising and equipment of a thousand mounted troops. The United States Quartermaster stationed here, is authorized to purchase horses for this regiment, and I trust that his speedy execution of this order will enable us to press our operations against the Sioux.

I have thus far given only so much of the history of our Indian disturbances as was required to show the necessity of the measures adopted for their suppression and the general scope of our military operations, for details of which I must refer you to the report of the Adjutant General, and the official despatches of the officers commanding the various detachments, which will be transmitted to you.

But this review of the Sioux revolt, would be incomplete without some further reference to the singular atrocities which have marked its course, and to the mischiefs inflicted upon our people.

The sudden and treacherous outburst of savage cruelty, which in one sudden blow struck down their friends and neighbors of another blood, and revelled in a general massacre of men, women and children, has been alluded to.

But massacre itself had been mercy if it could have purchased exemption from the revolting circumstances with which it was accompanied. Nothing which the brutal lust and wanton cruelty of these savages could wreak upon their helpless and innocent victims, was omitted from the category of their crimes.

Helplessness and innocence indeed which move pity in any breast but theirs, seemed to inspire *them* only with a more fiendish rage.

Infants hewn into bloody chips of flesh, or nailed alive to door posts to linger out their little life in mortal agony, or torn untimely from the womb of the murdered mother and in cruel mockery cast in fragments on her pulseless and bleeding breast; rape joined to murder in one awful tragedy; young girls, even children of tender years, outraged by their brutal ravishers till death ended their shame and suffering; women held in captivity to undergo the horrors of a living death; whole families burned alive; and, as if their devilish fury could not glut itself with outrages on the living, its last efforts exhausted in mutilating the bodies of the dead. Such are the spectacles, and a thousand nameless horrors besides, which their first experience of Indian war has burned into the brains and hearts of our frontier people; and such the enemy with whom we have to deal.

It is estimated that 500 persons of every age and sex perished, and worse than perished, by the hands of these remorseless butchers in the course of the two or three days succeeding the outbreak, before their progress was checked by our forces; and hundreds of them lie yet unburied where they fell, hidden in the grass and bushes of prairies and ravines. Many doubtless in the attempt to escape, have become lost, or fainting from exhaustion and terror have died of starvation.

The theatre of depredations as far as ascertained, has extended from Otter Tail Lake and Fort Abercrombie, on the Red River, to the Iowa boundary, on a front of two hundred miles, and from the western border of the State eastwardly to its heart at Forest City, an area of 20,000 square miles.

The property destroyed or carried off as booty, is estimated at millions of dollars, including large supplies of arms and ammunition pillaged from the government and private stores on the reservation, and the cattle, horses and household effects of settlers.

The indirect damage to our citizens is vastly greater, and if we include its probable effects on our future prosperity is beyond calculation.

As if the catastrophe were designed to embrace every element of mischief, it occurred at a time when all the exertions of our agricultural population, already depleted by their contributions to the army, were needed to save the splendid harvest from destruction; women and children were toiling in the train of the reaper to supply the place of enlisted husbands brothers and sons. It was at this juncture that the terrible cry of murder and havoc came from the west. Rumor magnified the danger. A fearful panic depopulated our western counties. Fields and homes were deserted to save wives and babes from massacre.

Tens of thousands of acres of crops, which comprised all the wealth of their owners, have thus been abandoned to destruction, and thousands of prosperous and happy families reduced at one blow to poverty and often to beggary.

Throughout the whole district, embracing the counties of Brown, Cottonwood, Faribault, Jackson, and other counties in the Southwest, through the beautiful lake country of Kandiyohi, Douglas, Monongalia, Meeker, McLeod, a large part of Stearns and Wright, and throughout the new settlements in the Red River Valley—but a few days since the abode of busy and happy communities—desolation and solitude now reign supreme; or if any remain, it is in fear and terror—armed against surprise—suspicious of every shadow that falls upon the grass—the log cottage loop-holed for defence—and the peaceful village turned into a fortified post. The danger may be exaggerated, but the effect is too real.

Brown County, adjacent to the Sioux Reservation, has felt the worst effects of this calamity. It was peopled chiefly by Germans, and their neat cottages and fine farms gave evidence of the superior thrift and industry, which distinguish this class of our foreign-born citizens. Driven from their homes—their property destroyed or plundered—robbed even of their household goods—many of them mourning wives, husbands, children, and parents murdered—their beautiful and busy town of New-Ulm, and their own homes, a blackened heap of ruins:—these poor fugitives, many of whom cannot speak our language, are especially deserving of our sympathies.

In all, probably not less than 30,000 people are involved directly or indi-

rectly in the loss of life or loss of property from pillage, destruction or abandonment.

The towns and villages have been and are now overrun with fugitives reduced to penury, many of them without food or clothing except what is furnished by public and private charity. To relieve the temporary wants of these people, for which the resources of private bounty were inadequate, I authorized Capt. Berkey, of St. Paul, and Hon. Henry A. Swift, of St. Peter, and Mr. Bassett, of Minneapolis, to provide subsistence and shelter for the time being, at the expense of the State.

An account of these expenditures will be transmitted to you; and while their assumption by the State will require, and I doubt not will receive your approval, humanity demands that still more comprehensive measures be taken to provide temporary relief for the numerous cases of distress which this calamity will throw upon the community—a burden too great for individual charity. Further on, I shall ask your attention to a measure of general policy in connection with this subject.

The numbers of Indian warriors actually engaged in the raid, as far as known, would seem inadequate to the infliction of so much havoc and terror, if they had not been aided by the suddenness of the outbreak, the peculiar secrecy and rapidity of movement which characterizes their mode of warfare, the sparsely settled character of the country, and I may add, the singular violence and audacity with which, encouraged by the panic produced by their appearance, they have ventured into the heart of our settlements. Most of the depredations have, it is believed, been committed by small parties of marauders. The number of Indians engaged in the demonstrations before Fort Ridgley and New Ulm was estimated at only from 350 to 500. The whole number of Minnesota, or annuity Sioux, (men women and children,) is but 7,200, which it is possible might furnish 1,200 warriors.

There is reason to believe that a considerable number of these have not participated in the raid, but in our efforts to punish them we may safely count on their united resistance, reinforced by the Yanktons and other Missouri Sioux, making an aggregate force of three or four thousand, which we will sooner or later have to meet.

The relation of the Sioux and Chippewa nations to the State and United States does not differ from that of other aboriginal tribes.

Retaining no title to the soil which the Government recognizes, except the doubtful and precarious right of occupancy, they have by the consent of their Great Father preserved upon their reservations their ancient habits and customs, and a quasi right of self-government, subject, however, to the control and protection of the nation; possessing few of the characteristics of a foreign, and independent people, they owe no allegiance to and are not subject to the jurisdiction of the State within whose boundaries their reservation is located, but are rather the dependent allies, the wards of the National Government which, by numerous treaties, has assumed the duty of their protection, and by its constitution reserves to itself the exclusive control of trade and intercourse with them, and the sole jurisdiction of all crimes arising out of their relation with the whites, committed in their territory.

The obligations and responsibilities growing out of this relation of the general government to the Indian, renders the former not only his protector, but a surety for his good behavior, and hence arises a claim of the State on behalf of our citizens, not only for reimbursement for the expenses of a

war for the subjugation of these savages, but for indemnity for the property destroyed by their incursions.

The State government sustains no other relation to them than that of a foreign and independent State. Its legal process does not run into their territory. It appoints no agents for their government, protection or control. It establishes no laws and regulations respecting them, and of consequence possesses no means for the protection and security of its contiguous territory by the preservation of friendly relations and feelings between the two races.

The United States government, on the other hand, appoints officers to reside among them, prescribes regulations for their intercourse with the whites, reimburses them for losses occasioned by the injustice of officers, agents or private citizens, punishes aggressions on their part, establishes forts and garrisons in their neighborhood, and in short exercises full and perfect sovereignty over them, except so far as it tacitly tolerates their own mode of government as between themselves.

But this claim so obviously just, does not rest upon implication alone. By the trade and intercourse act of 1834, and by the treaty with the M'dewakanton, Wakpekouta, Wakpeton and Sisseton bands of Dakotas, concluded at Washington, in 1858, the government expressly assumed the relation of guarantor for the good conduct of its wards, and a full indemnity was assured to any person whose property was taken, stolen or destroyed by an Indian, and by the latter, the several bands constituting the annuity Indians, were bound to preserve friendly relations with the whites, and to commit no depredations on their persons or property, and in case of any such injury or depredation, it was agreed that full compensation should be made under the direction of the Secretary of the Interior out of their moneys in the hands of the United States.

In view of these provisions, it cannot be doubted that the Dakota nation has, by its flagrant violation of its treaty obligations, fully and entirely exonerated the government from all corresponding duties on its part. If this be true, so far as the Sioux nation is concerned, the day of annuities and Indian payments in Minnesota is past. The government will doubtless refuse to pay any further sums under the treaty to the offending tribes, but the act which has absolved it from this duty has created another by the destruction of property by acts against the occurrence of which the government had given the guaratnee. It is believed that the authorities at Washington will deny neither the equity nor the legality of this claim when the same shall, as I trust it promptly will, be urged upon their attention, but, while escaping from all future obligations to those tribes, will regard their claims as only transferred to the sufferers by their depredations.

The principal of the annuities thus forfeited by the Sioux amount in all, in goods, moneys, and other classes of expenditure, to about \$2,000,000.

I recommend and urge that you earnestly memorialize Congress and the Departments to use this sum to promptly indemnify those whose property has been destroyed or pillaged by these Indians, and for the support of the widows and orphans of those who have fallen at their hands. I do not doubt that if proper representations are made, that this just compensation can be soon secured.

In the extremity to which our military reverses have reduced the nation, it is in vain to expect any immediate or sufficient protection from the General Government. The material of war, and means for the pay-

ment and subsistence of troops, will doubtless be furnished us sooner or later through the regular channels of military supply; but the required assistance, as it does not come within the general system of military operations, under the eye of our generals, we may expect will often come tardily and without system, too slowly and irregularly for the prompt and decisive action required by the peculiar exigencies of our situation. We must, therefore, for the present, depend upon our own resources to make good to our citizens the protection which the General Government owes them, and it is to this end chiefly that I have called you together. Considerable expenditures may be necessary for this purpose, but they must be regarded as a loan to the Government, which having failed to prevent this outbreak, and having as yet taken no direct measures to suppress it, has virtually left us, indeed has expressly authorized us, to adopt on its behalf the measures necessary for our effectual protection.

Our course then is plain. The Sioux Indians of Minnesota must be exterminated or driven forever beyond the borders of the State.

The public safety imperatively requires it. Justice calls for it. Humanity itself, outraged by their unutterable atrocities, demands it. The blood of the murdered cries to heaven for vengeance on these assassins of women and children. They have themselves made their annihilation an imperative social necessity. Faithless to solemn treaty obligations, to old friendships, to the ties of blood, regardless even of self interest when it conflicts with their savage passions, incapable of honor, of truth or of gratitude; amenable to no law; bound by no moral or social restraints—they have already destroyed in one monstrous act of perfidy, every pledge on which it was possible to found a hope of ultimate reconciliation.

They must be regarded and treated as outlaws. If any shall escape extinction, the wretched remnant must be driven beyond our borders and our frontier garrisoned with a force sufficient to forever prevent their return.

So entirely have they destroyed all confidence among our people in the securities of life and property in the neighborhood of Indians, that much as many might regret it, it will doubtless be necessary sooner or later to remove the Winnebagoes, now dwelling in the heart of one of our most populous and beautiful agricultural districts, beyond the borders of the State.

To execute this policy and to organize a permanent system of frontier defences, it is necessary to engage the approval and assistance of the General Government, and I therefore urge upon you the necessity of pressing these topics by memorials of this body upon the attention of the President and Congress. In the meantime, I have the honor to ask your concurrence in the measures which have been adopted, and the immediate appropriation of means so far as they shall be unsupplied by the General Government for carrying on the war to a decisive issue during the two or three months left for offensive operations.

In a few days I hope to be able to furnish an estimate of the sum which may be needed.

I have also to recommend that a special board be established to audit under a rigorous system of the vouchers, the accounts accruing under the several classes of war expenditures.

At your last session I recommended an appropriation of \$10,000 for a military contingent fund. For reasons satisfactory to the Legislature, but \$2,500 was appropriated. This sum was exhausted by the expenses attending the organization and equipment of the Fourth and Fifth Regi-

ments, and I have been left entirely without means for discharging the necessary expenses connected with the new levies. The reluctance expressed by the Legislature last winter, to assume the payment of items of expenditure deemed necessary for military purposes not previously provided for by Legislative appropriations, has had the effect to make it difficult to obtain credit on account of the State for similar expenses this summer, and this general distrust of Legislative endorsement has seriously embarrassed me in any attempt to use the name of the State in providing for the present extraordinary exigency. I trust therefore, you will relieve me of the necessity of anticipating future appropriations of the Legislature for the current military expenses of the State.

I have had much occasion to regret that the pressing recommendations which I have had the honor to make to successive Legislatures for a thorough revision of our Militia Law, have not been acted upon. Such a measure—the want of which has occasioned great confusion in the execution of the order of the President for an enrollment and draft of the militia of this State—is more than ever necessary at this juncture as a means of defensive organization against the new enemy that has assailed us.

In consequence of the great pressure of business upon the military department, I have found it necessary to actively fill militia offices which have heretofore been regarded as merely nominal, for which I trust suitable provision will be made.

In this connection I take pleasure in acknowledging the unremitting industry and activity of the Adjutant General, in disposing of the extraordinary amount of business which has been thrown upon him.

I would particularly urge upon your attention the absolute necessity which exists that you should take some action by which such of our citizens as have now volunteered or may hereafter volunteer in the army of the United States, shall continue to exercise the right of suffrage.

The war into which we have been driven by the southern rebellion, has been, since its commencement, without a precedent in the history of the world, and every day seems to carry it further beyond the bounds which the expectations and hopes of mankind had prescribed for it. Already our armies have absorbed nearly one-third of the entire voting population of the loyal States; and as in the past, the magnitude of the struggle has far exceeded our anticipations, so in the future it may proceed to lengths which no human prescience can at this moment foresee. Such is the determination of our people to maintain unbroken the union of the entire nation, and such to ourselves and our posterity the greatness of the material and vital interests at stake, that this war will be prosecuted, though it should require the services of the entire adult male population of the loyal States. It is, therefore, not impossible that the time may come when a large majority of those who, under our laws, possess the right of suffrage, and of shaping the government, will be found in the ranks of our armies.

I need not enlarge upon the injustice of any system of laws, whereby those who are venturing health and life, and giving industry and effort to the defence of the government, are not permitted to participate in shaping the policy of that government; but, on the contrary, so far as the right of suffrage is concerned, are reduced below the level of freemen, at a time, too, when they deserve at the hands of the nation the heartiest applause and the warmest gratitude.

Nor will it be less apparent that if the present condition of our laws

should remain unchanged, and the volunteer soldiers remain disfranchised, that every addition to their ranks will increase the number of patriotic men in the field, and correspondingly increase the political power of those that remain at home, and who, while in many cases equally patriotic, may be outnumbered by those arrayed against the war itself.

It may consequently happen, that unless proper legislative action is taken to prevent it, a day will come when our vast force of volunteers in the field will represent one set of principles, while our governments, State and National, will be guided by an entirely different set; in other words, the labors and sufferings of a patriotic army may be frustrated, embarrassed, and brought to nought by the machinations of home governments, wielded by timid or disloyal spirits. No mind can estimate the horrors to which such a state of things would lead. It would be armed right contending against legalized treason, and its fruit would be a condition of fearful anarchy.

Every motive of prudence, therefore, as well as every dictate of justice, will direct that so long as our volunteers continue to retain the ordinary rights of citizenship, they shall not, by your omission to now act, be deprived of the fundamental right of suffrage by reason of their absence on the battle fields of the nation.

The mode in which the exercise of the right of suffrage is to be continued to them will be a matter for your careful consideration. I trust the subject will meet with your earliest attention.

The unusual period at which the Legislature has been convened, and the extraordinary pressure of other business, has placed it beyond my power to furnish you with a detailed statement of the financial affairs of the State; but I am happy to assure you that, notwithstanding the unusual demands upon the Treasury, our financial condition is better than at any period in the history of the State, as the following items will show:

Amount State Warrants not retired, - - - - -	\$69,603.70
Amount estimated in hands of County Treasurers, - - - - -	\$24,603.70
	<hr/>
Balance outstanding, - - - - -	\$45,000.00

It is also gratifying to know that, in these embarrassing times, we have nearly discharged the quota of the direct tax apportioned to this State under the act of Congress of August 5th, 1861.

Our account with the general government under this head stands as follows:

Direct tax due the United States, - - - - -	\$108,524.00
Amount paid in July, - - - - -	\$74,579.02
Amount in hands of State Treasurer, - - - - -	3,265.00
Amount in hands of County Treasurers, - - - - -	8,735.00
Paid by State and not credited, - - - - -	3,000.00
	<hr/>
	\$89,579 22
	<hr/>
Balance due the United States, - - - - -	\$18,579 88

Whatever further disbursements we may be called upon to make on account of the Indian war, will of course be credited to this balance.

I learn from the Auditor that there is reason to expect that there may be realized from the sale of school lands about twenty-five or thirty thou-

sand dollars. I would suggest, that in order to meet the war expenditures devolving on us, that the sum thus accruing to the School Fund be loaned to the State Government.

As incidental to the financial condition of the State, I may here remark that our Minnesota eight per cent. bonds have sold in New York above par.

Our quota of volunteers and drafted men under the call of the President, of July 2d and August 5th, was 5,362 men, of which—notwithstanding the extraordinary circumstances in which we have been placed, the lack of laborers to secure our harvest, and the dangers threatening our own homes—we have already raised over 4,000 men, and the balance would undoubtedly have been furnished long ere this, but for this unfortunate outbreak.

Amid our appalling domestic troubles, the people of the State continue to cherish the most devoted attachment to the Union of the States, an attachment strengthened by the dangers that assail it, and under the blessing of the God of our Fathers, we may hope soon to be enabled to contribute as heretofore to its preservation now and to its continuance through the ages yet to come.

ALEX. RAMSEY.

ST. PAUL, Sept. 9, 1862.

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ANNUAL MESSAGE

OF

GOVERNOR RAMSEY

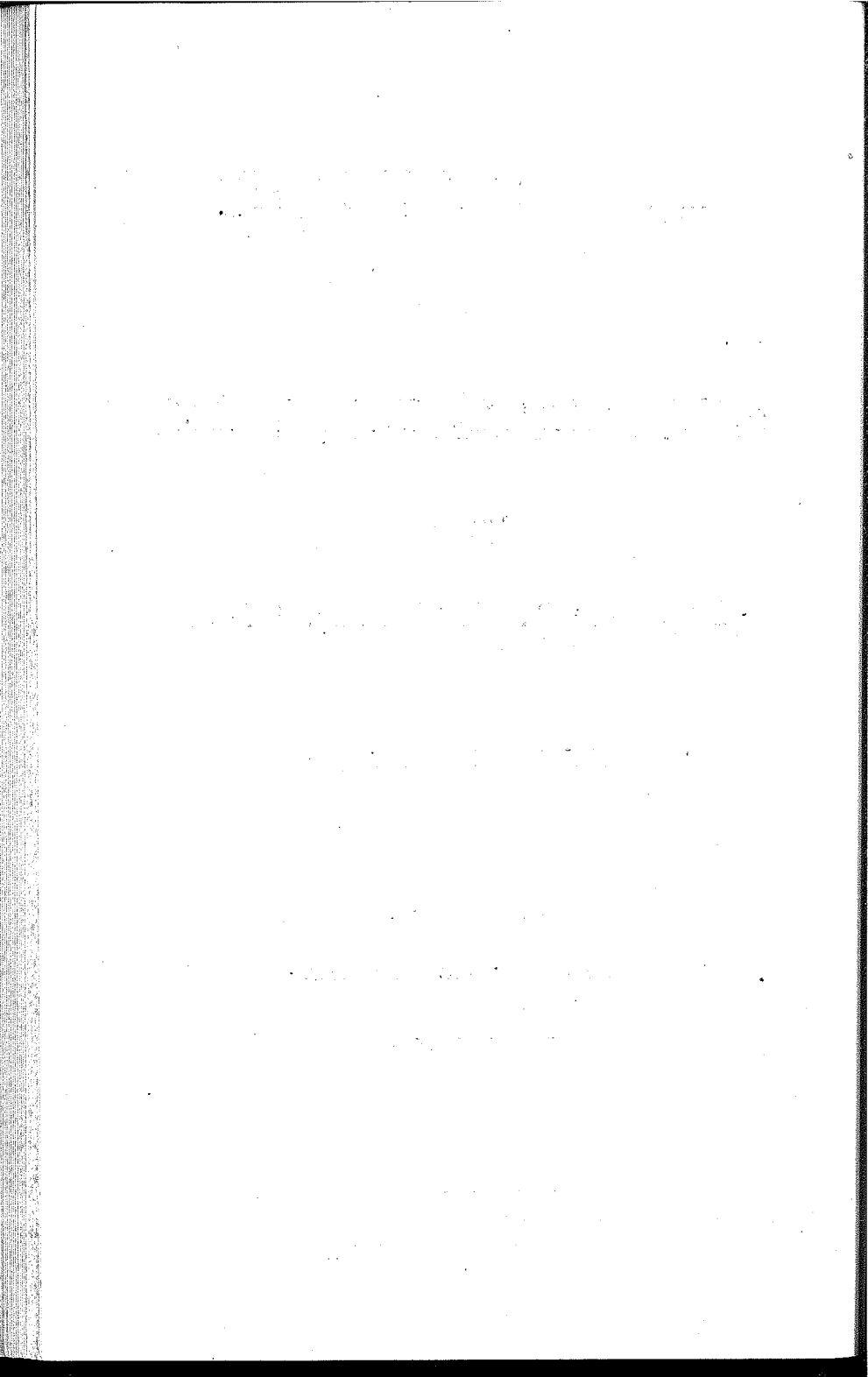
TO THE

LEGISLATURE OF MINNESOTA,

DELIVERED JANUARY 7TH, 1863.

PRINTED BY AUTHORITY.

SAINT PAUL:
WM. R. MARSHALL, STATE PRINTER.
PRESS PRINTING COMPANY.
1863.



GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives:

The people of Minnesota may justly congratulate themselves upon the continued prosperity of this State, during the past year, notwithstanding the unparalleled atrocities of the Indian war.

In agriculture, the chief interest of our people, we have kept up with the progress of former years, and our wheat and other cereals are quoted, in the great grain marts of the country, as superior to like commodities of other sections of the North-west.

The extraordinary abundance of our harvests has attracted the attention of the world, to the superior fertility of our soil; while every year's experience has extended the health-giving reputation of our climate, and invited multitudes of invalids from distant lands to repair their shattered frames in our pure and invigorating atmosphere; and we now wait, with confidence, the suppression of the rebellion in the South, for the restoration of business and the great growth and prosperity that a benificent Providence has in store for us.

