

SECOND

INAUGURAL MESSAGE

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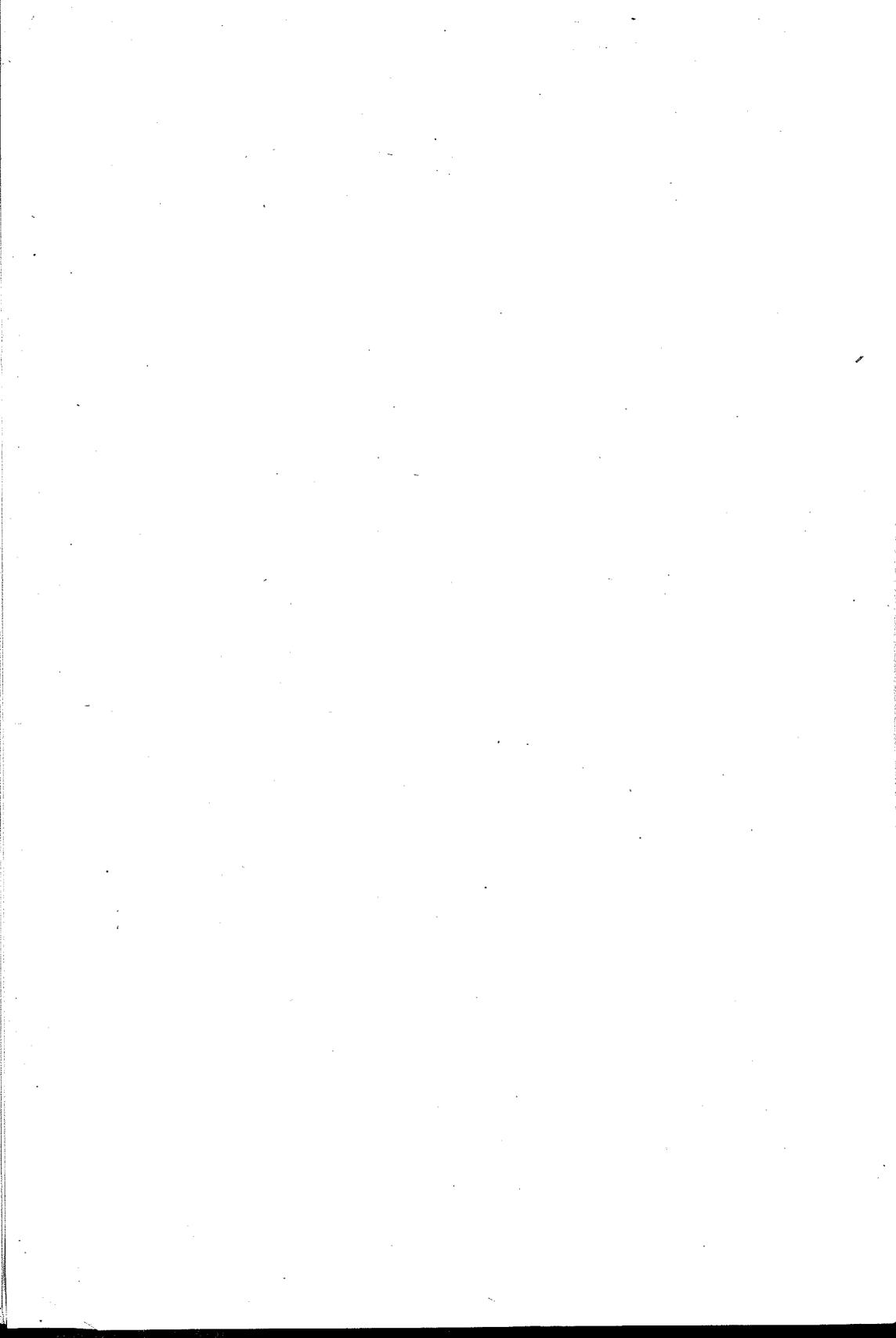
GOV. ADOLPH O. EBERHART

TO THE

LEGISLATURE OF MINNESOTA

1913

1913
SYNDICATE PRINTING CO.
Minneapolis, Minn.



GENTLEMEN OF THE SENATE AND HOUSE OF REPRESENTATIVES:

Two years of most remarkable progress have passed since the legislature met in regular session and it again becomes my duty to present to you such information and recommendations as pertain to the welfare of the state.

Perhaps no legislature ever convened under more favorable circumstances. Abundant prosperity has favored every section of the state. Progress and development have been the watchwords of every community. Culture and refinement have been attained in a greater degree than ever before. Yet there is before us a great field of opportunities, and we are charged with the solemn duty of helpful co-operation to the end that the will of the people and the highest and best interests of the state may find a ready response in wise legislation as well as efficient administration.