While the grand thoughts inspired by the fact that a million of armed men are maintained by the General Government in active service, with the daily reports of battles fought and victories won, of cities subdued and States conquered, have the effect, I fear, to dwarf in the public estimation the comparatively small concerns of a young State, I trust you, gentlemen, will have a proper appreciation of the duties we owe to our Minnesota, and will see that amid the clangor of arms, while we perform all our duties to the imperilled Government of the nation, that our own duties to the present and the future of this Commonwealth will be so

discharged that when the cloud of war shall have rolled away and peace again smiles upon us, all the interests of the State will have been so guarded and directed that we shall march on to the fulfillment of our bright destiny, without hinderance because of any action or any omission of ours.

The credit of the State as exhibited in the market value of our bonds, must be highly gratifying to all who reflect upon the depression that but a few years since weighed down all our securities.

Our eight per cents. have repeatedly sold for 1.04 to 1.05 per cent., and the loan authorized by the act of September 27, 1862, was negotiated at a rate of interest, when the premium paid is considered, of less than seven per cent.

The items of our permanent debt are as follows, viz :

1 By act of March 13, 1858, @ 8 per cent.,	- - -	\$250,000
2 By act of September 27, 1862, @ 7 per cent.,	- - -	100,000
Total,	- - -	<u>\$350,000</u>

The loan of 1862 was contracted solely for the purpose of meeting expenditures growing out of the Indian war; and the whole amount will doubtless be returned to us shortly, as I am informed by the authorities of the United States in Washington.

The cash payments on the sales of school lands will probably continue to yield from fifty to one hundred thousand dollars per annum. The funds from this source, with whatever we may receive from the United States on account of our war expenditures, might be invested, by the purchase of our eight per cent. bonds, if they are to be had at par, or if not, in interest paying stocks of the United States, so as to accumulate a fund to meet our eight per cent. bonds when they become due in November, 1867.

In this way the obligations of the State will be provided for, certainly, and no part of the revenue will at any time be idle, and the temptation will be lessened to direct them to temporary or improvident uses.

A sinking fund commission, to consist of the Auditor, Treasurer and Attorney General might be created, with au-

thority to invest, from time to time, the funds as they accumulate.

The report of the State Treasurer exhibits the transactions of the financial year in a most satisfactory light

The receipts into the treasury from all sources, were as follows, viz :

Taxes for State purposes, December 1, 1861, to December 1, 1862, 4 mills,	\$133,000 71
Taxes for United States war purposes, 2 mills,	63,275 54
Sale of Shool Lands, cash proceeds,	12,433 40
Rents of do do interest, grass, &c., sold,	5,296 63
Board U. S. prisoners in Penitentiary,	1,406 98
On account of 5 per cent. fund on sales of public land,	948 07
Balance in Treasury, Dec. 1st, 1861,	4,729 42
Making a total of	\$221,091 75

The disbursements from December 1st, 1861, to December 1st, 1862, were as follows:

Paid Auditor's warrants,	\$137,505 71
Paid Secretary of Treasury of United States, on account of war tax,	47,030 17
Balance in Treasury December 1st, 1862	36,555 87
Making a total of	\$221,091 75

The balance belongs to the following funds, viz :

State Revenue,	\$1,632 40
War tax of United States,	16,246 76
School Fund, permanent,	12,433.40
School Fund, interest account,	5,296 24
Interest improvement fund,	948 07
Making a total of,	\$36,550 87

The Auditor's estimate of the actual expenses of the State incurred during the year, paid and unpaid, exclusive of those incurred on account of the Indian war and for refugees, from December 1st, 1861, to December 1st, 1862, is arranged under the following heads, viz:

Executive Department,	\$18,943 36
Judicial Department,	19,752 75
Legislative, regular session,	18,640 12
" extra,	6,906 35
Public Printing,	12,864 02
" " extra session,	1,800 00
State Prison,	6,612 48
Land Office,	6,127 23

Military Expenditures,	- - - - -	4,505 58
Miscellaneous,	- - - - -	3,334 20
Interest on State Loan,	-	20,944 43
Total,	- - - - -	<u>\$120,430 37</u>

The following is his estimate of the ordinary expenses of the State Government for the fiscal year from December 1st, 1862, to December 1st, 1863:

Executive Department,	- - - - -	\$15,350 00
Judicial Department,	- - - - -	19,600 00
Legislative Department,	- - - - -	17,200 00
Land Office,	- - - - -	3,600 00
Public Printing,	- - - - -	9,500 00
State Prison,	- - - - -	7,000 00
Repairs of Capitol,	- - - - -	1,000 00
Interest on Loans,	- - - - -	27,500 00
Miscellaneous,	- - - - -	3,000 00
Total,	- - - - -	<u>\$103,750 00</u>

Our resources for ordinary expenditures are to be derived from the tax of four and a half mills on real and personal property, from the poll, if it is continued, from labor of prisoners, board of United States prisoners, receipts from five per cent. on sales of United States public lands, etc., etc.

Owing to the entire disorganization of the western and northern counties, it will not be safe to assume the total valuation of 1862, at over \$30,000,000. Four and a half mills levied on this basis will yield \$135,000 00. Add delinquent taxes, amounting to \$292,682 00, makes a total of \$427,682 00.

Of this amount the Auditor estimates receipts into the Treasury, of tax of 1862, at 4½ mills,	- - - - -	\$84,375 00
Delinquent taxes,	- - - - -	35,000 00
Poll tax, if continued,	- - - - -	23,000 00
Miscellaneous,	- - - - -	5,000 00
Total,	-	<u>\$147,375 00</u>

The account of the State with the United States for its quota of the direct war tax of, is substantially as follows, viz:

Whole tax, - - - - -		\$108,524 00
Amount paid by State Treasurer, June, 1862, \$47,030 17		
Accounts for war expenditures to April 1st, 1862, rendered in July, 1862, - - - - -	17,821 16	
Amount in Treasury, Dec. 1st, 1862, - - - - -	16,246 67	
Accounts for war expenditures accrued since April 1st, 1862, and not yet presented, - - - - -	3,100 00	
Discount allowed for collection of the tax by the State, - - - - -	10,000 00	94,198 09
Thus leaving a balance to be provided for of - - - - -		\$14,325 91

This sum can be readily liquidated out of the claims that have already accumulated against the United States, on account of the expenditures arising out of the war, in defence of the Union or the Indian war, and the State would again be re-imbursed, and that, probably, in a few months, from the war taxes of 1862, coming into the Treasury, so that the direct war tax of the United States is really thus amply provided for, and the two mills, or war tax, need not be levied for the year 1863.

In consideration of the onerous taxation, to which the people have been subjected, in some parts of the State, and the breaking up of social organization in many of the frontier counties by the Indian war, every item of superfluous taxation should be abandoned; at the same time, the amount of taxation should be insisted on, that is absolutely necessary to provide for the current expenses of the Government.

The war loan authorized at the extra session was negotiated upon favorable terms. The Messrs. Thompson Brothers, of Saint Paul, having taken it at one and one fourth per cent. above par, in bonds bearing an interest of seven per cent., which yields to the State the sum of \$101,250 00.

By my advice, and with the consent of the Messrs. Thompson, the Commissioner of Public Lands took fifteen thousand of the loan on account of the permanent School fund.

The amount of State Scrip outstanding, on Dec. 1st, 1861,		\$48,267 46
was,		
The amount of State Scrip outstanding, on Dec. 1st, 1862,		55,918 08
Making a difference of - - - - -		7,650 62

This is a surprisingly small increase when the disturbed condition of the country, the fact that an extra session of the Legislature has occurred, and the consequent extraordinary demands upon the Treasury are considered. The probability is that one half of this scrip is even now in the hands of County Treasurer, to the credit of the State.

Among the most gratifying facts, as stated by the Treasurer, is the amount of taxes which has been paid in, during the past year, in comparison with the amounts received in former, and more peaceful years.

The State taxes collected in 1860	amounted to	-	\$111,918 58
"	"	-	100,186 83
"	"	-	133,001 71

Doubtless the larger amount collected in 1862, notwithstanding the disordered condition of the country, is owing in a great degree to the beneficent act of the late Legislature, in reference to the delinquent taxes that had accumulated in the years following the financial crisis of 1857, which in certain towns and counties, owing to the extravagant assessments of "the inflated period" exceeded the money value of the property.

I contemplated asking you to adopt some measures for appreciating our State warrants, which for some time past have been selling below par, to the detriment of the State, which in making contracts with other parties has been compelled to make good the discount that ruled in the market, by an increased price; of such of her creditors as are compelled to take scrip at par; and of the several State officials, who for this cause, have received twenty per cent. less than their nominal salaries. I am led to hope, however, from the very flattering assurance which the statement of the Treasurer gives of an improvement in our finances, that the scrip now outstanding, will, in consequence of this, rapidly appreciate in value and shortly cease to enter into the circulation of the country to the degree it has heretofore, and that before the close of the year, warrants upon the Treasury will be promptly paid in cash.

It is among the many unfortunate results of the Sioux war, that thousands of our frontier people, who, with their families, had theretofore lived in comfort, were deprived of the very necessaries of life, and their absolute support, thus was devolved upon our exhausted treasury.

It is a fair assumption that for months fully one-tenth part of our entire population was distressed for their needful shelter, food and clothing.

Thousands of these people so suddenly made dependent upon the charities of the world, fled to St. Peter, where they were provided for, and many hundreds reached St. Paul, Anoka, Minneapolis and other river towns.

The State appropriated twenty-five thousand dollars, to relieve their most pressing wants, and to this sum has been added by the generous donations of citizens of New York, Boston, Philadelphia, Columbus, Dayton, Xenia and Cincinnati, the further sum of five thousand one hundred and ninety-three dollars.

From the report of Chief Commissioner Berkey, you will learn with what excellent discretion and with how great benefit to the recipients this sum of over thirty thousand dollars has been disbursed, under the great embarrassments which have attended his labors and those of his colleagues:

The daily appeals which were made to them had to be answered, not as their own feelings might dictate, but as they, as public officers, in the exercise of their best judgment, might deem most prudent, in view of their having a limited fund to disburse, without possessing adequate knowledge of the number who would eventually be dependent upon it, or the length of time it would be necessary to continue the relief afforded by it.

In the St. Peter district the number of refugees aided during the month of September, was	6,590
During the month of October, - - - - -	232
During the month of November, - - - - -	120
In the Minneapolis district the number of refugees aided during the month of September, was	728
During the month of October, - - - - -	136
During the month of November, - - - - -	76

In the Anoka district the number of refugees aided during the month of September, was	-	-	-	-	-	-	243
During the month of October, -	-	-	-	-	-	-	150
During the month of November, -	-	-	-	-	-	-	100
In the Saint Paul district the number of refugees aided during the month of September, was	-	-	-	-	-	-	616
During the month of October, -	-	-	-	-	-	-	460
During the month of November, -	-	-	-	-	-	-	248
Making the whole number of refugees in the several districts aided by the Commissioners during the month of September, -	-	-	-	-	-	-	8,231
During the month of October, -	-	-	-	-	-	-	928
During the month of November, -	-	-	-	-	-	-	544

The Commissioners estimate that about five hundred will require support during the winter, and that about one hundred others will require occasional aid.

The sum of seventy-five thousand dollars appropriated to meet the indebtedness incurred by the State, on account of the Indian war, would have been sufficient for that purpose, had the State been called upon to discharge only the expenses of the Militia temporarily called out—as pay, transportation, subsistence, and other charges such as necessarily accrued—for the time the Militia were under the control and direction of the State authorities.

It was my expectation, and I have so held, that as the Government of the United States assumed command of the military forces employed in the State, it would also be responsible for and would assume all the obligations incurred, for the support and employment of those forces. The United States troops had served with the State Militia. The transportation for each had been furnished by the State. The Quartermasters and Commissaries of the Militia had equally served both classes of troops. Much of the transportation originally furnished by the State and retained by the United States and employed in its service for nearly three months after Major General Pope took command in this Military Department.

Every effort was made with the authorities at Washington to have these expenses arising out of the Indian raid promptly met by the General Government; and could that desirable arrangement have been effected it would have superceded the necessity of negotiating the war loan authorized.

In answer to my several applications to the Secretary of War on this subject, he has transmitted to me among other papers, a letter of Quartermaster General Meigs, to whom the Honorable Secretary had referred my request, for an opinion, as to the authority of the Department in the premises.

The letter very clearly states the reasons why the Department could not, at that time, provide for the payment of the claims and expenses, and is as follows :

QUARTERMASTER GENERAL'S OFFICE, }
Washington City, Oct. 31, 1862. }

Hon. Edwin M. Stanton, Secretary of War, Washington, D. C. :

SIR—I have the honor to acknowledge the receipt of a communication from the Hon. Alexander Ramsey, Governor of Minnesota, in reference to the expenses incurred in that State, on account of the recent outbreak of the Sioux Indians, referred by you for a report on the following points :

1. Whether there is any appropriation out of which the claim can be paid ?
2. If there be such appropriation, what sum should be paid ?

The following report is respectfully submitted :

1st. The appropriations for the Quartermaster's Department are based upon estimates made in accordance with existing acts of Congress, and the regulations of the War Department, authorized by those acts.

These do not provide for the expenses of State troops not called into the service of the United States. There is no appropriation under the control of the Quartermaster's Department, from which the expenses incurred for such State troops can be paid. Expenses incurred for the movement and operation of volunteer or drafted militia mustered into the service of the United States, under existing laws, and used in the war against the Sioux can be paid from the existing appropriation.

Therefore, when the Government of a State or Territory has incurred expenses in defending the people of said State or Territory from the attacks of Indians, Congress has provided, after the events, by special act and appropriation for the settlement of the claim. See act of Feb. 14th, 1851, (Vol. 9, p. 566,) "To settle and adjust the expenses of the people of Oregon in defending themselves from the attacks and hostilities of Cayuse Indians ;" and Feb. 27th, 1851, (Vol. 9, p. 573,) "For reimbursing the State of Florida for money advanced and paid, and for expenses incurred and obligations contracted by said State for subsistence, supplies and services of local troops called into service"

2d. It cannot be determined what sum should be paid in this case, until a full and detailed statement of the actual and necessary expenses incurred has been presented, which statement should be accompanied by proper vouchers, and satisfactory proof of the correctness thereof, authenticated in conformity with the usages of the Department.

The communication of Governor Ramsey is herewith respectfully returned.

I remain, Very respectfully,

Your obedient servant,

M. C. MEIGS,
Quartermaster-General.

On learning that the State must of necessity seek an appropriation from Congress for the payment of the Indian war expenses, an approximate estimate which was all that it was possible at that time to obtain, was made of the amount that would be required to meet the obligations which had been incurred by the State, and which it was her bounden duty to have discharged.

That estimate amounted to the sum of two hundred thousand dollars; the items of which were promptly furnished to the Secretary of War, in season to have the amount included in his estimate of War expenses, preparing for the action of Congress; and it is hoped an early appropriation will be made by that body to relieve us from embarrassment.

The Board of Auditors of War Claims have been in session since the 15th of October, and have allowed claims to the amount of \$250,507 06.

The accounts and vouchers, in all these cases will, as soon as possible, be transmitted to Washington, and if, as I trust, soon will be the case, an appropriation is made for the payment of them, we shall be enabled to settle the balance of the claims unpaid.

By the act of the 27th of September, the Governor was authorized to appoint three discreet and trustworthy citizens of the State, to act as Commissioners, to inquire into and ascertain, as far as practicable the number, names and other interesting facts concerning the parties killed, and the value, ownership, kinds and other statistical information in regard to the property destroyed by the Indians. The act provided "that in case any agent or commissioner was appointed by the United States authorities, then no commissioner should be appointed under this act."

At an early day, after the adjournment of the late extra session of the Legislature, I addressed a communication to the President, on the subject of the proposed Board of Commissioners, and was informed by him in reply, that he did not purpose at that time to make any appointments; but subsequently, the Secretary of the Interior informed me that

he would apply to Congress for authority to appoint such agent.

I preferred that the Commissioners should be appointed by the United States Government, as such apparently was the preference of the Legislature, and especially for the reason that such action on the part of the Government would be a tacit admission of its obligation to compensate the unfortunate sufferers. The report of its agent, also, for obvious reasons, would obtain more credence at Washington than would that of an agent, acting under the authority of the State.

Still, as the delay involved would necessarily impair the evidence it is desirable to have perpetuated, I attempted to organize a Board under the act, and tendered to three several gentlemen a place on the Commission. But they in every case declined serving, for the reason that they did not deem the per diem of three dollars in State scrip a sufficient compensation for the services to be rendered, and for so brief a period of time as to the first of January.

Under these circumstances I would respectfully refer the subject for your further consideration, with these suggestions. In order that the evidence may be perfectly digested, methodized and arranged, so as to secure respectful examination of the report when it is made, it seems advisable that the President, at least, of the Commission should be a gentleman of experience in the practice of the courts of law, who should be properly compensated for his services.

The space of time allowed for the existence of the Board was quite too brief in which to gain the full, mature and thorough information contemplated by the act, or for that faithful examination of their cases, which in justice, is due to the surviving unfortunate sufferers, who have been bereft of friends and deprived of property.

I would therefore suggest, if it should be deemed advisable by the Legislature to take any further action on this subject, and provision should be made for the appointment of Commissioners, in view of the limit of country over which

they would have to extend their inquiries, that they should not be restricted to a less period of time than three months, in which to perform their labors.

The questions long depending between the State and National Government relative to pre-emptions upon school lands, have at length been determined adversely to the position maintained by the Attorney General.

However the law may be which controls the case, there can be no doubt that to the great public interests involved in the preservation of the school fund, the result of the doctrine announced by our courts cannot be otherwise than disastrous.

The decisions of the Registers and Receivers of the local land officers, are held conclusive, and every pre-emption, although accompanied by the grossest fraud and perjury, is thus unassailable by the State in the ordinary legal tribunals of the land.

This decision as observed by the Attorney General, is likely to open the door to a system of frauds that will menace the entire public domain.

In view of the vital importance of the questions involved, it seems desirable that they should be fully investigated and determined, by the highest legal tribunal of the nation. I have therefore advised the Attorney to take the case, by writ of error to the Supreme Court of the United States. An appropriation to meet the expenses attendant upon the conduct of the suit in that court will be necessary.

In this connection, and in view of the increasing encroachments upon the school lands from this source, I earnestly recommend to the Legislature the passage of a memorial to the Congress of the United States, praying for the repeal of the Joint Resolutions of March 3d, 1857, authorizing the pre-emption of school lands by parties settling thereon prior to the survey, or a modification of the provision so as to except the school lands within the territorial limits of this State from the operation thereof. Although it may be true, that in rare instances these resolutions have afforded merited

relief to honest and industrious settlers, yet in the majority of cases it is believed they have only afforded opportunities for the practices of the dishonest and corrupt.

It is at least certain, that if it be true, that a party by the mere filing of a false affidavit of settlement with a ministerial officer may with impunity rob the State of the fairest portion of her domain, the dangers to the public interest are by no means compensated by the rare instances of private relief which may, as they occur, be with equal facility reached by the interposition of the Legislature.

It is very desirable that there should be greater uniformity in the several counties and districts of the State in the decision of questions arising out of the school, revenue, and tax laws. As in my judgment the publication of the opinions of the Attorney General given on those topics would contribute very greatly to such a result, I would respectfully suggest that an annual appropriation be made for that purpose. A more general compliance with the requirements of law, on the part of County Attorneys, it is hoped will, in the future, furnish us with the full and complete criminal statistics so essential to the Legislator in the intelligent discharge of his duties.

The report of the State Superintendent of Public Instruction is respectfully submitted for your consideration.

The inability of this Department, ever since its formation, to present a reliable table of statistics setting forth the condition of the Common Schools of the State, is an annually recurring source of vexation, arising, partly, perhaps as the Superintendent suggests, from the frequent changes in our school laws, and possibly also from defects in the several systems heretofore established.

My views upon the necessity of a thorough and efficient school system have been so often expressed, on previous occasions, that it is unnecessary to repeat them here. And your experience in the various localities which you represent will enable you to determine whether the course of legislation upon this matter has been adapted to the wants of the community, and what changes, if any, are needed.

You will, I think, agree with me in the conclusion that our efforts, on behalf of public education, would have been attended with better results if we had remembered that the cheapest system is not always the most economical, and that the efficiency of any system not radically defective depends upon its permanence.

The creation of a fund for school purposes, from the sales of school lands adds a new interest to this important subject. The enlargement of this fund, as the Superintendent suggests, will result in time in the establishment of a distinct department of public instruction. Until this shall be done, however, it affords me pleasure to be able to state, that this important department is in the hands of a gentleman fully sensible of the importance of its duties and zealous for their efficient discharge.

Notwithstanding the draft upon the finances of the State, occasioned by the war, resulting in the necessity of omitting the usual appropriation for the Normal School at Winona, its friends have not abated any portion of their zeal or interest in this enterprise, and look with confidence to its reorganization, so soon as the Legislature shall be enabled to bestow the usual favors upon that institution, which it is fondly hoped may be at no distant day. For further information, of the present condition of this institution and of its prospects and hopes for the future, you are respectfully referred to the report of the Superintendent.

The Legislature, at its last regular session, authorized the Regents of the State University to attempt a liquidation of the indebtedness of that institution, by the conveyance of the lands with which it is endowed. The attention of the Regents has accordingly been directed to that object during the year.

The lands have been offered to the various classes of creditors, at valuations to be placed upon them by disinterested appraisers.

It has been found difficult to reach effectually the bond holders, the most of whom yet cling to the hope that the University bonds are State obligations.

A portion of the other indebtedness has been settled with lands at a valuation which must be satisfactory to the State, and which is not inequitable to the creditors. A beginning has thus been effected, towards a release of the University from the incubus which has so long rested upon it, and a disposition shown on the part of the Regents to do what lies in their power, to meet its obligations. It is hoped that all the creditors may be persuaded to accept the equitable proposals made to them.

Under the advice of the Legislature, I addressed the Governors of several of the Northwestern States, last spring, to ascertain whether they would receive and care for a limited number of the insane of this State in their curative asylums, and if so, upon what terms.

The only favorable response came from Iowa, where the authorities agreed to receive such patients as the State might send, not exceeding twenty in number, at the charge of three dollars per week for board, care and attendance; and that the necessary clothing the patient might require would be furnished at wholesale price, which it was judged would not average over fifty dollars per annum. These charges to be met in quarterly payments.

After due public notice given by the Secretary of State, six persons from the counties of Meeker, Washington and Ramsey were assembled in this city and placed in charge of the agent appointed for the purpose of taking them to the Iowa Asylum for Insane, and were by him delivered to the Superintendent of that institution on the 4th of December last.

An account should be kept with the several counties from which these patients are received, and they should be required to reimburse the State Treasury for the expenses thus incurred.

The appropriation made at the extra session for the support of the Insane, will be sufficient to meet all charges to December 4th, 1863, if there should be no increase of numbers; but as there probably will be I recommend the appro-

priation of a few thousand dollars, to meet possible contingencies.

The operations in the Bureau of Public Lands which have been conducted with great prudence and ability, are possessed of the highest interest, and giving, as they do, a faint glimpse of the immense value of public lands under the several denominations of School lands, Capital lands, Salt Spring lands, Swamp lands, Agricultural college lands, will induce the Legislature to continue its careful guardianship of its immense estate, which will, in due time, pay the public debt, erect all the necessary public buildings, educate its children and meet the necessary expenditures of the State, without resort to taxation.

This can be surely done, but the closest vigilance will have to be exercised, not only by you, gentlemen, but by the successive Legislators that may have the interests and destinies of the State in charge.

The rock, upon which the like rich endowments of some other States have been stranded, should be a perpetual warning to the people and their representatives, and should admonish them to guard with zealous care this source of wealth.

During the autumn, 135,982 acres, a portion of the school lands in twenty-two counties, were appraised, and in thirteen of those counties 87,832 acres were offered for sale, and 38,047 acres sold for the aggregate sum of \$242,531. The cash received upon the sales was \$51,992 22, and the remainder, viz, \$190,539 38, continues a lien upon the lands sold, bearing an interest at the rate of seven per cent. per annum.

The interest upon these sales to June, 1863, will amount to the sum of	\$7,502 08
Forty-three thousand six hundred and forty-two acres are under lease at an annual rent of,	4,138,08
There is in the Treasury, receipts for sale of grass upon school lands,	592 28

The Commissioner estimates that \$150,000 will be added to the permanent school fund during the present year, and

that there will be, with what is now to the credit of that account, the sum of \$25,000 for distribution.

The amount of school land already surveyed is stated at 1,256,320 acres. The aggregate amount to which the State will be entitled, when all the lands have been surveyed has been estimated at 2,883,000 acres, much of which of course, will not be available for many years, and it is fortunate for the interest of the school fund that it is so.

The vigilant attention of the Commissioner of the Land Office will be required to secure to the State the assignment by the General Government of other lands in place of those of which it has been deprived by pre-emption and otherwise. And although there may be a difference in the valuation, it is hoped a partial compensation, at least, may thus be received for the losses we have sustained.

The State continues to maintain before the Land Office at Washington its right to the 16th and 36th sections of the half-breed tract on Lake Pepin, or of other lands in lieu thereof; as also her right to similar sections on the several Reservations as they may from time to time be added to the domain of public lands.

The Swamp lands are among the most valuable of our land grants, as well in view of the amount in acres, as of their value for the support of the stock, in the several counties in which they are located. These lands, which in very many instances were passed over by the early settlers, are now sought for with great avidity by the farmers living in their vicinage.

I cannot but trust that the people and their representatives will continue to have an increasing appreciation of the value of these lands, and will steadily resist every application that may arise for their appropriation, unless for the most assured public necessity and benefit.

Unless some new policy of this kind is inaugurated, these swamp lands, which I confidently anticipate, will, in a few years, furnish us with a large reserve fund, of millions of dollars, to discharge whatever of indebtedness the necessities or

the follies of the State, in its earlier history, may have imposed upon us, as also for the erection and maintenance of those great eleemosynary institutions which, before many years, the State will be called upon to erect, at a cost of several hundred thousand dollars each, such as asylums for the Insane, Deaf and Dumb, and Blind, will have been wasted; and nothing but taxation, the great hindrance to immigration, will be left to us as a resource for such purposes.

These lands are being allotted to us from time to time by the United States authorities. But, for obvious reasons, the process is somewhat slow.

As fast as the title to them becomes absolute in the State, I trust it may be stipulated that all proceeds, from the sales thereof, shall be safely invested and solemnly dedicated to the great public objects I have just named; for I am convinced that nothing can be done, by us, which will so soon encourage a large immigration, as the knowledge of the fact that the great land grants to the State, by the general government are carefully and prudently managed, and that taxation to every possible degree, is avoided.

The act of Congress donating public lands to the several States and Territories, which may provide colleges for the benefit of agriculture and the mechanic arts, approved on the 5th of July, 1862, provides in the seventh clause of the fifth section, that no State shall be entitled to the benefit of the act, unless it shall express its acceptance thereof, by its Legislature within two years from the date of its approval by the President.

Under this act, Minnesota is entitled to one hundred and twenty thousand acres. If selected judiciously and at an early date, the fund realized from so large a donation may in conjunction with whatever may be saved of the University grant, richly endow an institution of learning of the highest character.

As the grantees of other States, may under this act, locate one million of acres within the borders of Minnesota, it is desirable, if there is any advantage to be gained by an early selection of these lands, that the State should enjoy it.

I would therefore advise that you take all necessary steps at an early day to protect the interests of the State in this regard.

There are seven banks of circulation in the State. Two of these, namely, the Bank of Minnesota, and the Marine Bank are entirely new organizations.

The circulation outstanding on the 1st of January, 1863, was \$197,613, being an increase of \$116,377, since the 1st of January, 1862, which is secured, excepting by two of the banks, with bonds of the United States, the State 8 per cent. bonds or the State war bonds. The two Banks which have their bills secured by the Minnesota Rail Road bonds, have taken excellent care of their circulation.

The Auditor's report gives full and detailed information of the particular securities deposited in his department, by each of these institutions.

In the State Prison at Stillwater the number of Convicts, Decem- ber 1st, 1861, was	22
The number received during the year was	7

Which makes the whole number confined during the year	29
The number discharged by expiration of sentence, by pardon of the President of the United States or of the Governor, was	6
Leaving in the Prison on December 1st, 1862	23

From the reports of the Warden and Inspectors, which present a very lucid account of the year's management of the institution, it appears that there were debts necessarily contracted, owing to the increased price of provisions, groceries and other articles, which exceed the appropriations by the amount of \$695 74, which amount, it is desirable, should at once be provided for.

All the cells are at present occupied, and an increase of convicts would render it necessary to use the prison hospital as a place of confinement.

I would ask your attention to the very judicious suggestions of the Wardens and Inspectors, upon the propriety and economy of an increase of the cell accommodations being prepared in advance of the necessities that will soon be forced upon us. I have several times heretofore called the attention of the Legislature to this subject.

More shop room for the hands is much needed, and it can be very economically obtained by the addition of another story to the machine shop, so that space will be given for the employment of from twenty-five to thirty additional operatives.

The report states that "the walls of the Warden's residence have not yet fallen, but will in the course of another season." I feel confident that the Legislature will not need any further appeal, to secure an appropriation to prevent such a dilapidation.

The Warden's estimate for current expenses for the fiscal year amounts to \$7,200. The earnings he estimates,

Of rent of shop and convict labor at - - -	\$2,200	
Keeping of U. S. convicts at the State Prison for the year 1863, at - - -	1,600	3,800 00
Leaving the estimated charge upon the Treasury of - - -		\$3,400 00

The Railroads, that have been the occasion of so much legislation and of angry discussion, are at length beginning to move to the consummation their friends so long predicted of them.

Ten miles of the Saint Paul and Pacific Railroad having been completed and in running order, on the second day of last July, the deposit of ten thousand dollars, as a pledge of their good intentions, was withdrawn by the company.

The track is laid, I am informed, upon this road for three miles beyond Saint Anthony, and that the company has paid for and has on hand 35,000 cross ties and 720 tons of iron rails, which the difficulties of navigation of last fall compelled them to leave at La Crosse and Hastings.

The President states that the road from Saint Anthony to Watab is under contract, to be completed by the 1st of January, 1864, and that there is no reason to doubt but that it will reach there before the contract time. That so much should have been accomplished, in spite of the draft which the war is making upon the energies of the country, is, I trust a sure guarantee for the final completion of this road.

In compliance with the third section of the act of March 10th, 1862, this Company made a tender of \$10,000, in

"Minnesota State Railroad bonds," which, however, I declined receiving from the belief that it was not the kind of security contemplated by the law.

I would, however, suggest whether this company, because of the large expenditures it has already made in the building of so important part of the road, and in outlays for its extension—evincing a purpose on its part to execute the required work—is not a sufficient reason for relieving them from the obligation to make the deposit, and thus place them on an equality with the other Railroad Companies in the State.

The Winona and Saint Peter Company, I am informed by the Secretary, have completed their road for more than ten miles, westwardly from Winona, and that the cars are already running over that portion of the road.

I am not advised that any work has been done, during the past season, upon either the Minneapolis and Cedar Valley or upon the Southern Minnesota Road; but do not doubt, that with the examples of the other companies as an impulse, and with the improved condition of the country, they will soon be stimulated to action.

The corporators of the Minneapolis and Cedar Valley Company, met at Faribault, on the 23d ult., and re-organized preparatory to active operations in the spring.

A Joint Resolution of Congress, approved July 12, 1862 authorizes the State of Minnesota to abandon the Railroad land grant on the line of road from Crow Wing to Saint Vincent, and to transfer the grant in aid of a road from some point between Saint Anthony and Crow Wing, North-east-erly to Lake Superior. The resolution to take effect from the filing in the General Land Office of the acceptance by the authorities of the State, of such exchange or substitution.

Your early attention is invited to this subject.

During the past year, the military department of the State Government has been of increasing importance. The fifth regiment, second company of Sharp-shooters, and second battery of light artillery, were raised during the early part

of the year, and were together with the fourth regiment, after it filled its ranks, sent, at the opening of navigation, to the seat of war.

When the necessities of the General Government compelled it to again appeal to the patriotism of the loyal citizens for an additional force of 600,000 men to protect the integrity and liberties of the country, immediate steps were taken to raise and organize the quota of troops assigned to this State, being 5,362 men. Pursuant to orders issued from the Adjutant General's office for that purpose, five new infantry regiments, numbering in the aggregate 4,482 men, and one cavalry regiment numbering 1,200 men were mustered into the United States service, the former for the period of three and the latter for the period of one year. Thus the alacrity, with which our citizens responded to the several calls for volunteers, saved the State from the necessity of resorting to a draft, and even enabled her to furnish the General Government 320 troops in excess of the quota.

Besides the troops mentioned, a number of men were recruited for the old regiments, of whom 65 have been reported to the Adjutant General's office.

The organization and equipment of the regiments raised under the two last calls of the President have been attended with but little expense to the government; which is in part due to the strict economy practiced by the Adjutant General, as acting Quartermaster General.

During the Indian war, there have also been organized 22 companies of irregular militia, numbering in the aggregate over 1,200 men, who, assisting the United States volunteers, have done good service in protecting our frontier.

To the whole country, and more especially to this state, the absence of an available militia force has proved a great calamity, and I invite your earnest attention to the plan of organizing an efficient and always disposable militia, proposed by the Adjutant General, to whose report I refer you for the particulars.

It is a source of excusable pride, we trust, to every Minne-

sonian that his State, which in 1850 had a population of only 5,000, should, within the last few months, have been able to furnish the Federal Government with an army of 12,000 men, while at the same time she unaided crushed out the most formidable Indian uprising known in history.

Can we over-estimate the future of such a people?

In the war against the Sioux Indians, our citizens responded with alacrity, to the call made upon them. Many gallant men fell in the service, and many were returned to their friends with honorable wounds. It was so, also, with many of the volunteers, who in the haste with which they were compelled to leave for the frontier, had not time to pass through the formality of being mustered into the service.

I therefore beg of you, at an early day of the session, to present their case, in the form of a memorial, to the Congress of the United States, and ask that the families of the slain, as well as the wounded, may be placed on the pension rolls of the country.

In the months of June and July, I personally called upon every sick and wounded Minnesota soldier, then in the St. Louis Hospitals, and also visited the Regiments and Batteries of Artillery in Tennessee, Mississippi and Alabama.

Through the agency of gentlemen appointed at New York and Philadelphia, and others occasionally sent to St. Louis, Cairo, and other points on the Mississippi, and to Kentucky, many who had been lingering hopelessly in the hospitals, have been discharged, and the comfort of others has been improved.

In my message to the Legislature at its extra session in September last, I gave, in detail, a history of the Sioux raid upon our borders, so far as it had then transpired.

At that time, Col. Sibley, with a command of fifteen hundred men, had just arrived at Fort Ridgley, under instructions to prosecute offensive operations with all possible vigor and dispatch.

Some three hundred women and children were captives

in the hands of those fiends, exposed to all the insults and outrages which savage ingenuity could devise or demoniac lust and malignity inflict.

The rescue of these persons, from a captivity worse than death, was the first object which engaged the attention of our forces and their commander. Possessed of an intimate knowledge of the habits and character of the wily foe, with whom he was to deal, acquired from a long residence in their vicinity, Col. Sibley adopted a temporizing policy unsuited, indeed, to the intensely excited state of the public mind, but which subsequent events have abundantly justified.

A long line of rescued women and children pouring into the camp and restored to the arms of weeping husbands and fathers, soon attested the wisdom and humanity of the officer in command.

This object having been thus happily attained, Col. Sibley turned his attention to the chastisement of the wretches, whose bloody butcheries had devastated our borders. The gallant bearing of our soldiers at Birch Coolie and Wood Lake, taught the Sioux his own weakness and the strength of the foe whose vengeance he had invoked. And more than 2,000 Indians hastened to throw themselves upon the mercy of those to whom they had shown no mercy, while the scattered few who still adhered to the fortunes of Little Crow fled to the plains and sought protection among the kindred tribes of the West. Forts Ridgley and Abercrombie have been relieved from impending danger by the prompt exertions of our forces.

The threatening aspect of the Chippewas, has yielded to more pacific counsels, and the soil of our State is no longer polluted by the stealthy tread of hostile bands.

As the annals of savage warfare afford no parallel to this raid of the Dakotas, in the indiscriminate slaughter, the fiendish outrage and demoniac frenzy which have characterized their bloody atrocities, so also we may search our early colonial records in vain for an outbreak of this magnitude which has been so promptly and effectually quelled.

Returning peace and security have revisited all our borders. A cordon of infantry stationed within easy communication, guards our extensive frontier, and a regiment of cavalry well mounted and equipped awaits the opening of early spring to dash across the plains and visit a swift vengeance, upon the few who have escaped, in the asylums to which they have retreated.

But while a sense of perfect security from all outrage, now pervades our most exposed frontiers, while the sword of the military power is suspended above the heads of the offenders, the occurrences of the last few months have taught our people new demands, and the authorities of the State and Nation new theories of Indian treatment and government.

The absolute and immediate removal of these savages beyond our borders has become an imperative social necessity.

The moral and physical safety of the Indian urges it; the rising fortunes of our State require it; and the united voice of our people demand it.

The recognition of these savages as independent nations, competent to declare war, to make laws for their own guidance, and to hold and dispose of property, has always been a fraud upon the Indians. It is an attempt to raise these ignorant savages to a position, to which their wild and roving habits and their child-like ignorance necessarily unfits them, and while affording abundant opportunity for the frauds of the designing has taught the Indian only arrogance in his demands, a contempt for the authority, and a suspicion of the integrity of the Government.

It is at least certain, that the existence of tribes of barbarians, as independent nations within the territorial limits of a state in the tracts of country carved out of the most beautiful portion of its territory, surrounded by populous communities and busy towns and villages, over which an independent jurisdiction exerts its authority and within whose limits all State laws are nugatory, cannot continue without serious injury to the growth and prosperity, of the rising community within whose limits they are located.

To a prompt and vigorous effort to secure the termination of this state of affairs, the attention of the Legislature is earnestly solicited.

Among the captives taken by Colonel Sibley were many of the most remorseless assassins of our citizens ; those who led the attack at New Ulm and Fort Ridgley and whose hands were deeply imbrued in the blood of women and children. Of these some three hundred men were tried and convicted by a military commission promptly organized. A detachment of these, thirty-eight in number, have received by order of the President a merited punishment for their atrocious crimes. The remainder are still prisoners.

The nervous anxiety of our people in reference to their execution, and a conviction that justice and policy demanded it, induced me twice to telegraph the President as follows:

STATE OF MINNESOTA, EXECUTIVE DEPARTMENT, }
SAINT PAUL, Nov. 9th, 1862. }

To His Excellency the President :

I hope that the execution of every Sioux Indian condemned by the military court, will be at once ordered. It would be wrong upon principle and policy to refuse this. Private revenge would, on all the border, take the place of official judgment on these Indians.

ALEX. RAMSEY,
Governor.

STATE OF MINNESOTA, EXECUTIVE DEPARTMENT, }
SAINT PAUL, Nov. 28, 1862. }

To the President of the United States :

Nothing but the speedy execution of the tried and convicted Sioux Indians will save us, here, from scenes of outrage. If you prefer it, turn them over to me and I will order their execution.

ALEX. RAMSEY,
Governor.

What action, if any, may be advisable on the part of the State with reference to those convicted and still in durance, and such others as may be found, on trial, to have participated in the outrages upon our people, will afford matter for your careful consideration.

The relation which these tribes sustain to the State and National government has ever been a fruitful topic of dis-

cussion by courts and legislatures. And after the lapse of years, the precise line which separates the action of the State and National sovereignties, in their relations in peace and war, with the Indian nations within their borders, cannot, perhaps, be regarded as definitely settled.

The exclusive power to regulate commerce, and under and with reference to this, to control all ordinary intercourse with them, must be conceded to Congress. It may also be admitted that the power to declare and conduct war, and of consequence the right to deal with all persons taken in arms against the nation, as prisoners of war, are, with one important exception, also vested in the nation. If this be true, it may also follow that the final determination of the United States relative to the disposal of prisoners, their trial and sentence, pardon or punishment is conclusive upon the State, and that a sentence of a United States tribunal of competent jurisdiction, or the pardon of the President may be effectually pleaded in bar of the prosecution instituted in our own courts.

It is, however, by no means conceded that a court martial, acting upon persons not members of the army or navy, is such a tribunal, or that a Presidential pardon can, in every instance, deprive a State of all power of visiting bands of murderers, although not her own citizens, invading her soil and destroying the lives of her people, with a merited punishment. State sovereignty, without this would be a mere bauble, of no avail for the protection of her own dignity, or the defence of her citizens.

The framers of our constitution felt this, and with express reference to the not infrequent incursions of savages on the frontier settlements, in the early history of the country, inserted an important exception to the exclusive power of making war vested in Congress, viz: "No State shall engage in war unless actually invaded or in such imminent danger as will not admit of delay."

Hence, upon the invasion of Virginia by John Brown and his associates, that State unhesitatingly assumed the power

of trying, convicting and punishing, under her own laws, the invaders of her soil; a power which was then and has ever been unquestioned.

So, upon the first rumor of the raid upon our borders, the State Militia were at once summoned to the rescue of our endangered settlements. A commander was appointed by State authority and the State found herself engaged in a defensive war. The case contemplated by the Constitution had arisen.

By this commander, holding his commission under the great seal of the State, these Indian captives were taken and by a tribunal, instituted by him, were tried and convicted.

If in this instance then the sovereign power of engaging in war was clearly in the State, can the means by which war is successfully prosecuted be denied her? May she raise armies and take prisoners, and shall she not dispose of those prisoners when taken?

These are questions, gentlemen, of deep and engrossing interest to our people, and to them your careful consideration is invited. And while avoiding all improper collision with the National Government, I have no doubt that you will take such action that the rights and dignity of our State may be fully vindicated and maintained.

The proportions of that gigantic rebellion, whose first murmur, eighteen months ago, summoned the nation to arms, if in some respects diminished, are unhappily still formidable.

The brilliant series of victories, which in the early half of the past year, carried the triumphant ensigns of the republic far into the heart of the Confederate States, have been followed by a succession of disasters, which have only for a brief period, we may hope, delayed the glorious consummation, for which the patriot host are gallantly contending.

Amid the gloom which has during the past year enshrouded our distracted country, and the scenes of savage carnage which have devastated the fairest portions of our own State, it is, at least, some consolation for us to know, that

Minnesota has continued promptly to respond to the demands of the nation. That in the days of our peril the work of recruiting has never flagged; that while the scalping knife of the savage was destroying their loved ones at home; that while their burning cottages were lighting up the midnight hour, her sons have followed their banner to the front, upon the banks of the Potomac, or met a soldier's death upon the victorious fields of the South-west, and their gallant exploits have won for our State an imperishable name.

While it is true that the decisive victories, which the mercurial temperament of our people have demanded are still delayed, we may remember that the annals of history afford no record of an entire suppression of a great popular revolt, in the space of a few brief months.

The mighty forces of a great nation are slowly organized, and often retarded and checked for a brief period by that furious energy, which guiding the first blows of rebellion, drives its blinded votaries on to deeds of desperate daring. But the patriotic fortitude of a people engaged in a just cause, supported by the prestige of established powers and the exhaustless resources of a prosperous nation, gathers new strength in the contest as the spasmodic energies of treason decay.

We may also remember, that the dear bought honors of a barren victory are not the only fruits of the patriotic exertions of our people.

In addition to the capture of New Orleans, long ruled wisely and well by the leader of a victorious Federal army, the rescue of Kentucky and Missouri, to whose people the bayonets of loyal squadrons have already been the gleaming harbingers of emancipation, a victory, more grand than any which is wrung from hostile legions amid the dismal thunders of battles, has been achieved.

We may almost say, that to-day, the sun in his course shines upon no American bondsman. By the Proclamation of the President, the shackles have fallen from the limbs of nearly every slave.

For the first time in the history of the American Republic, we are in deed, as we long have been in name, a nation of freemen.

In conclusion, gentlemen, let us hope that the work thus auspiciously begun, by the pen of the President, may be carried forward by the fresh battalions which the patriotic loyalty of our people has so promptly furnished him; that the reverses, which have cast an ephemereal gloom over the hearts of the nation, may, under leaders of approved conduct and undoubted loyalty, be speedily wiped out, in victories like those of Rosecrans, at Murfreesboro, Sherman, at Vicksburg, and of Herron in Arkansas, that shall again restore legitimate authority, throughout all our borders, add new lustre to the proud escutcheon of our country and re-establish the glory of the American name among the nations of the earth.

ALEX. RAMSEY.

SAINT PAUL, Jan. 7th, 1863.

ANNUAL MESSAGE

OF

GOVERNOR SWIFT

TO THE

LEGISLATURE OF MINNESOTA,

DELIVERED JANUARY 11, 1864.

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GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives:

In complying with the Constitutional provisions requiring the Governor to "communicate to each session of the Legislature such information touching the state and condition of the country as he may deem expedient" the hand of an afflicting Providence has prevented my devoting the usual time to the treatment of the numerous topics involving the interests of a new and rapidly growing State.

I am happy to be able to congratulate you that our young State has continued, during the past year, to enjoy in full measure, the remarkable prosperity which has characterized the loyal section of this Union, while engaged in the stupendous conflict which has drawn so fearfully upon its resources, and engulfed so much of its precious blood and treasure. Though more than one-fifteenth of our whole population by the census of 1860, has been sent to reinforce the armies of the republic, and several counties have been depopulated by the Indian raid, there is good reason to believe that the numbers thus temporarily withdrawn from the State have been more than made up by immigration and natural increase, and that our population, which, in 1860, numbered 172,022, is now not less than 225,000.