In my message two years ago I departed somewhat from the established custom of chiefly communicating recommendations covering the needs of the various state departments and this practice I shall again follow. The recommendations covering the various departments are herewith submitted to you in an appendix attached to this message. Most of these recommendations have already after mutual consultation been transmitted to you in the reports of the various departments. I, therefore, attach the most important of them in condensed form for ready reference with my approval.

Reorganization of State Departments.

One of the most important recommendations of my last regular message was the reorganization of our state departments. My further experience in administrative affairs of this state has convinced me more strongly than ever that this reorganization is of utmost importance. For more than half a century we have operated in the administration of our state affairs under a system unbusinesslike both in principle and application. The state should be administered under the best approved business methods with economy and efficiency combined. In the business world of today these methods have long since passed the experimental stage and we need no longer grope in ignorance or uncertainty, but proceed to the adoption of business methods more economical in application and with far greater efficiency as to results.

I again emphasize the fact, that in order to secure efficiency it is absolutely essential there should be a definite fixing of responsibility of the several departments and the most complete co-operation between them. That there is neither economy nor efficiency in the creation of a large number of boards or commissions to transact the business of the state is conceded. The legislature in creating these boards or commissions intended to keep pace with the rapid growth of the state without seemingly increasing the cost of administration. In spite of that fact many offices in this state have been created with reference to political expediency rather than service, such as the fee inspection system. There can be no possible excuse for the existence of the fee office. If the fee inspection service of this state were abolished and placed under departments where it rightly belongs, the state could save enough money to pay for the entire re-organization of the state departments as herein recommended and yet have considerable balance to turn over into the treasury.

Bearing in mind that economy as well as efficiency of service depends upon fixing the responsibility in as few heads of departments as possible and that these departments should be arranged with perfect freedom of co-operation, it follows that many important changes should be made in the present administration of our state government.

Two years ago I outlined a complete reorganization, but I realize that this cannot be accomplished at any one session, and that public sentiment must be awakened thoroughly to the importance of such legislation before it can be placed on our statute books. I shall, therefore, leave for future consideration the various departments coming under the subdivisions of public health and safety, education and revenue and accounting, and herein consider only two departments, those of public domain and agriculture.

Department of Public Domain.—When our present state constitution was adopted, the framers of that important document had no conception of the tremendous future growth of the state. This is evidenced by the fact that they placed the sole care and control of our agricultural, timber and mineral lands in the hands of the state auditor. The function of this important state official is to account for the receipts and disbursements of all state funds and to audit every account presented to him for payment. He is, therefore, not merely the state's bookkeeper, but he is the state checking officer, and no state funds can be disbursed by the treasurer except

upon vouchers properly checked and approved by the auditor. The transactions now involve more than two million dollars per month. To place under the sole care and control of the state's bookkeeper and checking officer all the agricultural, timber and mineral lands of the state and permit him to be his own checking officer is a practice in direct violation of every approved business principle and the fact that the state has not suffered is greatly to the credit of our auditors but absolutely no defense of the system.

There can be no question as to the necessity of creating a department of public domain to control the state lands, timber and minerals, as well as waterways, water powers and drainage. Time will not permit of my going into detail to outline the necessary legislation for this department. Permit me to suggest only that arrangements should be made whereby state lands should be handled and disposed of as private lands upon proper appraisal. The commissioner in charge should have authority to sell state land to active settlers at any time and be able to furnish them all the information which will guide them in the intelligent selection of a home.

It is important that the handling of the state mineral properties should be conducted with the utmost care. Our school funds will ultimately be enriched therefrom to the extent of more than one hundred million dollars. The education of every boy and girl in Minnesota for all time to come will depend in a large measure upon how this department directs and safeguards every interest of the state in our great mineral wealth.

Very few states possess greater water resources than Minnesota. This applies equally to water powers and water transportation. If we wish to develop every section of the state and secure for every home, farm and industry the cheapest methods of transportation as well as the cheapest light, heat and power, it is of vital importance that the state now consider the regulation of water rights and water powers and not delay action until they have been acquired by private enterprise, so that vested rights will deprive the state of proper revenue and control.

While it is true that Minnesota might be better served by a separate department for this purpose, all matters pertaining thereto can be properly transacted in the department of public domain, and I, therefore, recommend the creation of one department for all the purposes herein expressed, believing that the most efficient administration of our resources will be best subserved thereby.