Agriculture, which was the interest most directly assailed by the war, is also the first to enjoy its compensations. Immigration has more than repaired the thinned ranks of our husbandmen, from whom our volunteers in the field were chiefly supplied, and with the introduction and more general use of agricultural machinery, has probably prevented any diminution of the area under cultivation. And it is a wonderful evidence of the latent resources of our soil and

climate, that, in spite of a drouth of unprecedented duration and severity, the year's crop is estimated at about two-thirds of the average. About 4,000,000 bushels of wheat, and half that quantity of corn, oats and potatoes, respectively, are estimated as the product of the year. The higher prices of grain would undoubtedly have made up for the deficiency, if the cause which produced it had not obstructed the navigation of our principal rivers, and thus partially deprived us of our only channels of exportation. The same extraordinary cause has operated injuriously upon the lumbering interests of the State. Seventy-five millions feet of logs cut during the winter of 1862 and 1863, are estimated to be lying in the shrunken streams that traverse our northern forests, awaiting the long delayed rise of water to float them to their destination.

The surveyors of logs for four districts report their operations during the past season as follows:

Logs scaled in the First District, (Stillwater,)	28,013,746 ft.
Logs scaled in the Second District, (St. Anthony,)	21,634,770 ft.
Logs scaled in the Fifth District, (Wabashaw,)	308,348 ft.
Logs scaled in the Seventh District, (Winona,)	291,601 ft.

No reports have been received from the remaining districts.

For three-quarters of a century Minnesota has been the seat of a flourishing fur trade, and though the expulsion and removal of two of the Indian tribes from our midst, and the extension of settlement and civilized industry over their ancient hunting grounds, have greatly curtailed the sources of local supply, a considerable trade has of late years sprung up with the Hudson Bay Company's settlements beyond our Northwestern border, the receipts of peltries from all sources during the past year being estimated at \$300,000.

In general, it may be said, that notwithstanding slight checks arising from temporary and accidental causes, and the public burdens and private sorrows which the war inflicts

upon all, at no previous period of our history, has a more prosperous activity pervaded all departments of industry, or have the comforts of life been more generally diffused among all classes of our population.

This general prosperity has given a new impetus to our railroad enterprises, while the failure of navigation in our large rivers has developed a new necessity, and furnished a powerful argument, appreciable by every citizen, for their speedy completion. I am happy to note the satisfactory progress in construction of some of our principal Land Grant lines, notwithstanding the scarcity and high price of labor. The St. Paul and Pacific Railroad is now completed, and the cars are now running from St. Paul to Anoka, a distance of twenty-seven and a half miles, and is graded for thirty-six miles further, while the iron, I am assured, has been purchased to complete the track to Watab, eighty miles from St. Paul, by the first of next August.

The Winona and St. Peter Railroad is completed and in operation from Winona to St. Charles, a distance of twenty-nine miles, comprising all the heavy and very expensive work between the Mississippi and Minnesota rivers, and is graded for thirty miles farther. The iron is said to have been purchased and preparations made to complete the road to Rochester, a distance of forty-nine miles from Winona, by the fourth of July, 1864.

The Minneapolis and Cedar Valley Railroad has been graded from Mendota to Northfield. An expensive bridge across the Minnesota is in process of construction. Ties, iron and rolling stock are reported to have been purchased, sufficient to equip the road from Minneapolis to its junction with the Winona and St. Peter road at Owatonna, and it is confidently expected that the road will be ready for business from Minneapolis to Faribault by next autumn. Arrangements have also been made which ensure the building at the same time, of a branch from Mendota to St. Paul.

If these enterprises continue to be prosecuted with the vigor which has marked their recent progress, the expectation may be reasonably indulged, that by the middle of next

year the cars will be running continuously from St. Cloud, at the outpost of our North-western settlements, through the heart of the State to Winona, a distance of nearly two hundred and thirty miles, and supplying a reliable and much needed means of communication with Eastern markets.

The main line of the St. Paul and Pacific Railroad from Minneapolis Westward, is as yet unimproved. The remaining Land Grant lines continue in the condition in which over three years ago they passed by foreclosure into the hands of the State.

At the last session, the Legislature passed an act making a valuable grant of Swamp lands to aid the St. Paul and Pacific Company in building a branch of their road from St. Paul to Winona, along the Mississippi river. The Company has accepted the grant on the conditions named, has caused the route to be surveyed, and hopes are entertained that its construction will commence next spring.

The Lake Superior & Mississippi Railroad Company, to which the State made a similar conditional donation of swamp lands, has recently received an additional inducement to prosecute the work on this road in the pledge of a bonus of \$250,000 by the city of St. Paul, upon the completion of the road, within five years, from St. Paul to the head of Lake Superior. An ordinance of the City Council to that effect has been ratified by a popular vote, and now only awaits the sanction of the Legislature to give it validity.

Leaving the last mentioned road out of view, and excepting the Winona & St. Peter road, all our great projected land grant lines, five in number, traversing the State in as many different directions, with an aggregate length when completed, of over 1,000 miles, and resting on land grants amounting to nearly 4,000,000 acres, have a common centre of convergence near where the Minnesota joins its current to that of the Mississippi, making it the focus of seven great interior transit lines. I venture to direct your attention to this prominent feature of our railroad system, because it

seems to me that sufficient consideration has not been given to the fact, that a single railroad 140 miles long from this focal point (the particular locality is of little importance,) to Lake Superior, would furnish an outlet for our whole system of natural and artificial communications upon lake navigation, at a distance and cost of transit much less, for three quarters of our agricultural area, than by the routes terminating on Lake Michigan.

The immense advantages of such an outlet would be felt to the farthest extremities of our railroad system, through the whole circle of trade and industry, reducing the cost of imported commodities, raising the value of our grain and other products to the standard of Illinois, and virtually placing Minnesota upon the same commercial ground with that State, as respects the cost of transportation from and to the Atlantic seaboard. It would, besides, form a powerful inducement to the early construction of the Minnesota Valley Railroad, the main commercial value of which depends upon a connection with Lake Superior. But its relations to the great plan of Pacific communications marked out by Congress, and now in rapid progress of construction, gives this subject a new importance. By the 14th Section of an Act of Congress, entitled "An Act to aid in the construction of a Railroad and Telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same, for Postal, Military and other purposes," it is provided that whenever a railroad shall be built through Minnesota or Iowa to Sioux City, the Union Pacific Railroad Company are authorized and required to construct a branch line from their road to connect therewith. The building of a railroad from Lake Superior to the Mississippi, and its continuation through the Minnesota Valley to Sioux City, would fulfil the condition precedent, and give the immense commerce which is destined to flow overland between the two oceans, a path to ship navigation a hundred and thirty miles shorter than by any possible route to Lake Michigan. This large reduction of land transit would unquestionably divert a considerable of this trans-continental

traffic from the great central routes through Minnesota and enrich our State with the commerce of two worlds. Thus by a connection with Lake Superior, another powerful inducement is given to the construction of the Minnesota Valley line, not only as an avenue of local trade, but as an intermediate link in the great chain of Pacific and Atlantic communication.

The aid of Congress and the countenance of the Legislature, will undoubtedly be required to complete the work assigned to Minnesota in this continental programme, and I am confident that whatever safe and prudent legislation or moral support in Congress may be required to promote these important objects, will be cheerfully granted. It will be a wonderful witness to the world abroad and to future ages, of the prodigious energies fostered by the free institutions of this great American Republic, if while engaged with one hand in suppressing the mightiest rebellion that ever convulsed a nation, or menaced civilization, it shall push forward this stupendous project of a Pacific railroad to completion, and erect the grandest monument of peaceful industry upon earth, amid the clangor and havoc of the world's greatest civil war. Let us hope that Minnesota which has sustained so glorious a share in the victories of the battle field, may bear no ignoble part in this enduring and more beneficent conquest of peace.

Within two years new gold fields of surpassing richness have been developed on the eastern slopes of the Rocky Mountains in the latitude of Minnesota, which may be reached within six hundred miles of our western boundary. Recent explorations by citizens of this State, under the command of Capt. James L. Fisk, by authority of government, have demonstrated the great superiority of this Minnesota route to the new ElDorado in other respects, scarcely less important than distance; and if it could be made safe from hostile Indians, much of the immense emigration to those mines with the business it creates, would undoubtedly flow through this State. I would therefore, recommend that Congress be memorialized to establish a chain of military

posts, and provide escorts for emigrants over this line, and also for a grant of lands to extend the Winona and St. Peter Railroad, and the St. Paul and Pacific main line to Idaho.

The last Legislature passed an act in accordance with the authority of Congress empowering the St. Paul and Pacific Railroad Company to use a certain portion of their land grant in building a railroad from St. Cloud to Lake Superior. The Company did not accept the transfer, and the hope of opening a direct communication between the upper Mississippi Valley and Lake Superior is thus postponed. Such an outlet is of great importance to the development of that region, and as it is now the established policy of Congress to use the public lands to promote the settlement and improvement of the country, I would call your attention to the propriety of asking that body for a grant of lands for a railroad from the Upper Mississippi to Lake Superior.

I have dwelt thus at length upon these topics, because I am deeply impressed with the conviction that the future expansion of the population and wealth of this State depends upon the extension of railroads into our rich interior districts. The speedy development of our railroad system will be our strongest and most cordial invitation to the thousands of emigrants who are flocking to our shores from the old world, and if, when peace shall be restored and our armies disbanded, these avenues to market shall be opened from our wild and unoccupied lands, we may reasonably hope that tens of thousands of the brave men whose heroic devotion shall have secured the final triumph of freedom, will sit down to enjoy its fruits with their families in the Free Homesteads which the munificence of our government offers to all who will accept the boon, throughout more than forty millions of acres of our wide and fertile domain.

The extent to which, in spite of the drawbacks of the times, settlements have already been made in our State under the Free Homestead Law, is an encouraging augury of the benefits that will be realized from it under more auspicious circumstances. In response to inquiries upon this subject the

Registers of the Land Offices in five of the districts have furnished me with the following statistics :

In the Minneapolis Land District, 510 entries have been made under the Homestead Law, covering	Acres. 49,291
In the Winnebago City Land District, 1,270 entries have been made, covering	180,000
In the St. Peter Land District, 1,231 entries have been made, covering	145,800
In the Taylor's Falls Land District, 100 entries have been made, covering	13,805
In the St. Cloud Land District, 465 entries have been made, covering	74,400

Total number of entries, 3,576, covering 463,296

More than half of the entries are estimated to have been made by new comers.

The reports of the various departments afford a gratifying evidence of the industry, fidelity and success, with which the largely increased and complicated business of the several offices has been transacted.

The condition of the Treasury was never more satisfactory than now.

The receipts from all sources for the fiscal year ending November 30, 1863, were as follows :

For State Revenue Fund on property tax,	\$112,959 56
The State Revenue Fund by poll tax,	12,061 86
For State Interest Fund,	52,149 01
For United States war tax,	26,355 15
For Permanent School Fund,	113,678 50
For General School Fund,	35,379 78
Proceeds of War Loan, authorized by act of September 27, 1862,	101,250 00
From U. S. in partial payment of Sioux War claims,	200,000 00
From miscellaneous sources,	5,475 12
From balance in the Treasury, Dec. 1, 1862,	36,555 87

\$695,864 85

The total disbursements have been, 576,539 32

Leaving a balance in the Treasury, Dec, 1, 1863, \$119,325 53

The disbursements of this balance under different heads have already been made or provided for, except \$34,720 46 of the United States War Fund, which is now subject to the disposal of the Legislature.

The total expenses of the last year were \$128,441 03
The estimated expenses for the current year are \$107,800 00

While the balance in the Treasury is much larger than at the close of any previous fiscal year, the taxes collected have largely increased, and at the same time there has been a corresponding reduction in the amount of our floating indebtedness. A comparative exhibit of the several years since 1860, under their different heads, is the most flattering tribute which can be paid to the skill and prudence which have marked the administration of State Finances.

	Balance in Treasury.	Floating Debt.	Taxes Collected.
1860,	\$ 675 78	\$ 68,636 55	\$ 111,918 58
1861,	4,729 42	66,682 47	100,186 83
1862,	36,555 87	65,190 48	133,001 71
1863,	119,325 53	59,202 42	177,170 43

When it is remembered that the taxable basis of 1863, was diminished about twenty-five per cent. below that of previous years, or from over thirty-nine millions in 1861, to less than thirty-millions in 1863, the large increase in the amount of taxes received during the past year, and the flourishing condition of the Treasury, are certainly matters of agreeable and hopeful congratulation. Although the temporary contraction of the taxable basis without any corresponding increase in the tax rate, had the good effect of compelling the collection of the delinquent tax, and of largely increasing the receipts from that source, I would nevertheless ask you to consider whether some means cannot be devised to correct the false standard of valuation which has been adopted throughout the State, and which it is notorious, does not by any means represent the actual value of the property assessed. Otherwise the arbitrary reduction of valuations which has been resorted to by differ-

ent counties to diminish their respective shares of the general tax, will compel a corresponding increase in the tax levies, and thus bring upon the State the double odium of an apparent depreciation of its taxable property, and an exorbitant rate of taxation.

I would suggest whether some amendment in the law regulating the equalization of taxes might not be made, so as to allow the State Board of Equalization to correct manifestly erroneous valuations of personal property, which, it is notorious, evades its share of taxation, and throws unjust burdens upon the owners of real estate.

The amount of Treasury scrip outstanding, December 1, 1862, was \$55,918 08; on December 1, 1863, \$45,339 59; showing a reduction of over ten thousand dollars in that portion of our floating indebtedness. The existence of this debt, amounting in all to \$59, 202 42, which consists of the unpaid Treasury warrants issued for the current expenses of the State Government, and the estimated deficiencies for which no appropriation has been made, is a blot upon our financial credit which no efforts should be spared to remove.

For this purpose, the Treasurer suggests the reduction of the interest tax from two mills to one mill on the dollar, and that the difference be added to the revenue tax.

The shortening of your session would also aid in effecting the object by about \$2,000 per week.

In addition to this, I would recommend more stringent provisions for the collection of the poll tax, which from the failure of town treasurers to comply with the law, has this year produced scarcely more than a third of the amount due from this source.

These measures, while adding nothing to the present aggregate tax rate, will without doubt, furnish ample resources for meeting the present floating debt, and putting an end to the shameful necessity of issuing depreciated scrip for the current expenses of the State Government, and thus taxing the meagre salaries of the State officers to cover the deficit in the Treasury.

Your attention is also respectfully called to the necessity

of providing means for meeting the principal of the eight per cent. State Bonds for the \$250,000 loan which will become due in July, 1867, as well as to the recommendation of the State Auditor in his report, that a Sinking Fund be created for this purpose. And for detailed information in regard to the different funds and the manner of their investment, the estimates of the disbursements for the current year, banks and all the various financial interests of the State, I take pleasure in referring you to the full and satisfactory Annual Reports of the Auditor and Treasurer of State, which will be laid before you.

The Land Department was established by an act of the Legislature in 1862, and its operations has since been chiefly confined to the disposition of the School Lands under the wise and conservative regulations adopted by your predecessors. The wisdom of that policy, which has been ably seconded by the officer having in charge its practical application, has been ably demonstrated by its results.

The first sales of School Lands were made in the fall of 1862, and have been continued the present year with the following results :

Number of acres of School Lands in the counties in which sales have been had,	-	350,325.43
Number of acres sold up to date,	-	90,440.14
		<hr/>
Number of acres remaining unsold in the above counties,	-	259,895.29
Amount realized from the lands sold,	-	\$552,309 06

The average price of the lands sold was \$6 10 per acre. If the residue of the School Lands in the counties where the sales have been had, should sell, as they probably will, at the same rate, the aggregate product would be \$2,137,051, and the whole body of the School Lands at the same rate would produce a permanent fund of about \$16,000,000, which at seven per cent. interest would yield an annual income of \$1,120,000, a sum sufficient to maintain a system

of public schools at the high educational standard of Massachusetts for a population of nearly a million souls. And it may be safely assumed that sales will proceed at this rate as rapidly as the increase of the population shall require an increase of the school fund, for as the growth of population creates a demand for new schools, the value of the school lands will be developed by the same causes, in nearly the same proportion.

The sum realized from the two mill tax for the support of schools, is about \$45,000. This tax might be profitably reduced, as before suggested, in proportion to the income realized from the school fund, and in a few years it may be reasonably hoped, that the revenue derived from this source will be sufficient to entirely obviate the necessity of imposing a school tax.

In this, as in other States, important and interesting questions between the State and the National Government have arisen, a decision of which in favor of the State will greatly enhance the value of this already extensive source of revenue. Of these the most prominent are the controversy regarding school sections on the Winnebago Reservation, the Sioux Half Breed Tract, and the contest now pending in the Supreme Court of the United States, as to the validity of the joint resolutions of Congress, of March 3d, 1857, allowing pre-emptions upon school lands by persons settling thereon prior to the survey.

The questions involved in each of these controversies all depend more or less directly upon the construction of the organic act of the Territory of 1849, the State claiming that by virtue of Section 16, of that Act, all school sections within the territorial limits were solemnly set apart and dedicated by Congress to a public charity, and that such dedication operated to deprive Congress of all further power of disposition over them. Probably the prospective benefit to the State resulting from a favorable decision upon these points, may be estimated at several hundred thousand dollars, as the paltry right to select other lands in the uninhabited regions beyond the frontier, in place of the fertile tracts upon the

Winnebago reservation which has long been justly regarded as one of the gardens of the State, or of the valuable sections in the vicinity of our largest cities, towns and villages, many of which have been obtained by pre-emptions of doubtful faith, and sometimes notoriously fraudulent, can but poorly compensate her for the loss she must sustain by an adverse decision.

In this connection, I desire to call your attention to the imperative necessity for some more adequate provision for the protection of the public lands menaced by pre-emptions, than any now existing. For more minute information upon these interesting subjects, I refer you to the reports of the Auditor and Attorney General. It is only necessary to add upon this subject that the most important financial interest of the State is involved in the public lands, and no subject is more worthy, or more imperatively demands the thoughtful consideration of the Legislature.

It is greatly to be regretted that the sagacious policy which has been observed in the disposition of the school lands, had not controlled the management of the University reserves. To devise and adopt some plan by which this munificent endowment can be extricated from its embarrassments, and saved to the grand cause for which it was designed, is a subject worthy of your most profound contemplation, and demanding the exercise of your best financial ability. Whether the State is, or is not, liable for that portion of the debts of the University created by Legislative authority, it is a matter for your consideration, whether it would not be a measure of sound and honorable policy for it to provide for their payment by an arrangement with the creditors which shall place the University lands in the hands of the State, free from encumbrance. These lands amount to 46,080 acres, selected in choice localities, and may be presumed to be far more valuable than the school lands, about which no choice can be exercised. Yet at the average price at which the latter have been sold, they would be worth \$281,088, a sum sufficient not only to pay the debt which now hangs like an incubus upon this noble foundation,

but constitute an ample fund for the support of the institution for years to come.

Coinciding fully in the opinion, that by the 5th Section of the Enabling Act of Congress, passed February 26th, 1857, the Governor of this State is authorized to select seventy-two additional sections of land from the public domain to be set apart for the use and support of a State University, I have appointed an agent to report to me or my successor in office, after proper survey and examination, a description of such lands as he may deem most suitable and valuable for the purpose.

By this course, the right of the State to these lands will be brought up for adjudication, should there be any doubt or hesitation on the part of the general Land Department as to admitting a claim so evidently just. These lands when selected and entered, will, by judicious management create an ample fund for the support of the University, which I confidently trust is destined to outlive all its difficulties, and prove of incalculable value to the youth of the State already waiting to crowd its halls.

I know of no method for relief so beneficial to the University, or so hopeful to its creditors as the transfer of its lands to the supervision of the State Land Department, to be disposed of on principles similar to those which regulate the school land interests.

By placing the University upon a sound financial footing, the Legislature will be enabled to give a practical development to the institution. All the higher interests of education, which comprehend the noblest and most beneficent objects of government, require that the University should be exalted to its proper position at the head of the splendid educational system whose broad foundation rests on our magnificent school reservation.

I submit to your consideration whether the time has not arrived for devoting the fine University building at St. Anthony to the object for which it was designed. In the years which have elapsed since the edifice was erected, the children who were receiving the rudiments of education in our

common schools have passed to an age when a higher training, and riper culture, are necessary to fit them for the vocations of approaching manhood. Every year is swelling this class of young men. A comparatively small expenditure would place within their reach the means of a college education, and fit the choicest spirits of our rising generation for the most exalted positions which duty or ambition may assign them, in working out the destiny and establishing the greatness of our State.

The Normal School at Winona has proved an efficient means of elevating the standard of qualification for the teacher's profession, and thus exercises an important influence in improving the character of our common schools. You can devote your energies and make appropriations of money to no more economical nor loftier purpose than the promotion of popular education, without which all your railroads, your commercial and material prosperity, are of no avail in building up a State. The appropriation necessary for the support of this institution on a liberal scale could not be more profitably expended.

The report of the Superintendent of Public Instruction embraces the first exhibit at all approaching to completeness, of the condition of our Common Schools. Of 1,635 school districts, 1,254 send tolerably full reports, showing that of 65,598 persons between five and twenty-one years of age, 38,231 attended school within the year, while the average daily attendance is 22,271. The value of school houses is \$160,591, and the whole amount reported to have been received for the use of schools is \$110,444.

The Superintendent suggests a variety of modifications of the existing school law, which, as they concur generally with my own views, I recommend to your favorable consideration.

By an act of the last Legislative session \$1,500 was appropriated for the organization and support of a school at Faribaült for deaf mutes and blind persons. The Commissioners report that the school was accordingly opened last September; but for mutes alone for want of a sufficient ap-

propriation, in a building hired for the purpose, under the auspices of an experienced gentleman, and with flattering promise of success. The care and education of this unfortunate class of our people, is a sacred trust which this State will never hesitate to accept and discharge, much less abandon after having entered upon the work. The amount asked by the Commissioners for the ensuing year is \$4,100, which seems to me a reasonable estimate, and I recommend the appropriation.

It is hardly creditable to our State that no steps have yet been taken towards establishing an asylum for the indigent Insane, and that we are dependent upon the charity of a neighboring State for the means of providing temporary relief for a limited number of these unfortunates. We are also warned that the only State which gave a favorable response to our application to receive the Insane of this State, will soon have no room in its asylum for our use, so that unless you make some provision for their relief, this afflicted class of our population, demanding your warmest sympathy and tenderest care, will be left to suffer on miserably and hopelessly. It is high time that Minnesota should take some steps dictated by Christian civilization and humanity towards establishing, building up and fostering such asylums and charitable institutions as are the pride and enduring glory of her sister States of this Union.

I ask your favorable consideration of the recommendation of the Auditor of State, that one mill of the tax for school purposes should be transferred to the general revenue fund for the support of the insane, and the blind, and deaf mutes.

I desire here to add my own commendation to the oft-repeated inculcations of my predecessor, whose unceasing devotion to the welfare of the State, and vigilant zeal in establishing and upholding its financial honor and credit, as well as his energetic and successful labors in developing and organizing the patriotism of our people on the breaking out of the war, made his administration an era in our history, and to urge upon the Legislature the policy of reserving the

swamp lands for the support of benevolent institutions, and resist all attempts to squander them on enterprises, which however useful, can always find adequate support in other directions.

The Reports of the Warden and Inspectors of the State Prison give a satisfactory exhibit of the condition, and an assurance of the excellent management of that institution. I feel it my duty to join in the recommendation of the Inspectors for an appropriation sufficient to complete the cells in the new building erected by your authority last summer.

Conspicuous among the harbingers of rejoicings which usher in the new year is the improved condition of our frontier. The tempest of savage violence which seventeen months ago burst over the defenseless settlements of our Western border, has for the present, and it is to be hoped permanently, subsided.

Though the expeditions under Generals Sibley and Sulley failed, partly at least from causes beyond their control, to accomplish all the results which were expected from the magnitude of the preparations, or to inflict upon our savage enemies the full punishment which their atrocious crimes deserve, they have by the formidable and imposing armament which, notwithstanding unusual and almost insurmountable natural obstacles pursued them to the banks of the Missouri river, and by the gallant bearing of our troops, who, in the few opportunities afforded them, displayed those qualities of valor which the training of the savage teaches them to fear and respect, at least been taught their inability to resist the power, or escape the sleepless vengeance of the Government, from whose armies they have fled in the vain attempt to elude the consequences of their unprovoked cruelties. Hunger and destitution have followed like avenging angels upon the track of the fugitive assassins to insure the punishment left incomplete by the forces sent out against them. In all probability many of them will perish this winter from cold and starvation, and it should not be forgotten that, under the circumstances, the destruction of large quantities of provisions and clothing upon which they had relied

for their winter's support and protection, by the troops under Generals Sibley and Sulley, must be regarded as scarcely less fatal to them, than the more sudden and sanguinary havoc of the sword.

Without the means of replenishing their exhausted supplies of ammunition, it may be presumed that they are in no condition to renew the war in force upon our frontier settlements while our present attitude of defense is maintained. But there can be no complete security for our border population until these bands of murderers are confined within limits rendered impassible by the powerful arm of our Government, or extirpated from the face of the earth.

The vigorous prosecution of hostilities against these Indians, is as indispensable to the safety of our border, as the maintenance of a strong and vigilant defensive guard on the line of outposts now established by the Military Department of this District. Experience has already taught us that the very wretchedness of their condition, supplies them with motives stronger even than the savage lust of revenge, for marauding incursions upon our settlements with a view to plunder and murder. Scarcely had the forces of the expedition under General Sibley been withdrawn from our frontier garrisons, before a small band of Indians, numbering less than a score, led by Little Crow, advanced stealthily into the heart of our settlements, and scattering in different directions, began a series of bold robberies and murders which continued in different localities throughout the summer. Secreting themselves in the woods and grass, their presence was only revealed in the neighborhood they visited by some horrible outrage, which struck more terror by the mystery which enveloped the perpetrators than even the brutal atrocity which marked the deed. The secrecy and swiftness which characterised the movements of this small band, the rapidity with which their blows succeeded each other at points far apart, in a measure revived the panic which had depopulated our Western counties in 1862. The woods and prairies north and south of the Minnesota river seemed alive with the ambushed assassins.

Some of these Indians even made their appearance within six miles of St. Paul. The number of those who fell victims to the Indian raid of 1863, did not exceed twenty.

All efforts of the military force of 2,000 men, which guarded our extended line of frontier were unavailing to prevent these depredations. The prompt and vigorous cooperation of the State authorities was necessary to arrest a second depopulation of our frontier counties. A corps of State scouts was organized to track these savages to their hiding places, and in order to enlist the inhabitants of the menaced district in their extirpation, arms were issued to them, and a reward of twenty-five dollars, afterwards increased to \$200, was offered for every hostile Sioux warrior killed.

These measures (for details of which I beg to refer you to the report of the Adjutant General,) were effectual in clearing the State of hostile Indians. Of the small party of invading Sioux, nine were killed by citizens or soldiers.

Among the first of the Indians who paid the penalty of their atrocities was Little Crow, the leader and master spirit of the Sioux outbreak, who was killed by Nathan Lampson and his son near Hutchinson. I submit to your consideration whether the brave men, who were instrumental in ridding the earth of this monster, and who have been reduced to penury by the Indian raid, are not entitled to some reward commensurate with the service rendered.

It may be hoped that the disastrous result of this incursion will prevent anything of the kind in future. But it would be dangerous and foolhardy, to act upon any such presumption. The fact that several thousand Indians are congregated at points near our western boundary, to whom murder is glory and pillage a necessity, the facilities which in spite of ordinary military precautions the immense extent of our frontier affords for sudden and secret descents upon our settlements, and the incalculable mischief which even one desperate miscreant lurking in the woods and grass can inflict, warn us to omit or relax no preparations which have been found necessary for the protection of the exposed dis-

tricts. The counsels and experience of the able and energetic soldier who is to succeed me, will prove of inestimable service to the State, in providing for the exigencies of the frontier, and to him I gladly remit the subject.

In this connection, I may be permitted to suggest the propriety of building a State Armory. The history of the past two years has demonstrated the necessity, particularly in a border State, of a permanent repository of State arms, and it can hardly be questioned that it would be better economy to erect a building for the purpose, than to continue the extravagant rent we are now paying for an inconvenient and unsafe place, I may here mention that the State Historical Society has offered to convey to the State, for that purpose, the excellent site, and the foundation of the building they once designed erecting near the Capitol, on condition of reserving a room for their own use. The proposition is submitted to your favorable consideration.

During the past year, the people of the South-western part of the State were relieved from a constant source of vexation and anxiety, and an important step was taken to secure the peace and prosperity of that part of the State, by the removal of the Winnebago Indians, who, with the remnant of the Sioux, were taken to new reservations on the Missouri.

The residue of the condemned Sioux were taken in the spring to Rock Island, where these violaters and murderers of our women and children are now being fed and housed, in comfort and safety, by the Government.

In the fall, an important Treaty was concluded by Senator Ramsey, with the Red Lake and Pembina bands of Chippewas, by which the Indian title was extinguished to some 10,000 square miles of Territory, embracing the American valley of the Red River, and leaving but a small, and to white men, worthless fragment of land now owned by Indians in this State. By this Treaty another prolific source of Indian difficulties has been removed. The navigation of the Red River, and the valuable and growing commerce with the Hudson Bay Company settlements, which passes over the ceded lands, have been freed from the obstructions

and dangers arising from the pretensions of these Indians to the ownership of the soil; pretensions which have heretofore led to serious depredations and menaced grave disturbances in the future.

Congress last winter passed an act providing for the partial compensation of the sufferers by the Indian outbreak. The Chairman of the Commission appointed by the President to examine and audit the claims of the sufferers, Hon. Cyrus Aldrich, informs me that the claims presented and filed up to September 1st, numbered 2,940, and amounted to \$2,458,000.

The awards of the commission on claims proved up and audited, amounted to \$1,370,374, of which \$200,000, the sum already appropriated by Congress, has been paid out to some 1,300 sufferers deemed entitled to immediate relief. Although the commission has been indefatigable in its arduous labors, the work is not yet completed, but this statement reveals the extent of the actual depredations committed by the Indians on property alone, though falling far short of exhibiting the indirect suffering and loss occasioned by the outbreak.

That portion of Minnesota which borders on Lake Superior, embracing the counties of Carlton, St. Louis and Lake, abounds in precious ores, and has interests peculiar to itself which deserve the fostering care of the Legislature. Mining companies are operating there with good prospects of success. In the last apportionment, these counties were grouped with Stearns, Morrison, etc., on the Upper Mississippi, to form the Third District, which sends one Senator and three Representatives. The great preponderance of the latter in population, deprives the former of any representation from their own citizens in the Legislature, and their geographical isolation from the rest of the District, prevents their participating intelligently in elections, while the votes they cast are sometimes received at the senior county, too late to be counted. It is a matter of importance to the State, as well as to the population of this locality, that the immediate and peculiar interests of that vast and rich mineral and lumber

region, should be represented in your counsels by some one well and personally acquainted with the local geography, and physical formation and resources of the country.

I submit to you whether any relief can be afforded by your legislation in the premises.

No astronomical observations have ever been taken to determine the latitude and longitude of St. Paul, and its exact geographical position has never been ascertained nor correctly given in published maps.

It is time that a point so interesting to science, concerning the frontier city of the North-west should be established. Colonel J. D. Graham, of the United States Engineer Corps, stationed at Detroit, Michigan, generously offers to visit this city with two assistants, for the purpose of making the observations necessary to obtain the information, upon the payment of their actual traveling expenses, which cannot be charged to the United States. I recommend an appropriation for the purpose.

I deem it not only proper for me, but my duty to recommend that you increase the compensation now allowed by law to your Governor and Commander-in-Chief. The office is one at all times attended with heavy cares and responsibilities, and, in a crisis like this, with much labor. The best talent and the purest integrity will find ample scope for exercise in the faithful discharge of its duties. The present salary, at the time it was fixed, was perhaps sufficient for an incumbent who lived at the capital, and was not compelled to incur the expense of changing his residence, and renting a house in which to dispense fitting hospitalities. In these times, however, it would not be adequate for the support of an ordinary family under like circumstances, much less for one compelled to remove hither from some other portion of the State. The people have already commenced to select this officer outside of the capital district, and at the present prices of rent and rates of living in St. Paul, the salary now paid in State warrants, which he is compelled to dispose of at a discount, is not more than half

sufficient for his support, in the style in which the Chief Magistrate of the State is expected and ought to live.

I do not consider it desirable that the compensation should be so increased as to render it possible for the office to be sought as a means of making money, but most assuredly, the Governor of this State ought not to be compelled to engage a portion of his time in some trade or profession, or draw upon private resources to eke out an insufficient salary, and defray his actual expenses while devoting his time to the service of the State. The people of Minnesota are not parsimonious nor mean ; and while they would censure extravagance, they desire you to be liberal and generous, and I do not entertain a doubt that they will sustain your action in so amending the law which establishes the Governor's salary, that the poorest man in the State can afford to accept the office.

It will be evident, also, upon glancing at the comprehensive report of the Adjutant General, showing the many and onerous duties thrown upon that officer, that a salary which would be considered only moderate for the performance of merely clerical labor, is not sufficient to reward the industry and capacity absolutely required of the incumbent of that position now so ably filled. I therefore recommend an increase of his salary, at least during the continuance of our national and frontier troubles.

Under the militia law, forty regimental and battalion districts have been formed, and all have been fully or to a great extent organized. The provisions for enforcing the military law as well as the plan of organization, seem to be in some measure defective, and in order to establish an available force, it may be necessary for the Legislature to make some amendments to the existing statute upon that subject. The honor and safety of the country, as well as the requirements of the Constitution of the United States, demand that the militia should be a force not merely in name but in reality.

The past year has added new lustre to the achievements of

our troops. On nearly every important battle field of the war, their graves are strewn to mark the glorious share of Minnesota in the progressive triumphs of the Union cause. For the special history and statistics of each regiment, and a complete statement of all matters referring to the Military Department of the State, I refer to the report of the Adjutant General.

During the past as in the preceeding year, agents have been sent to visit our sick and wounded soldiers in the various hospitals of the country, and furnish them with such comforts and assistance as they might require.

In June, 1862, my predecessor appointed Robert R. Corson, of Philadelphia, as an agent for the State to visit and minister to the necessities of our Minnesota sick and wounded soldiers in that city, and he continued to render this service until in September, 1863, when he presented his claim for payment. No money having been appropriated for the purpose, and no salary agreed upon, I now refer the claim to your consideration. After the battle of Gettysburg and the wounded of our immortal First were transferred to the hospitals of Philadelphia, the Rev. E. D. Neill, formerly Chaplain of that regiment, and now residing in that city, generously volunteered to look after their wants and comforts, and to disburse all funds, and distribute all articles furnished him by the State or individuals for their use.

Through the Rev. B. F. Crary, who visited the Southern hospitals on behalf of the State, I have engaged N. P. Bennett to act as agent at St. Louis, and G. E. Davenport at Memphis.

I would urgently recommend the extension of a system which, at comparatively trifling expense does so much to assuage the hardships, and bind up the wounds of war, with the gentle ministrations of personal sympathy. The State can testify her gratitude to the brave men who have gone forth to battle under her star, in no form so grateful to the soldier, as by this practical assurance, that he does not languish on his bed of sickness and pain, uncared for, or forgotten. And it is because the State of Minnesota claims it as a sacred privilege, to watch as an ever present

friend over each and all of her ten thousand heroes, through all the dread vicissitudes of camp and battle field, and hospital, and to cherish as her own, the honorable fame that glows in the ashes of her dead, and crowns the brows of her living warriors, that she has selected as her Chief Magistrate one of their own number, a tried and gallant veteran, who is familiar with all their wants and aspirations, and knows how to soften the rugged lot of the soldier, with the kindness and sympathy of the comrade.

In the month of November I obtained by personal application, the consent of the Secretary of War to establish a hospital at Winona, for the invalid soldiers of Minnesota, knowing that the invigorating air of our climate would facilitate their recovery and save many precious and valuable lives to their families and their country. I regret to say that this consent was subsequently reconsidered, upon representations of the Surgeon General that the locality was difficult of access during the winter.

I invite your favorable attention to the suggestion of the Adjutant General that an agent be appointed by the State to collect, free of expense to the claimants, such bounties, arrears of pay, and pensions as may be due to our soldiers or their relatives. The plan has been adopted by other States, and we should be behind none in rendering every aid to those who have suffered for us in this terrible contest.

Though the admirable working of the allotment system, under the superintendence of the State Treasurer, secures to the friends of the soldier at home the pittance which he is able to transmit to them, you will regret to learn from him, that great destitution prevails among the families of our brave men, and I trust that some efficient measures may be devised and adopted for their relief.

I would suggest that Minnesota should follow the example of other States in offering a bounty to her soldiers in the field who have re-enlisted or may re-enlist. It is presumed that State pride will prevent any of our veterans from being "bought with a price" by other States which are able to offer a larger bounty than we can pay, yet the

same pride should induce us to give to our utmost ability, and by so doing as a State, the burden falls more equally upon the people, than when private and local subscriptions and donations are drawn from the liberal and patriotic only.

I call the attention of the Legislature to the Reports of the State Auditor and Attorney General, recommending a contingent fund for the latter office.

The efficient defense of the right of the State in the several courts, and especially with reference to the important interests connected with the public lands, renders this provision indispensable.

A Militia Contingent Fund for the coming year will also be necessary, and I recommend that the sum of \$10,000 as suggested by the Adjutant General, be appropriated for that purpose.

On the second and third of July, the first of the gallant regiments which Minnesota has sent to the field—that regiment which already has the names of twenty battles written upon its standard—took a prominent part in one of the fiercest struggles of the war. Of the 330 men of the First Minnesota who had survived the disasters and triumphs of the Virginia campaigns from Bull Run to Chancellorsville, to plunge again with its shattered ranks and bullet-riddled flag into the vortex of the conflict at Gettysburg, but ninety-two emerged unharmed from the smoke and glorious issue of the struggle. One hundred and seventy-five were wounded and fifty-one more were added to the immortal roll of its dead heroes, to find a sepulchre with over twenty-one hundred other brave men from other States, in the cemetery where they fell.

The Governor of Pennsylvania, Andrew G. Curtin, conceived the noble idea of uniting the States whose sons had fallen in this great battle, in the ownership and guardianship of the ground consecrated by their blood, of gathering here the sacred remains of the dead in lots appropriated to each State, and of commemorating their common glory in a monument inscribed with the names of the fallen. The aggregate expense, it was stipulated, should not exceed \$35,-

000, but the estimates have since increased it to \$63,500, to be divided among the States interested, in the ratio of their representation in Congress. I did not hesitate to accept at once in your behalf, a proposition which insured to the brave dead of Minnesota, a shrine safe from profanation, and mementoes worthy of their fame. The Soldier's National Cemetery of Gettysburg was dedicated with fitting ceremonies, on the 19th of November last.

The share of Minnesota in the common fund as now estimated, will be \$830, for which, confident of your approval of my action in the premises, I ask the necessary appropriation.

Under the able and energetic administration of my predecessor, Minnesota had sent into the field ten Regiments of Infantry numbering 9,053 men, with artillery, cavalry and sharpshooters, comprising 671 men more; in all 9,275 three years men, and a Regiment of 1,218 Mounted Rangers, making 10,943 men, besides a considerable number of recruits for all these organizations.

Since my assumption of office, a new call has been made upon the State for her quota of 300,000 men for the old regiments, fixed at one-fifth of the enrolled men of the first class, under the "Act for enrolling and calling out the national forces." Our debt under that call was about 1,300 men, and to cancel it with as little burden as possible to the people of an exposed frontier State, I proposed to the President to raise a regiment of cavalry to be mustered into the United States service, and to be employed in protecting our border from hostile Indians. My request was granted, and every facility has been rendered by the government to aid in accomplishing the object, that could be desired. The time for raising the regiment, at first limited to the 25th of October, was, together with the time for the draft for the deficiency, extended to the 9th of November, and afterwards, at my urgent solicitation, to the 5th of January, the time fixed by the President in his Proclamation of 17th October, calling for 300,000 more volunteers, for drafting the number that should be lacking of our quota under that call, at that date.

Our 1st Regiment of Mounted Rangers was allowed to be mustered out before the expiration of their term of service, with a view to the enlistment of its members in the new organization. This regiment is now full, and with the recruits obtained for other organizations, our account with the government stands as follows :

The quota of troops due the Government under all calls since the beginning of the war, - - -	15,350
Whole number of troops furnished since the beginning of the war, counting three twelve months men equal to one three years man, - - -	12,516

as reported to the Adjutant General's Office, and about 410 not yet so reported, which leaves a deficiency of 2,424, yet to be raised, either by volunteering or draft, in order to furnish our entire quota.

The draft did not take place on the 5th inst., as was anticipated, the postponement being doubtless made with a view to important amendments of the conscription law by Congress before it goes into operation. The reluctance of our people to volunteer into old organizations, and a lingering fear in our sparsely settled country, so lately the scene of horrid outrages by the foe behind us, that they may be needed to protect their own hearthstones, may prevent the enlisting of a sufficient number to avoid the draft, though the increasing energy and activity manifested by the towns in efforts to raise their quotas, give flattering promise that now, as heretofore, Minnesota will voluntarily honor all calls upon her patriotism and devotion to the Union.

I may here say, that in view of the probability that the draft would take place, and in accordance with representations made to the War Department, the system of drafting has been so far modified in this State as to remedy a gross injustice in the original method of apportioning quotas, by conceding to those townships whose patriotic alacrity and liberality in responding to previous calls has drained them of men, full credit for any excess they may have furnished,

and by charging those townships which have heretofore furnished few or no volunteers, with their whole deficiency. By this plan the burdens of the war will be equally distributed in every locality.

There are good grounds for believing that this is the last requisition that will be made upon the loyal States for troops. The rebellion already staggers, death-struck, to its fall. Three-quarters of the vast area over which, when the war commenced, the treacherous and perjured despotism of Slavery stretched its haughty sceptre, is already rescued from the usurped dominion. Of the twenty millions North and South that were counted on to maintain the cause and uphold the banner of the traitor chiefs, not six millions now adhere to their desperate fortune. One year ago my predecessor was compelled to refer to "a succession of disasters" which had attended our arms, and the "gloom that enshrouded our distracted country." Faith in our final triumph seemed sinking in many a patriot heart; the sympathizer with the accursed rebellion was bold and jubilant, and sheltering himself under the very entablatures of the Temple of Liberty,

"Hung hissing at the nobler men below."

It is my glad privilege to congratulate you upon the succession of glorious victories that have dispelled all gloom, and banished every lingering doubt of the fast approaching result in the total overthrow of the base conspiracy against Constitutional Liberty. The delusive cry of "Peace" is no longer heard, words of sympathy die on the lips, for the handwriting of doom is upon the sky, and the very hours of Treason are numbered, and the death gurgle is in its throat. Unshaken faith and unmingled joy fill all loyal breasts, and not an emotion of sorrow touches a single heart, that Slavery, the foul nursing-mother of all this woe, must share the fate of her offspring, and is even now writhing in the throes of dissolution.

"Keen are her pangs, but keener far to feel,
She nursed the pinion that impelled the steel.

Her history and fate are another lesson in proof of the great truth, that "behind Treachery is Ruin, and above man is the everlasting God."

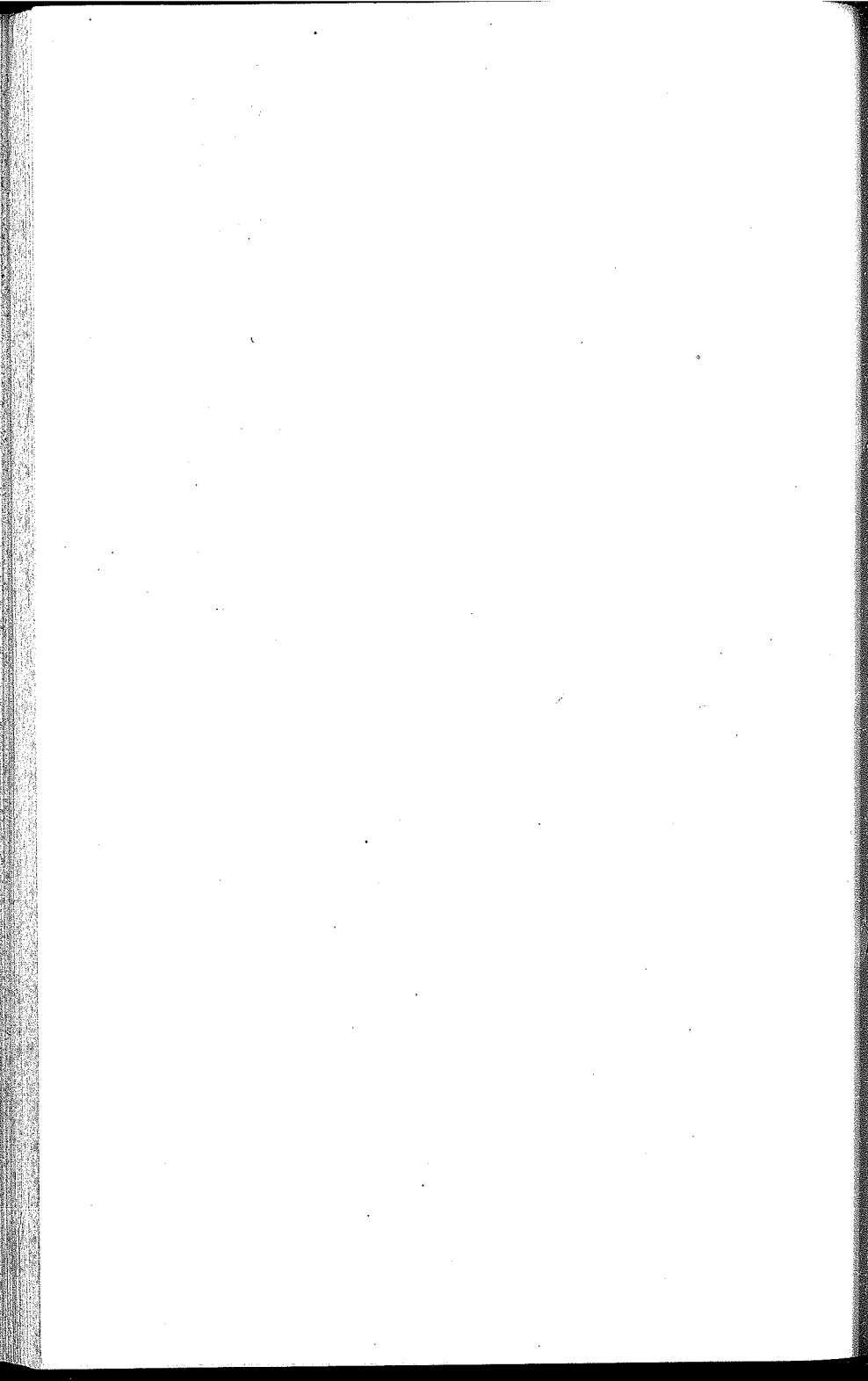
While she was contented with her own under the Constitution, guarded by millions who loathed her, she was secure as if throned in justice and right. A large portion of the people of the Free States were in their generosity, and love of harmony, willing to give her even more than the pound of flesh nominated in the bond. But when it was known that in her stealthy advances she was seeking the heart's blood of the Government, her most chivalrous defenders faltered. And when the old flag of our Union went down on the battered walls of a national fortress, under the fire of stolen national guns, turned against a gallant handful of national defenders, starving for the food that national vessels were wafting in sight, then in the united shout of twenty millions of indignant freemen from Eastern to Western ocean, "deep calling unto deep," her knell was heard. Party spirit and party prejudices were buried and forgotten in the all absorbing patriotism of the American people, and if they have since revived, it has been only for consignment to a more lasting rest, until our country is saved. And among the more than half a million of freemen who are doing battle to-day in the holiest cause that ever stained a sword, Democrat and Republican stand shoulder to shoulder, camp side by side, knowing only a common cause and a common enemy. It is a sublime lesson to teach the world. It is a glad and useful one for us all, and when this trial shall have ended, in the bright career of glory that awaits us, no man of this generation can ever forget that in the breast of a political opponent the heart swells as fervently with patriotic love as in his own. And God grant that out of this bloody ordeal may come another spectacle for the admiration of all nations, that though brothers have joined in deadly conflict on the field of battle, section been arrayed

against section for destruction, yet when the contest is closed in the removal of its incitements and the sure triumph of the Right, the old affection may return in overwhelming tide, and through the prudence, wisdom, and magnanimity of our national councils, the old bond of Union may be strengthened with triple bands.

The way is made plain by the President of the United States in his Proclamation of Amnesty, and let us pray that the olive branch may be accepted, that the flag of our fathers may be hoisted over the grave of Rebellion by hands lately raised against it, and that we may all together renew our oaths of allegiance to its stars and stripes, and pledge afresh our lives and fortunes to the maintenance of its grand old motto, *E Pluribus Unum*, the concentrated wisdom of our ancestors, the mighty spell of our past glories, and the key to a still more brilliant destiny in the illimitable path way of future Empire.

HENRY A. SWIFT.

St. Paul, January 11, 1864.

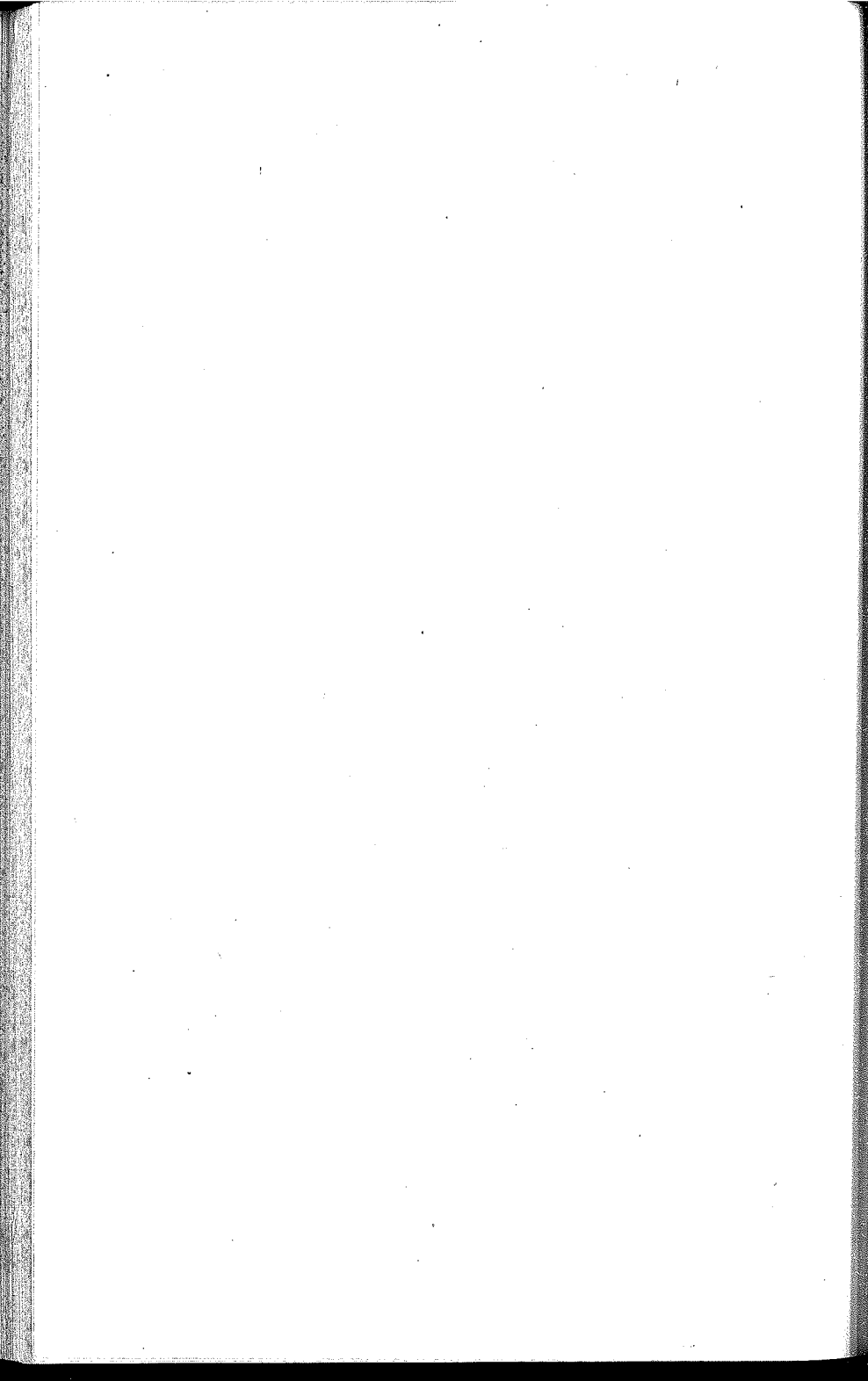


INAUGURAL ADDRESS
OF
GOVERNOR MILLER
TO THE
LEGISLATURE OF MINNESOTA,
DELIVERED JANUARY 13, 1864.

PRINTED BY AUTHORITY.

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INAUGURAL ADDRESS.

Gentlemen of the Senate and House of Representatives:

With profound gratitude to the Father of all Mercies for innumerable State and National blessings during a period of imminent peril, and under a sense of deep and abiding obligation to the people of Minnesota, I this day assume the duties of that position to which they have assigned me.

My able and patriotic predecessor, in his Annual Message of the eleventh instant, has presented such a comprehensive view of the condition and resources of the State, that I shall, as nearly as practicable, confine myself to a brief enunciation of the general policy which I deem essential to her future prosperity.

One of the leading objects of your legislation should be the improvement and success of our Common School system. The postponement of this duty may be attended with serious detriment to the present as well as coming generations, and to the reputation of our State.

In view of the other official responsibilities of the Superintendent of Public Instruction, that officer has performed his duty with a zeal and fidelity worthy of all commendation, and too much weight cannot be given to the many valuable suggestions contained in his annual report.

But in my judgment, the necessities of this department demand the organization of an Independent Bureau of Public Instruction. We require a State Superintendent whose time and labor shall be exclusively devoted to the great trust committed to our care, and whose integrity, experience and executive and administrative capacity shall commend him for the position. He should be authorized to decide the minor controversies pertaining to the system without

appeal or costs, and those of greater magnitude subject to judicial revision.

The efficiency of our instructors and the success of our schools, demand a thorough local or county superintendency. These officers should be held amenable to and be examined by the State Superintendent, and they should in turn be authorized to examine, grade and issue requisite certificates of qualification to the teachers of their respective counties or districts.

The importance of Normal Schools to provide men and women for the noble avocation of teachers can scarcely be overestimated, and I earnestly recommend this class of institutions to your favorable consideration.

I feel it my duty also to invoke your prompt action in extricating the State University from its present embarrassments, if practicable, and to place it in such a position as will ensure the accomplishments of the noble object for which it was created ; and such encouragement as is compatible with our limited resources should also be given to the Agricultural College, and to such other higher institutions of learning as may be requisite to meet the wants of the rising generation.

As intimately connected with the advancement of our educational system, as well as the general prosperity of the State, the great land interests of Minnesota require your vigilant supervision.

Our predecessors have wisely provided stringent enactments for the safe keeping of the millions of acres devoted to public instruction ; and the evidences of their wisdom are already discernible in the accumulating revenue, which bids fair at no distant period, to furnish the means for strengthening and invigorating the most distant schools within our borders.

The importance of a fixed, uniform and equitable policy, which shall regulate the disposition of our Swamp Lands, is daily becoming more apparent. With prudent management the proceeds of these several millions of acres, will pay the public debt, promote immigration, erect a State

Prison, and endow Normal Schools; and will build up "those great humane institutions, Asylums for the blind, deaf, dumb and insane, which are at once the glory and necessity of modern civilization."

We are evidently drifting upon that alternative which shall secure the early appropriation of these lands to the above and kindred objects, or result in their inequitable distribution to corporations important to our prosperity, but, secondary to the great interests involved.

Along the track of legislation in the neighboring States, we everywhere discover the wreck of similar gratuities; and if, with these warnings, we pursue an equally reckless course, we shall deserve the condemnation both of our contemporaries and of the generations that will succeed us.

The healthy progress of our railroad system justifies the belief that, during the present year, some two hundred miles of these great arteries of trade will be completed and in operation, within the State; and that, at no distant day, Lake Superior and the Mississippi river, St. Paul and the British Possessions, the Falls of St. Anthony and the State of Iowa, and the Minnesota Valley and Winona will be indissolubly connected by these channels of intercourse and commercial prosperity.

The low stage of water in our navigable streams, during the past season, has demonstrated the importance of an early construction of the contemplated railroads along the valleys of the Minnesota and Mississippi Rivers, from their upper settlements to the Southern limits of the State.

In this connection I respectfully submit that, in meritorious cases, a donation of the alternate sections of Swamp Lands, within a specified distance of the respective roads—and transferrable upon their completion—might materially aid these Corporations, while the enhanced value of the residue would liberally compensate the State for such contribution.

Nothing in my judgment is more certain than the construction of a Northern line of railroads to the Pacific Ocean, at some period more or less distant. The capital and com-

merce of the great Atlantic States are so much interested in the success of that enterprise, as to render it indispensable. While we are without the means at present, to contribute to the final accomplishment of this magnificent project, it well becomes the representatives of the people of Minnesota, to make every exertion to induce the location of the route through our own State. The effect of such a railway upon her prosperity, in developing the riches of this vast region, would be incalculable; and we should not hesitate to use every effort to secure these benefits.

I respectfully recommend the adoption of such measures, as will attract to Minnesota, her fair proportion of immigration. We should be admonished by the efforts of rival localities, that ill-advised economy with reference to this important subject, may result in serious loss to the State.

I learn from excellent authority, that the judicious expenditure of a few thousand dollars per annum, will secure communication through the most influential channels, with the chief fountains of our European supplies; and at the same time provide an appropriate Agency in New York, which might also be used as a place of resort and registry, by such of our citizens as may visit that great commercial emporium.

It is the peculiar duty of State Legislators to examine thoroughly into the system of taxation for local purposes. Whenever the burden can be diminished with due regard to the public interests, it should be done promptly. In view of the increasing necessities of the General Government for money as well as men, which must alike be furnished by the citizens of the loyal States, I respectfully suggest that a stringent examination be made of the existing laws governing taxation, with the intent to modify and reduce their requirements to the lowest practicable limits.

I also recommend a suitable appropriation to the proper State Board, for the purpose of developing our unrivalled Agricultural resources.

The great advance in rents, fuel, and indeed all the necessities of life, renders it impossible for the clerks in the

several Departments, the Private Secretary and subordinate employees of the Capitol, to support themselves respectably upon their present salaries. Justice to these worthy laborious officials, demands that such an addition be made to their compensation as is warranted by the increased cost of living.

In compliance with the application of the commanding officer of the First Minnesota volunteers, I suggest the appropriation of the requisite sum to provide for the transportation from New York, of the Steel Gun Battery, presented to that honored Regiment, through the liberality of General Sanford; United States Minister to the Court of Brussels.

While it is evident that our financial condition precludes the payment of an appropriate State bounty to our volunteers, everything else possible should be brought to bear, to honor and sustain them, and to contribute to their comfort in the service.

The President should be memorialized to sanction the establishment of a National Hospital in our midst, in which the wounded, diseased and debilitated of our regiments may be concentrated. We should provide for the appointment of a suitable commissioner, whose entire time and attention should be employed in securing the rights and ministering to the necessities of our soldiers in the hospital and in the field. We can urge upon Congress the propriety of a law granting an increase in the compensation of all enlisted men. And we can indicate by a substantial appropriation, our earnest sympathy with those benevolent citizens who contemplate the erection of a suitable monument to our honored and lamented dead.

The policy should also be adopted of appointing one half, if not all the commissioned officers of future military organizations in this State, for national objects, from the ranks of those, who, for at least one year, have been actively engaged in the war; and if requisite to secure to the enlisted men from Minnesota the full exercise of the right of suffrage, we should submit to the people such an amendment to the Constitution as will place that privilege beyond controversy. I

need hardly add, that any proposition which will conduce to the welfare or efficiency of the patriotic men from our State, who are in arms for the Union, will meet with my cordial assent and approbation.

The improved aspect of our Indian affairs affords cause for congratulation. A war which threatened at the outset to assume gigantic proportions, involving all the tribes upon our borders, has, by the vigorous measures adopted by the government, been almost terminated. The Sioux convicts preserved from death by the clemency of the President, and the remainder of that tribe, with the Winnebagoes, have been removed from within the limits of the State, the former to a secure prison in Iowa, and the latter to a new reservation upon the Missouri river.

The expeditions under Generals Sibley and Sully,—the command of the first named officer consisting entirely of Minnesota troops, who successfully performed one of the longest marches upon record,—have slain, scattered or paralyzed those perpetrators of the inhuman butcheries of 1862, who unfortunately escaped the immediate punishment meted out to their associates in crime, together with the powerful western bands by whom they were harbored or assisted.

No hostile savage now finds a resting place within hundreds of miles of our settlements; and with the exception of the more atrocious criminals, who have sought and found a refuge upon British soil, the survivors are suing for that mercy which they denied to their hapless victims.

In addition to these gratifying results, ex-Governor Ramsey has recently negotiated a treaty on the part of the Federal Government, with the Chippewas of Red Lake and Pembina, which secures to us a large and fertile tract of land, and, what is of equal importance, an uninterrupted communication by land and water with the settlements on our northern boundary and those within Her majesty's conterminous territory.

These results, so auspicious in their bearings on the future prosperity of our State, should not, however, be allowed to beget a cessation of vigilance on the part of the au-

thorities charged with the maintainance of peace and quiet on our frontier.

The return of spring may witness a renewal of raids by small predatory parties, or possibly a formidable body of these Ishmaelites of the prairies, driven to desperation by their recent reverses, or by their utter destitution, may attempt a more important demonstration upon our remote and sparsely settled counties. To guard against the bare possibility of such a contingency, we have the right to demand the most ample protection from the General Government for our citizens.

With this view, and fully to restore the public confidence, the military force and organization now existing in the State should be efficiently maintained outside of the line of settlements for at least another year, and meanwhile the refractory bands of savages, including the Teton Sioux beyond the Missouri, should be still further humiliated and chastised by the strong arm of the government.

It will probably become requisite to advance the military line, the right resting upon Fort Abercrombie, and the left upon the Missouri at or near its confluence with the Cannon Ball River, with such intermediate posts as may be necessary. Such a movement would confine the warlike Sioux to a remote position, and cover and protect Iowa and Minnesota and the greater portion of the inhabitants of Dakota Territory, and would also indicate a direct and important thoroughfare to the great gold-bearing regions of Idaho.

Measures will doubtless be taken by the United States Indian Department, to restrict the Sioux and Winnebagoes lately removed from the State, within the boundaries of their own reservations; but to prevent any attempt on the part of these Indians to revisit their old homes, a State law should prohibit under stringent penalties a return of any of their number.

It would indeed be a great blessing if the Indians yet remaining in the vicinity of our border settlements, could be concentrated at some distant point, under the immediate supervision of the United States authorities; as the proximity

of the white and red races to each other has always proved a curse to both.

The practice of furnishing liquor to the Indians should be a penal offence of so great magnitude, as to subject the offender to imprisonment for a term of years in the penitentiary; and I respectfully recommend such legislation on your part as will tend to the entire suppression of this horrible traffic.

I deem it my duty to call your attention to the cases of Nathan Lamson and Chauncy Lamson, who on the third of July last, shot and killed the Sioux chief "Little Crow," the principal leader and instigator of the Indian massacres on our border. This meritorious service on their part, deserves proper consideration at your hands; and I therefore respectfully suggest that such provision be made for them, as may comport with the dignity of the State.

We have, from the chief Executive of the Nation, the most gratifying assurances of amicable relations and intercourse with the different powers of Europe.

This satisfactory condition of our foreign affairs will enable the Federal Government to devote its undivided energies to the suppression of the wicked and formidable rebellion, which for almost three years has threatened the stability of the Union, and the existence of free Institutions.

From the commencement of this unnatural and unhappy war, Minnesota has been true to her responsibilities and faithful to her obligations. Nor will she be found behind her sister States in a cheerful submission to any sacrifices requisite to effect the restoration of the authority of the Government over the seceded states. She will not consent to any termination of the contest which does not secure that result. Young, poor and sparsely settled, she has nevertheless given largely of her best and bravest for the great cause of the Union; and her noble regiments and detachments have every where won a reputation, which should fill all true hearted Minnesotians with pride and admiration.

Nor is the probable solution of the great question of African Slavery to be numbered among the unimportant re-

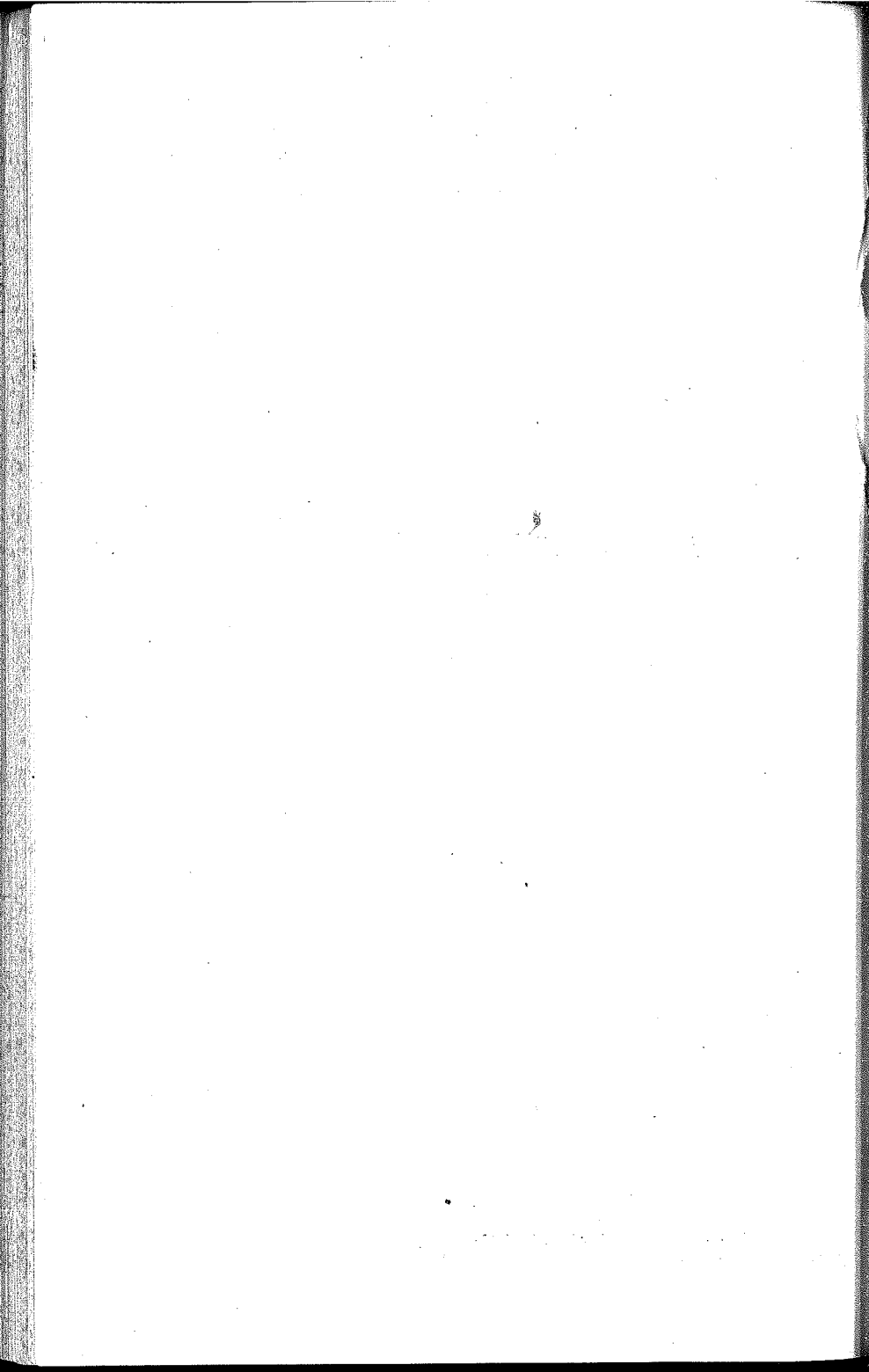
sults of this terrible conflict. Though abhorrent to the better feelings of human nature, the institution—because of the obligations assumed by our fathers, with the intent of perpetuating peace between the States—was acquiesced in or tolerated by a large majority of our fellow citizens.

But the propagandists of the system, have on their part, spurned those obligations and broken that peace; and, in the execution of their treasonable designs against the government, have unintentionally opened the prison doors of those that were bound. And if, while we are contending for the integrity of the Union, the inciting cause of our calamities shall pass away, we, and the friends of freedom in all christendom, cannot but gratefully accept the behests of that benign and omnipotent Being, who, amid our national convulsions, shall thus “proclaim liberty throughout the land unto all the inhabitants thereof.”

Having thus briefly stated my views in connection with the main topics of interest which will necessarily engage your attention, I deem it proper once more, emphatically to assure you, that you will have my earnest co-operation in all measures having for their object a judicious economy in the expenditure of public money, the decrease of taxation for local purposes, the development of the resources of our infant State, and particularly the discharge of our whole duty as one of the loyal States, in this time of our nation's peril. And I do not hesitate to repeat my convictions, that whatever of sacrifice or of sufferings may be requisite on our part, or on the part of the people we represent, to re-establish the national authority within the rebellious states, and to restore the Union in its integrity, will be even joyfully submitted to, if thereby we can contribute to the accomplishment of this great result; which involves the welfare of ourselves and of our children, and in a more extended sense, will decide the momentous question of man's capacity for self-government, for ages to come.

STEPHEN MILLER.

St. Paul, January 13, 1864.



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ANNUAL MESSAGE

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OF

GOVERNOR MILLER,

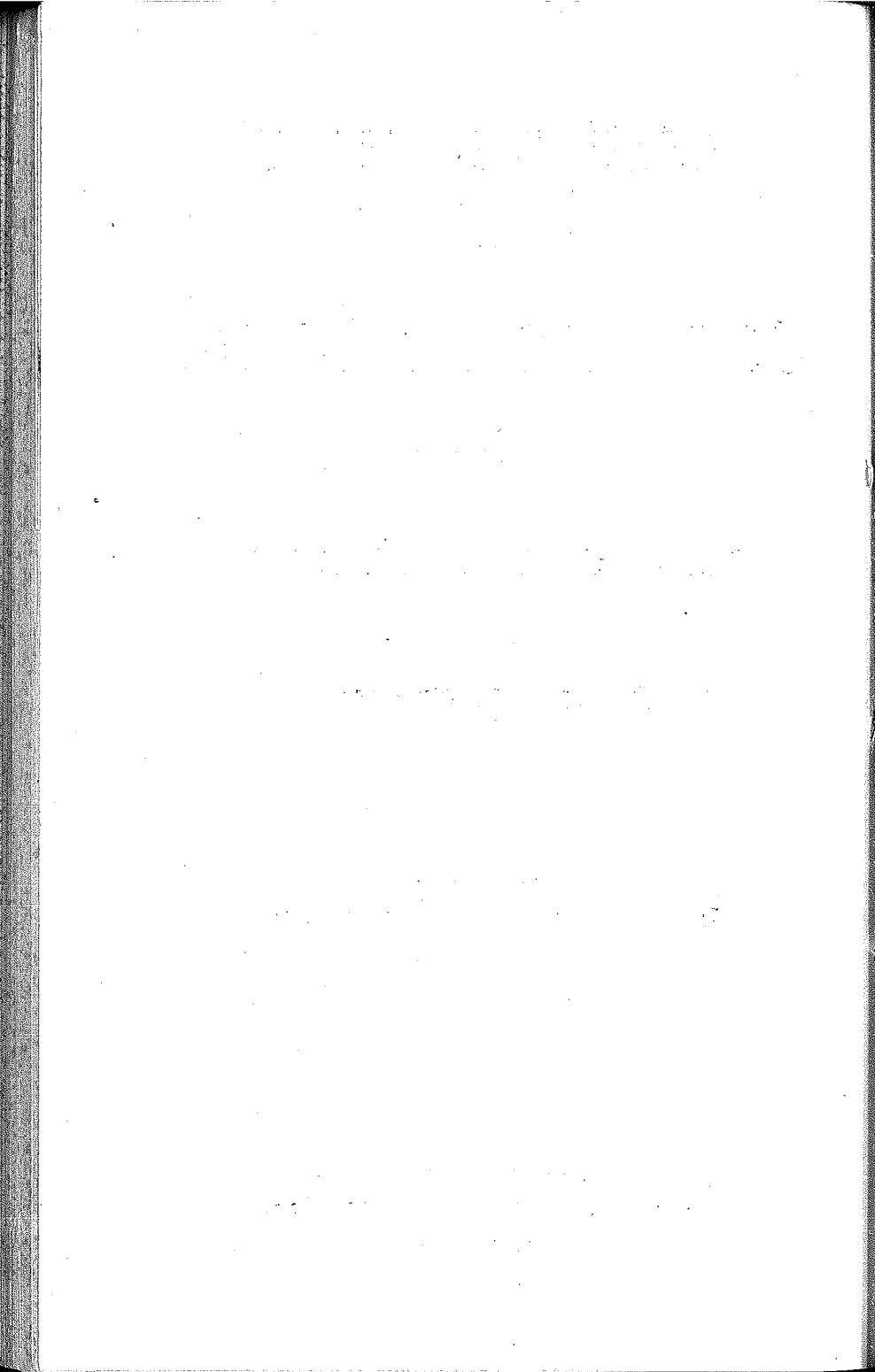
TO THE

LEGISLATURE OF MINNESOTA.

DELIVERED JANUARY 4, 1865.

PRINTED BY AUTHORITY.

SAINT PAUL:
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1865.



GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives:

In this solemn and momentous crisis in the history of the great nation of which we form a part, it is peculiarly appropriate that we as representatives of a christian people, assembled to deliberate and act upon grave and important questions affecting their welfare, should humbly acknowledge our dependence upon Almighty God, and invoke his blessing upon our labors. We have abundant cause for thankfulness in view of the success vouchsafed to the national arms during the past year in the struggle with the great rebellion—of the stern determination of the loyal States, so lately expressed through the ballot box, to maintain the integrity of the Republic—of our continued progress in all the elements of prosperity, notwithstanding the great drain upon our resources, and especially that our State has been almost entirely relieved from apprehensions of savage raids. The very fact that during the continuance of the prolonged and bloody strife with armed traitors, most of the great Powers of the World have neither sympathized with them nor desired their ultimate success, should induce the American people to cling more closely to the God of their fathers, who holds alike in his hand the destinies of nations, and of men.

The accompanying reports from the heads of the several Departments of the State, to whom too much credit cannot be awarded, for the energy and ability displayed by them in the discharge of their several duties, will show a gratifying reduction of our floating debt, the improvement made in the system of education, and the extent of our

patriotic contributions to the armies of the Union since the commencement of the last session of the Legislature.

The limits of an annual message will not permit me to do more than to state the general results.

FINANCIAL TRANSACTIONS.

The receipts from all sources for the fiscal year ending December 1, 1864, were as follows :

For State Revenue Fund on Property tax,	- - -	\$96,283 75
For State Revenue Fund on Poll tax,	- - -	36,464 93
For State Interest Fund,	- - -	62,669 86
For United States War Tax,	- - -	7,714 13
For Permanent School Fund,	- - -	119,988 77
For General School Fund,	- - -	54,035 56
		<hr/>
Balance in Treasury December 1, 1863,	- - -	\$377,157 00
		199,325 53
		<hr/>
		\$496,482 53
The total disbursements have been,	- - -	402,952 15
		<hr/>
Leaving a balance in the Treasury December 1, 1864, of		\$93,530 38
—classified as follows, to wit:		
Revenue Fund,	- - -	\$1,154 90
Interest Fund,	- - -	35,640 66
United States War Fund,	- - -	40,506 38
General School Fund,	- - -	12,979 35
Permanent School Fund,	- - -	78 08
Board of Auditors' Fund,	- - -	1,560 72
Refugee Fund,	- - -	1,610 29
		<hr/>
		\$93,530 38
The amount of Treasury Scrip outstanding December, 1863,		
was,	- - -	\$46,671 93
On December 1, 1864, it was	- - -	19,531 25
		<hr/>
Showing a reduction of	- - -	\$27,140 68
Add amount subject to draft estimated,	- - -	11,035 92
Estimated deficiencies,	- - -	12,000 00
		<hr/>
Total floating indebtedness,	- - -	\$42,567 17
Deduct balance in Treasury belonging to Revenue Fund,	- - -	\$1,154 90
And balance of Interest Fund which on the 1st inst. was transferred to the Revenue Fund,	- - -	25,615 66
		<hr/>
		26,770 56
		<hr/>
Balance,	- - -	\$15,796 61

I present the following comparative exhibit of our financial transactions since 1860 :

	Bal. in Treas'y.	Floating Debt.	Taxes Collected.
1860,	\$ 675 78	\$68,636 55	\$111,918 58
1861,	4,729 42	66,682 47	100,186 83
1862,	36,555 87	65,190 48	133,001 71
1863,	119,325 53	60,534 76	177,170 43
1864,	93,530 38	15,796 61	195,418 54

For the first time in her history, as a State, the Treasurer of Minnesota pays the cash, upon presentation of all authenticated evidences of indebtedness. In view of this auspicious result, I tender to you and to the people of Minnesota my cordial congratulations.

Estimated disbursements for the fiscal year, ending December 1, 1865 :

Ordinary expenses of the State Government,	-	-	-	\$140,875 00
Interest accruing on State Loan,	-	-	-	27,100 00
Outstanding Scrip, December 1, 1864,	-	-	-	19,531 25
Deficiencies,	-	-	-	12,000 00
Unexpended appropriations,	-	-	-	21,060 92
				<u>\$220,587 17</u>

Estimated resources :

Balance in Treasury,	-	-	-	\$ 35,795 56
Tax Duplicates, 1864,	-	-	-	185,000 00
Miscellaneous sources,	-	-	-	5,000 00
				<u>\$225,795 56</u>
Estimated amount for sinking fund,	-	-	-	\$32,000 00

For an exhibit of the transactions of the several banking institutions of the State, I respectfully refer you to the report of the State Auditor.

The Registers of the Land Offices in the several districts of Minnesota, have furnished the following reports of entries during the past year :

	Acres.
Minneapolis District	104,419
Winnebago City	208,140
Taylor's Falls	34,961
Du Luth	12,706
St. Peter	158,943
St. Cloud	146,581
Total number of acres	665,750
Previous year	463,296
Increase	202,454

The following statement reports the operations of the Surveyors of logs and lumber :

Logs Scaled in the First District, (Stillwater,) - - -	42,022,027
Logs Scaled in the Second District, (St. Anthony,) - - -	35,897,618
Logs Scaled in the Fifth District, (Wabashaw,) - - -	237,269
	<hr/>
	78,156,914
Previous year - - - - -	50,248,465
	<hr/>
Increase - - - - -	27,908,449

I also present a statement showing the result of the sales of School Lands and the condition of the Permanent School fund on the 30th November, 1864.

Year,	No. Acres sold.	Amt. purchase money.
1862, - - - - -	38,147.13	\$242,531 00
1863, - - - - -	52,293.01	309,777 46
1864, - - - - -	41,510.46	287,675 14
	<hr/>	
Total - - - - -	131,950.60	\$839,984 20
Average value per acre \$6 36 $\frac{1}{2}$,		
Total cash receipts from lands - - - - -		\$244,989 38
“ “ “ “ stumpage - - - - -		1,101 20
		<hr/>
Total - - - - -		\$246,090 58

Which is invested as follows :

Minn. War Loan 7-per cent. bonds, currency, \$15,000 at 101 $\frac{1}{4}$	\$15,187 50
U. S. 6-per cent. 1881, 6-per cent. bonds, gold, 10,000 at 105	} 30,000 00
U. S. 6-per cent. 1881, 6-per cent. bonds, gold, 20,000 at 97 $\frac{1}{2}$	
U. S. 5-20 6-per cent. bonds, gold, 25,000 at 102 $\frac{1}{2}$	} 117,025 00
U. S. 5-20 6-per cent. bonds, gold, 91,400 par	
U. S. 10-40 5-per cent. bonds, gold, 6,000 par	6,000 00
U. S. 7-30, 7.3-10 per cent. bonds, currency, 77,800 par	77,800 00
	<hr/>
Total, - - - - -	\$245,200
Balance in Treasury, - - - - -	78 07
Balance remaining due upon lands sold and bearing 7-per cent. interest, - - - - -	594,994 82
Total amount of permanent fund, on the 30th November, 1864,	841,007 32

I also subjoin a gratifying exhibit from the statistical tables of the School Department :

	1863.	1864.
No. persons between 5 and 21 years of age, - - -	64,819	74,965
No. pupils in attendance, - - - - -	38,677	44,787
Average daily attendance, - - - - -	22,568 7-12	26,321 $\frac{3}{4}$
No. of teachers, - - - - -	1,636	1,888
Aggregate amount paid teachers during the year, \$73,308 61	\$110,024 97	
No. of school houses, - - - - -	880	994
Value of school houses, - - - - -	\$160,591 32	\$224,500 25

EDUCATIONAL.

The lucid and able report of the Superintendent of Public Instruction, contains many suggestions which I recommend to your favorable consideration. In several of the counties the policy of School Superintendents has been adopted with encouraging results, and the State Normal School has recently been re-opened at Winona under the supervision of an experienced gentleman from New Jersey. I repeat the conviction expressed in my inaugural address, which is warmly seconded by the Superintendent, that the whole subject of education should be committed to the charge of a separate bureau, to be established for that purpose exclusively.

So vitally important an interest requires the undivided attention of an officer thoroughly qualified in every respect to manage it through all its various ramifications.

The success achieved under the supervision of the present Superintendent, is sufficient to demonstrate the value of a still more thorough organization, which can only be effected by relieving him from his other duties, or by placing some one of equal ability in that position, whose entire energies can be devoted to its labors and responsibilities. Should you, however, determine that a separate department is inexpedient, I would suggest that provision be made for the appointment of an Assistant Superintendent. I learn that the services of Professor Phelps, of the State Normal School at Winona, can be secured in that capacity during certain portions of the year.

The sum of four thousand dollars was pledged by the last Legislature for the support of the State Normal School during the current year, and I recommend that it be appropriated from the School Fund. The institution must be chiefly relied on to furnish teachers for our common schools. So much depends upon the employment of persons fully qualified to guide and instruct the children of our State,

that no necessary expense should be spared to secure the services of such a class. It is not only essential to the welfare of Minnesota that her prairies should be dotted with the farm-house and cottage, but that the school house and church, the evidences of a still more refined civilization, shall ever be found keeping pace with her advancing settlements.

The Agricultural College of Minnesota, which was incorporated in 1858, has received a donation of a section of land, and of all the swamp lands belonging to the State within the limits of McLeod county. By the terms of the Congressional grant of one hundred and twenty thousand acres of land to the State, on the 2d of July, 1862, an Agricultural College must be established and in full operation within five years from the passage of the act. I recommend that these donations be consolidated, and that provision be made for organizing and opening the institution within the current year.

By an act of the last Legislature, O. C. Merriman, John S. Pillsbury, and John Nicols were appointed sole Regents of the University of Minnesota, with authority to sell and convey certain lands, and settle and liquidate the claims against the institution, and at their discretion to open a school in the University buildings.

Owing to the refusal of several of the creditors to accept an equitable sum for the bonds held by them, the Regents have been unable to make such progress as they desired. The trust, however, can be committed to no better hands, and I have no doubt that everything possible will be accomplished by the Regents in extricating the University from the embarrassments which have thus far impeded its movements. Such legislation as will enable the Regents to devote the edifice to the purposes for which it was designed, should receive your prompt attention.

A small amount of the State funds may be needed for this object unless some judicious arrangement can be con-

cluded with competent and reliable teachers on another basis. It is so evidently the duty of the State authorities to rescue these halls dedicated to learning from their present solitude, and to fill them with students as soon as practicable, that it is only necessary to direct your attention to the subject, to secure such action as will enure to the benefit of the rising generation, and be creditable to the State.

In order to test the validity of our claim under the 5th section of the enabling act of Congress, passed February 26th, 1857, to seventy-two additional sections of land from the public domain, to be set apart for the use and support of a State University, I filed a notice of the selection of a portion of said lands in the proper office at Taylor's Falls in February last, and am now awaiting a decision from the Department at Washington.

It is my firm conviction that whatever aid may be extended to the University and other kindred institutions by the Legislature, should be rendered upon the express condition that the children of Minnesota soldiers who shall have died or been disabled in the service at the close of the war, shall be entitled to admission free of charge, with all the rights and privileges of other scholars or students. So much at least should be guaranteed to the families of the noble band from our State, who have gained for her so brilliant a reputation on many a bloody field, at such great sacrifice to themselves of life and limb.

In this connection I respectfully submit the propriety of associating with our Agricultural College an Orphan's Home for the gratuitous support and education of the indigent children of the diseased soldiers of Minnesota. Several of our sister States have already made preparations to carry out a similar just and humane policy.

SWAMP LANDS.

In December, 1863, the lists of swamp lands claimed by the State of Minnesota under the Act of Congress, approv-

ed September 23d, 1850, within the entire surveyed portion of our territory, and amounting to about 727,000 acres, were placed in the hands of the Commissioner of the General Land Office for examination and revision. But in consequence of the pressure of business in that Department I have been unable to secure the certificate and patent, vesting the grant in the State, and it is quite possible that under the ruling of the Commissioner, the number of acres claimed may suffer a slight reduction.

I trust that you will agree with me that those lands should be disposed of first, for the erection of the benevolent institutions of the State; and second, for contributing to the construction of railroads and other internal improvements requisite for the development of our resources. Thus far the first named object has been neglected, no efficient steps having been taken to provide a suitable home for the insane, idiotic, deaf, dumb and blind in our midst.

A million and a half of acres of swamp lands have been granted to railroad companies upon liberal conditions, but not a single acre has been appropriated for the erection of asylums or the endowment of our literary institutions. Railroads are indeed indispensable to our prosperity, and their construction should be aided and encouraged in every proper manner; but the higher obligations of humanity, should first be consulted, by the application of a portion of our means to the building of suitable edifices for the classes indicated, without any unnecessary delay. A prompt and judicious selection and sale of a few hundred thousand acres of these lands would furnish an ample fund to be specifically expended for that purpose, and for the three Normal Schools contemplated in the State.

The money for such objects cannot be raised by taxation without oppressing the people, already suffering under the burdens incident to the prosecution of a gigantic war, and I am convinced that the policy recommended will meet the approval of every citizen who feels a proper concern for

the reputation of the State. Asylums for the helpless portion of the community mentioned, and institutions of learning are justly regarded as among the first evidences of an advanced civilization, and the neglect or refusal upon the part of the authorities of a State in the American Union to make provision for their establishment and support, would be a sad commentary upon the virtue and intelligence of the people.

In an able communication from Professor R. J. Patterson, Superintendent of the Iowa Hospital for the Insane, he states it as his opinion, that it will be impossible for that Institution to admit patients who are not citizens of Iowa, after December 1, 1867. He furnishes many valuable suggestions having reference to a suitable building for the Insane of Minnesota, and urges the necessity of commencing its erection as early next spring as practicable.

RAILROADS.

The difficulties of navigation and the scarcity of labor have seriously delayed the construction of our railroads, during the year which has just closed. Notwithstanding these impediments, the respective companies now have completed within the State, about one hundred miles of railroad, and nearly two hundred additional miles of road are graded, and will be finished as soon as the iron, which is purchased, can be transported.

The Winona and St. Peter railroad is in successful operation from Winona to Rochester, a distance of fifty miles, including all the heaviest grading between the Mississippi and Minnesota rivers, and is taxed to its utmost capacity, in conveying to market the various products of that wealthy portion of the State.

The rapidity with which the counties in the vicinity of the route are being settled and developed, will secure the early continuation of the road to the Minnesota river.

The Southern Minnesota Railroad Company have se-

cured the necessary iron for the completion of ten miles of that important communication with our tier of productive southern counties, and no doubts are entertained of the ultimate success of the enterprise.

The Minnesota Central Company have nearly completed the grading of the line from Minneapolis to Faribault, and eight or ten miles of the route are ready for the cars. The bridges across the Mississippi and the mouth of the Minnesota rivers, together with the road from St. Paul and Minneapolis to Owatonna, or other point of junction with the Winona and St. Peter railroad, will probably be ready for the passage of cars during the present year.

The Minnesota Valley Railroad has received a new impetus, at the hands of its present enterprising proprietors. The grading is in good condition for a distance of forty miles from Mendota, and it is confidently expected that the road will be ready for business during the next season, from St. Paul and St. Anthony's Falls, to Shakopee, a distance of twenty-five miles. Assurances are also given, that no effort will be spared to reach Belle Plaine, without unavoidable delay, and that thereafter, this important link of our railroad system will be continued with vigor, until it shall have reached the southern boundary of the State, and formed a connection through the Iowa lines, with the Great Pacific route.

In this connection your attention is invited to the seventh section of an Act of Congress, entitled "An act for a grant of lands to the State of Iowa in alternate sections, to aid in the construction of a railroad in said State, approved May 12th, 1864," which makes a further grant of four additional alternate sections of land per mile, for the purpose of aiding in the construction of a railroad from St. Paul and St. Anthony via Minneapolis, to a convenient point of junction west of the Mississippi to the southern boundary of the State in the direction of the mouth of the Big Sioux River.

I respectfully suggest the acceptance of this grant, and recommend that it be immediately appropriated to the company engaged in the construction of the Minnesota Valley Railroad.

The main line of the St. Paul and Pacific Railroad, by which communication will eventually be opened with the rich mineral regions east of the Rocky Mountains, is partly under contract, and fourteen miles of the route, connecting Minneapolis with Lake Minnetonka, will doubtless be in successful operation during the present year.

The company have received from the State a valuable grant of swamp lands, to aid in building a branch along the Mississippi river from St. Paul to Winona, and reasonably look for such a combination of capital by the stockholders of other lines interested in its early construction, as will enable them to fulfil their engagements.

The cars are now running upon the St. Paul and Pacific branch road to Elk river, a distance of forty miles, and the officers give assurance of the extension of the road to St. Cloud or Watab, as early as transportation upon the Mississippi will permit the importation of iron.

The track is graded and the ties are prepared between the indicated points.

The franchises of this branch road have been forfeited to the State in consequence of a non-compliance with the provision of the charter which obligated the company to build the road to St. Cloud by the first day of the present month. In view of the many difficulties encountered by the corporators, I recommend that a reasonable extension of time be granted for the completion of the railway to St. Cloud.

Negotiations are pending with English capitalists, which it is hoped will result in the prompt construction of the branch roads of this company, from Lake Superior via St. Cloud, to Pembina and the conterminous possessions of her Britannic Majesty.

By an act of Congress, approved July 2, 1864, a grant of twenty alternate sections per mile upon either side of the route, was made for the construction of the Northern Pacific Railroad, commencing on Lake Superior, and running on a line north of the forty-fifth degree of latitude to Puget's Sound on the Pacific coast.

This munificent donation of lands has secured the attention of eastern capitalists, and a company is already organized to build this great thoroughfare between the two oceans.

The Lake Superior and Mississippi Railroad Company, to which the State has donated over seven hundred thousand acres of swamp lands upon liberal conditions, and to which a bonus of \$250,000 has been pledged by the city of Saint Paul, upon the completion of the road within five years, has surveyed and commenced the grading of the road.

By an act approved May 5, 1864, Congress granted to the State of Minnesota, for the purpose of aiding in the construction of a railroad in said State, from the city of St. Paul, to the head of Lake Superior, every alternate section of public land of the United States, not mineral, designated by odd numbers to the amount of five alternate sections per mile on each side of the said railroad on the line thereof, within the State of Minnesota, and I recommend that you formally accept the donation.

It will become your duty to make such a disposition of this valuable grant as will secure the earliest practicable railroad communication between the points indicated by the act of Congress. The consummation of this project, is of such vital importance to more than one half of our agricultural interest, and it is so intimately blended with our whole system of intercommunications, that serious delay would be calamitous to the State. About forty thousand operatives are engaged in lumbering and mining in the upper lake region, who consume staple agricultural pro-

ducts to the amount of between \$3,000,000 and \$4,000,000 annually.

The construction of the road in question would place this valuable and increasing market in the hands of the farmers of Minnesota. It would shorten the distance to eastern markets three hundred miles, and would thereby save to the producer a large per centage upon his labor, which is now expended in the payment of exorbitant rates of transportation.

It would save a like outlay upon importations, develop the resources of our iron and copper regions on Lake Superior, and infuse new vigor into the commerce of our State.

In addition to these advantages, the completion of this road with its connections will ultimately unite the waters of our great inland seas, by the shortest railroad route, with those of the Pacific Ocean at San Francisco, and thus secure for the State a high degree of prosperity.

The railroad to California is now in course of construction.

The Minnesota Valley and Iowa lines intended to connect with it having received like liberal grants of land, it is clearly for the interest of their proprietors that their respective railways be urged forward to speedy completion.

While Minnesota has not the wealth to contribute largely to the construction of these great enterprises which are destined within a short time to be the medium of a flourishing commerce, it becomes her by harmony in her counsels and unanimity of action to aid and encourage them by such liberal legislation as may be required by her geographical position.

GEOLOGICAL SURVEY.

In compliance with an act passed by the last Legislature, I appointed Dr. Augustus H. Hanchette, State Geol-

ogist, who accepted the appointment, but magnanimously declined any compensation for his services.

The sum set apart for geological explorations was insufficient to justify a general examination of the extensive mineral regions embraced within the limits of the State.

Only a portion of the lands on the north shore of Lake Superior has been visited for that purpose, and the accompanying reports of the State Geologist, and of his assistant, Thomas Clark, Esq., confirm the belief previously entertained of the great mineral deposits to be found there, and demonstrate the policy of their early development. Rich beds of copper and iron ore, and slate of good quality have been discovered, as well within a few miles of the lake shore as further in the interior, and the projected line of the Lake Superior and Mississippi Railroad passes through a part of this mineral district. Wood and limestone are abundant, and will furnish facilities for the manufacture of iron; and the construction of the railroad to the Mississippi river will render certain a combination of capital for that object.

It is estimated that the rails and other iron fixtures for the railroads now projected or in process of construction in this State, will cost at present rates twenty millions of dollars, and if the manufacture of these articles can be effected in the State, the expenditure of several millions of dollars would be saved to the railroad companies, while our agricultural and other interests would be vastly benefitted in connection with these operations.

It is believed that a coal field of considerable extent exists on the waters of the Upper Cottonwood, and an association of our citizens is now engaged in solving the problem.

The parties interested are sanguine of a satisfactory result. Should coal be found in abundance, the State would be incalculably benefitted thereby, and those individuals who have spent so much time and money in the enterprise, will have rendered a signal public service.

The comparatively limited examinations thus far made of the mineral region in Minnesota should be succeeded by a thorough scientific investigation, under the direction of the State authorities, but as the expense will amount to several thousand dollars, it will be for you to determine whether or not the financial condition of the Treasury will justify immediate action in the premises.

The progress of events will very soon require the establishment of a port of entry at the head of Lake Superior, and I respectfully recommend that you memorialize Congress for a suitable appropriation to secure the necessary survey and improvement of the harbor.

It is matter of no little congratulation among our fair country-women that one of their number, Mrs. Mary J. Colburn, of Hennepin county, has, notwithstanding the number of competitors, been awarded the premium for the best pamphlet on the subject of immigration to the State of Minnesota. This production, together with the one to which the second premium was adjudged, is now in course of publication in pamphlet form, and as soon as the \$3,000 stipulated by the last Legislature shall be appropriated, will be distributed throughout the eastern States and in Europe.

The number of votes cast at the recent State election affords gratifying evidence of the increase in population, and there are other satisfactory indications of general thrift and prosperity. Whatever can be done consistently with proper economy to give publicity to such statistics as will tend to diffuse information with regard to our agricultural and mineral resources, and facilities for stock and wool growing, should receive your prompt attention, that the stream of immigration may be directed towards Minnesota. Thousands of American citizens in the border States are now rendered homeless by the war, and will remove to as great a distance from the scene of disturbance as possible, while the probabilities of a large foreign immigration are

great. From these sources we may confidently expect an important accession to the population of our State, if judicious measures are taken to ensure it.

The opinions of the Attorney Generals of the State are exceedingly valuable for reference, and I suggest that provision be made for their publication in a compact form.

It is worthy of your consideration whether at this crisis in our financial affairs, money could not be saved to the State by letting the public printing to the lowest responsible bidder, for a term of three or five years.

I commend to your attention Section 23, of Article IV. of the Constitution of Minnesota, which requires the enactment of a law by the Legislature, providing for the enumeration of the inhabitants of the State during the current year.

In order to meet the expenses incident to the census I recommend a continuance of the poll tax for one year.

Under the present system, our election officers are composed entirely of men who belong to the party having a majority in the respective election districts. I suggest such an amendment to the election law as will secure one judge and one clerk to the minority. I also recommend the passage of a law closing all bars and saloons, and prohibiting the sale of all intoxicating liquors during the day on which any future election may be held within the State.

By an act of the Legislature, approved March 7, 1862, ten thousand acres of swamp lands were appropriated for the construction of a State road from Madelia, in Watonwan county, to a point on the western boundary of the State. In May last the commissioners named in the act, filed a certificate that they had complied with the provisions of the law.

I appointed Hon. A. H. Bullis, of Rice county, an agent on behalf of the State, with instructions to make a careful examination of the improvement in question, and he reported the road as incomplete and impassable.

I ask for an appropriation of one hundred and fifty dollars to pay the expenses of the above examination.

I submit for your favorable consideration the report of the directors of the Minnesota State Institute for the education of the deaf mutes and blind of the State. In consequence of the increased value of labor and all articles necessary to the support of such an institution, an appropriation of five thousand dollars will be required to meet the expenses of the current year.

For the same reason I recommend the appropriation of the increased amount requisite to the maintenance of the State Prison, the estimate for which, together with the report of the Inspectors and Warden, is herewith presented.

An interesting report of the Attorney General, embracing the criminal statistics of the State, is submitted for your consideration, and I respectfully recommend the appropriation of the contingent fund for which he asks.

The Department of the Interior having decided adversely to the State in regard to the valuable school sections contained within the limits of the Winnebago Trust Lands, I recommend to your favorable attention the suggestions of the Attorney General in relation to that important interest.

I also suggest a revision of the Insurance laws at present existing. Such laws as relate to foreign companies are difficult of interpretation, and those relating to home companies are altogether too lax, and afford opportunities for designing persons to perpetrate fraud.

It has become exceedingly difficult to secure a depository for the ammunition belonging to the State, and I therefore recommend the appropriation of one thousand dollars, or so much thereof as may be necessary, for the purchase of a suitable lot of ground in the vicinity of St. Paul, and the construction thereupon of a substantial powder magazine.

Some provision should soon be made for a State Arsenal, and if practicable to accommodate in the same edifice the State Historical Society.

Private claims against the State should be settled according to their respective merits. Tacking such claims to the bill making appropriations for the support of the State Government, which has been the practice heretofore, to a greater or less extent, is fraught with evil, and should be discontinued. I also suggest the propriety of submitting all appropriation bills to the executive at least three days before the adjournment of the Legislature.

I deem it my duty to call your attention to the insufficient compensation of the State officers. Many of their salaries were fixed when the cost of living was not one half of what it now is, and they were slender enough even then.

All the officers, from the Secretary of State to the lowest subordinate, should be paid a salary commensurate with the services rendered.

INDIAN AFFAIRS.

The comparative security of our border citizens from the incursions of the savages, was temporarily disturbed by the appearance of a few hostile Sioux on the 11th of August last, in the vicinity of Vernon, in Blue Earth County, and the unprovoked murder by them of Messrs. Mack and Root, two of the most respectable and prominent residents of that county. The miscreants were pursued by a detachment of cavalry and a number of the State militia, but unfortunately escaped deserved punishment. Much the larger part of the United States forces in this Military District having been previously dispatched to re-enforce the column designated for operations against the Indians on the Upper Missouri, I deemed it proper, as savages singly or in small parties were occasionally discovered along the line south of the Minnesota river, to organize and employ several detach-

ments of mounted minute men to appease the alarm and ensure the safety of the panic-stricken settlers. These parties were under the command of Col. B. F. Smith, of Mankato. By arrangement between General Sibley, commanding the District, and myself, the State forces under Col. Smith, and the United States troops under Lieut. Col. Pfaender, were instructed to co-operate in guarding the frontier, and those officers are entitled to much credit for the harmony and activity displayed in the discharge of the responsible duties imposed upon them. On the return to the District of the Brigade from the Missouri, the State forces were immediately disbanded.

The Teton and a part of the Yanktonnais bands of Sioux combined to oppose the march of the forces under Brig. Gen. Sully into their country west of the Missouri, and were defeated by him with a heavy loss in warriors, and of large stores of subsistence, clothing and camp equipage. It is believed that this blow, with the severe chastisements heretofore inflicted on the hostile Sioux, will expedite a cessation of hostilities on their part, as several of the chiefs have already signified to Generals Sully and Sibley their desire for a restoration of friendly relations with the Government. The return of peace with these savages will be a great blessing to our State, which has suffered so severely since the outbreak of 1862, not only from the massacre of so many of her citizens, and the vast destruction of property, but by the apprehensions of further raids by the hostile Indians, which have deterred immigration to the rich border counties.

Three of our citizens resident in the valley of the St. Croix have been barbarously murdered by individuals of the Chippewa tribe within a few months. Two of the perpetrators are reliably reported to have committed suicide after their detection, thus anticipating the penalties of the law. The remaining criminal is still at large, having fled to a remote portion of the country. Many complaints

have been made of depredations and annoyance suffered by the settlers from Indians of the same band, at various points along the border, and it is evident that the presence of a strong military force can alone prevent serious disturbances, if not open hostilities, as the greater portion of the numerous sub-divisions of the Chippewas are notoriously disaffected and inimical to the government. This evil disposition is fostered and encouraged by the traffic in spirituous liquors, which is carried on by villainous white men among them, notwithstanding the stringent laws on our statute book against it.

Taking into the account the panic-stricken condition of our people in 1862—the great extent of our frontier ever since exposed to savage raids—the length of the marches necessary to reach the murderous tribes of Indians, and the nature of the country through which they ever retire before our advancing forces, I believe that the military authorities of the department and of the district have fulfilled the reasonable expectations of the people, and merit their approbation. But the great obstacles to the total subjugation of the several Sioux bands who continue hostile, are to be found in their being allowed a refuge from the pursuit of our troops on British soil, and in the additional fact that the traders and half-breeds, who are subjects of her Britannic Majesty, are permitted unrestrained intercourse with the savages on our side of the line, and indeed traverse the country to the Missouri and beyond it at will, for trading and hunting purposes. It is for the interest of these men that the war between our government and the Indians should continue, as they meanwhile secure to themselves all the advantages of the trade with the latter, and their great influence is therefore persistently used with all the northern tribes in fomenting disaffection and encouraging hostilities against the Americans. This state of things should no longer be permitted, and I invite your early and energetic co-operation in appealing through our

delegation in Congress to the national authorities for the prompt action requisite to guard Minnesota from the calamities of a prolonged Indian war. The British Government should be required to station a sufficient body of troops along the boundary to enforce the neutrality of their territory, or permit the refugee savages to be pursued by our troops wherever they may go; and the military commander of this district should be instructed to expel all British traders and hunters from the Indian country within the United States, which he is not now authorized to do.

Minnesota is deeply interested in the policy of the Government so far as it concerns the management, and future disposition of the Indian tribes of the Northwest. Experience has fully demonstrated the impossibility of maintaining peace with them, so long as they are allowed to remain in close proximity to the white settlements. Too often ill treated and defrauded by unprincipled white men, they retaliate by the commission of depredations upon innocent settlers, which culminate at length in murders and open warfare. The whole Indian system should be remodeled, not only for the security of the advancing settlements, but for the good of the Indians themselves. The plan proposed by Brig. Gen. Sibley in his published dispatch to Major General Pope, dated August 12, 1864, commends itself to my judgment, as the best and most feasible one that can be adopted. He recommends the concentration of all the Sioux Indians, as rapidly as they submit to the Federal authority, at Devil's Lake, a remote region lying midway between the Missouri River and the British boundary, under the immediate charge of a military commander, with a strong force of troops at his disposal; and a like assemblage of the Chippewas on some distant reservation where the land is good, and where they can subsist themselves mainly by their own labor under military surveillance. His policy would free our whole border line from further fear of molestation by the savages;

and give a powerful impetus to immigration. It is true that it would necessitate a re-attachment of the Indian Bureau to the War Department, to which in my opinion it properly appertains. Should these views meet with your concurrence, I suggest the propriety of your memorializing Congress to provide by law for the modification specified. The present system of treaty making has been the prolific cause of the alienation of the Northwestern tribes from the government, having been attended by the perpetration of gross frauds upon them by many of the agents, traders and contractors who have appropriated a great share of the money due the Indians, in defiance of justice and right. The deplorable scenes of outrage through which our Western settlements have passed since August, 1862, are more or less directly traceable to the dissatisfaction occasioned among the Sioux by the non-fulfillment of treaty stipulations on the part of the government, and the non-payment of the money claimed as their due. As it is desirable that the truth of history should be vindicated in everything connected with that mournful episode, I suggest the propriety of your making an official request to Congress for the appointment of a committee to investigate the affairs of the Indian Department in this State, and the Territory of Dakota, with a view to place on record all the facts which have tended to produce that outburst of brutal violence, which involved so many of our citizens in destruction. The investigation should also include a thorough examination into the expenditure of the vast sums of money disbursed in the removal of the Sioux and Winnebago Indians, to Fort Thompson in 1863, and of their maintenance and government since their arrival at that rendezvous, as many of these marauders have been suffered to return to their old haunts to the great annoyance and detriment of the settlers.

There are doubtless among the United States agents and the traders, honorable and upright men, who would re-

joice at an investigation which would clear them from suspicion, and fix the guilt upon the parties justly responsible.

MILITARY AFFAIRS.

One year ago serious apprehensions were entertained that a continuance of the war, and a future call for troops, would find the State unable to furnish more than one, or at most two thousand men in addition to her previous heavy contributions. To that gloomy prediction, she presents the following patriotic response, (the statement includes eleven months ending on the first ultimo) :

Recruits, - - - - -	4,340
Re-enlisted veterans, - - - - -	1,443
Substitutes, - - - - -	110
Total voluntary enlistments, - - - - -	5,893
Add drafted men credited, - - - - -	1,806
Making in all, - - - - -	7,699
Number of men furnished previous to January 1, 1864, - - - - -	12,705
Total number contributed by the State from the commencement of the war to December 1, 1864, - - - - -	20,404
The aggregate indebtedness of the State upon all the calls of the President to December 1, 1864, is - - - - -	21,442
Leaving an apparent deficiency previous to the late call, of - - - - -	1,048

This deficit is chargeable to the default, or desertion of about eleven hundred conscripts in July last; and at present pertains to a suspended account which embraces similar delinquencies in all the loyal States of the Union. While this base and cowardly conduct on the part of a small portion of our people is deeply humiliating to every loyal citizen, it is quite improbable that substitutes will be exacted unless a general draft be ordered for the purpose of making good the corresponding deficiency throughout the country.

In this connection I suggest an amendment to the Constitution of the State, attaching the high penalties of disfranchisement and confiscation to the crime of desertion.

The enlisted man or conscript, who will not yield obedience to the law of the land and render due support to the Government of the country, should forfeit the protection of the former and be deprived of any participation in the latter.

In compliance with an act of the last Legislature for the relief of the sick and disabled soldiers, I have at brief intervals dispatched seven Commissioners, six of whom were physicians, to the aid of our enlisted men who were languishing and suffering, away from their homes. I have also appointed permanent agents to minister to the wants of our invalids in the hospitals at Washington, St. Louis, Louisville and Memphis. The Agents at Washington and Memphis are citizens of Minnesota, and with a devotion worthy of all praise are discharging the duties of the position without fee or reward. Hundreds of our enlisted men have been relieved or restored to their friends through the instrumentality of the special act referred to and I recommend the appropriation of \$5,000 for the support of a like agency during the present year.

The sum of \$300 of State funds entrusted to Dr. E. B. Etheridge, to be expended for the benefit of our soldiers in Arkansas, having been stolen from him at Duvall's Bluff, I recommend that the amount be replaced.

Persistent efforts have been made to procure the location of a general hospital within the State, but the uncertainty of transportation for our diseased and wounded soldiers has decided the point against us; the Department has, however, provided a commodious building, with a special view to the accommodation of the invalids of Minnesota, at Prairie du Chien, Wisconsin.

A bounty and pension agency has been established through the Adjutant General of the State, and the Sanitary Commission at Washington, by which all the business of our soldiers or their heirs may be transacted with the War Department without expense.

In view of the great additional labor and responsibility thereby devolved upon that bureau, I recommend that a reasonable addition be made to the salary of the Adjutant General and his subordinates.

I took the precaution to dispatch the Commissioners to receive the soldiers' votes fifty-three days previous to the late election, and as early as the local nominations could be communicated to the Secretary of State. But the isolation of the army in Georgia, and the rapid movements of the command of Gen. Smith, through the interior of Arkansas and Missouri, resulted in the disfranchisement of five Minnesota regiments, and of many officers and men who were upon detached duty.

To secure our soldiers against so great a wrong in the future, I recommend that provision be made for the appointment of four reserve Commissioners, who, upon extraordinary occasions, may be promptly placed upon duty by the Executive. And I also recommend the passage of an act which shall enable such men in the army and navy of the United States, as may be upon detached service, to send their respective ballots under proper restrictions and regulations to the judges of election in the respective towns, wards or districts, where they severally resided at the time of their enlistment.

I respectfully suggest the propriety of an act increasing the per-centage of our State tax for the specific purpose of providing per capita, for the actual sufferers among the families of our soldiers, during the winter months of each year. Much is being accomplished in this direction by our sanitary and aid societies, but in many parts of the State no effectual method has been adopted to supply the wants of this specially deserving class. To ensure assistance to all the necessitous, I submit the plan of State aid for your consideration.

My worthy predecessor accepted on behalf of the State a proposition which gave to about sixty of the fallen heroes

of the First Minnesota Regiment, a resting place in the Soldiers' National Cemetery at Gettysburg. I recommend the appropriation of nine hundred dollars, or so much thereof as may be necessary, to pay the expenses thereby incurred.

It is perhaps unnecessary for me to assure you that such legislation as you may deem necessary either to honor the memory of the dead, or add to the comfort of the living of the 20,000 soldiers of Minnesota who have taken the field to contend for the maintenance of the Union and the Constitution, will receive my cordial co-operation. During the present war with rebels in arms these noble men have gained for their State a brilliant reputation. They have always been found in the front ranks in the battle field when victory perched on our banners, while in disaster, Minnesota troops have been mainly relied upon to check the pursuing enemy, and cover the march of the retreating columns. Amid the din of conflict, as well as in the exposure of unhealthy encampments, in the field and in the hospital, they have displayed that heroism and fortitude which entitle them to rank among the bravest soldiers of the Republic. The series of successes achieved by the Federal armies within the past few months, to which our regiments have greatly contributed, will surely culminate in the restoration of the authority of the Government over the seceding States—in blessings to ourselves and our posterity—and in the encouragement of the friends of constitutional liberty throughout the world.

Unfortunately these results have already cost, and will probably cost in the future, the lives of many of our best men. Wilkin and Smith and Skaro and Stasson and Baxter and White, with a thousand other gallant Minnesotians equally worthy of particular mention, have sealed with their blood, their devotion to the cause of their country. We profoundly mourn their loss, but we have reason for gratitude that the precious sacrifice has not been made in

vain. When history shall make up hereafter, a correct and impartial record of this, the greatest civil war the world has known, the memory of the martyrs to freedom will be embalmed for the admiration of coming generations.

While our military triumphs have succeeded each other so rapidly, diffusing joy and gladness among the loyal millions of our countrymen, a civic victory of no less importance and significance has been won. The sublime spectacle has been presented to the world, of a great nation, while waging an intestine war of vast dimensions, deciding peaceably and quietly at the polls, the question as to whom should be committed the conduct of its affairs. Scheming politicians sympathizing with treason, endeavored to defeat the national will, and dismember the Republic, by dishonorably arrogating to themselves the name and prestige of a former great political organization, with a view to seduce its patriotic members to their support. But the object of the conspirators was timely discovered, and their evil designs unveiled to the public gaze. The silent ballot box placed its seal of condemnation upon the leaders of the unholy movement, and consigned them to merited oblivion or infamy.

The verdict which has placed Abraham Lincoln in the Presidential chair for a second term, has been cheerfully acquiesced in by a great majority of his opponents, and a now united North has come forth from the perilous contest, more than ever determined to subdue the traitors in arms, who have dared to strike at the national existence. The result of this political struggle has spread dismay into the ranks of the rebels, and among their co-laborers abroad.

The destruction of slavery existing in the Southern States may reasonably be regarded as certain of speedy accomplishment, and it is a signal instance of righteous retribution, that the revolt against the Federal authorities, undertaken with the avowed purpose of perpetuating and extending the accursed institution, is likely to become the very instrument of its utter overthrow.

Freedom to all of every color and race, within the limits of the United States, will be hailed by every lover of his country, as a sure presage that the American Union, renewed, strengthened and purified, will emerge from the perils that threatened it, and be led by the guidance of a kind Providence, to a career of unprecedented prosperity and grandeur.

STEPHEN MILLER.

St Paul, January 4, 1865.