Department of Agriculture.—Minnesota is a great agricultural state and all its prosperity is directly or indirectly dependent upon

agriculture. No department can, therefore, be of greater importance to the people of the state than one which will unite under a proper head all our agricultural activities and in the best possible way apply them to the improvement of our farms. The duties of this department should be administrative rather than educational and should insure the practical application of agricultural knowledge to every acre of farm land in the state. Its first great duty should be to enlist our agricultural experts in the making of a complete soil survey of the state. By means of our experimental farms, it has been completely demonstrated that the soil of Minnesota, properly treated, could be made to yield from two to three times as large returns as it is yielding today, but these results cannot be obtained until the soil has been thoroughly tested so as to determine what ingredients are necessary to make it more fertile. Another very important function of this department is to unite the administration of our agricultural activities so as to prevent duplication and waste.

In the organization of this department, it would be well to pattern after the department of agriculture at Washington or those of several other states which have operated such departments during the past few years with extraordinary success. In some of these states, since the establishment of a department of agriculture, soil fertility and farm yields per acre have been increased from twenty-five to fifty per cent. No state department under our federal plan of government is of greater importance to the whole nation than the department of agriculture, and there is no service which you can perform at this session, that will bring greater farm prosperity to the state than the creation of such a department. Under its jurisdiction should be included the administration of many activities now performed by separate state boards such as the agricultural and horticultural societies, the live stock sanitary board and other similar activities which have a direct connection with the agricultural development. Consequently, it should also include the dairy branch of the dairy and food department, while the regulation of foods should be the duty of the department of health.

Both departments should be placed on a civil service basis.

REAPPORTIONMENT.

Legislative Reapportionment.—A just reapportionment of the legislative districts according to population is one of the most important duties imposed upon this legislature. Section 2, Article IV, of the constitution states specifically that “the representation in both houses shall be apportioned equally throughout the different

sections of the state, in proportion to the population thereof." At the last election on a referendum vote the people decided not to change the constitution with reference to legislative representation. The reapportionment must, therefore, be made in accordance with the provisions of the present constitution and this legislature should proceed without further delay. A refusal to grant this relief is not merely the shirking of a great responsibility, it is the most willful neglect of a plain duty imposed by the constitution of the state. The last legislative apportionment was made in 1897 or sixteen years ago. Longer delay is absolutely inexcusable.

For the third time I have urged in my message to the legislature that every section of the state be given a fair representation in the legislature. I am anxious to see the state develop, but it cannot possibly do so to the best advantage unless every section thereof is given a fair representation in the making of the laws upon which such development must necessarily depend. Unfair representation is no better in principle than no representation. There is perhaps no action to be taken by this legislature which will be watched with greater interest by the people of the state, than that relating to reapportionment and for which the members will be held more strictly accountable.

Congressional Reapportionment.—In accordance with the new congressional reapportionment, Minnesota now has ten representatives in congress, and it is the duty of this legislature to reapportion the congressional districts of the state so as to provide for ten districts with as nearly equal population as possible.

PRESIDENTIAL PREFERENCE PRIMARIES.

There is no principle which I more strongly favor than that the people shall nominate their officers by a direct primary election, and this principle has now become firmly established in this state. There is no valid reason why this system of direct nominations should not be extended to the office of President of the United States. The people are competent to elect their officials and it follows that they are also equally competent to nominate. The selection of delegates to a national convention should be by direct primary election, and when the people have selected their delegates in such a manner, there will be no question as to their authority to represent the state in the national convention.

STATE PUBLIC UTILITIES COMMISSION.

Minnesota has long realized the importance of state control of public utilities. Twenty-eight states have now a state-wide commission in charge of public utilities and in every instance where such commission has been properly organized and given sufficient authority, it has been an unqualified success. In my opinion, public utilities must be either owned or controlled by the people. Where the control can be vested in a fair, impartial and competent authority, removed as far as possible from political influence, it is far superior to ownership. It has been found by experience that it is very difficult to keep municipally owned plants out of politics. As a general principle it is true that the state or the city should not go into any business which can be transacted as well by individuals. In the case of public utilities the selfish greed of human nature too often takes advantage of the peoples' dependence to demand excessive rates or grant unfair discrimination as between localities and individuals. Even municipally owned public utilities are now realizing the necessity of state-wide regulation and a strong demand for such regulation comes from producers and consumers alike throughout the state.

Owing to local conditions and influences, it is impossible for a local commission to be as successful in the regulation of these utilities as a state-wide commission. The regulating authority and the regulated are too closely related and dependent upon local conditions, and it is almost impossible to be impartial and fair. It is absolutely essential that the regulating authority should be independent of local conditions, more permanent as to tenure than the constantly changing city administration, and composed of able experts with sufficient authority and funds to enforce its rules and regulations fearlessly and impartially. These requisities cannot be obtained as well in a local commission as in a state commission, and I sincerely trust that this legislature will enact into law the measure that will bring the greatest benefits to the people at large throughout the state.

STATE CONTROL OF SECURITIES.

In the development of new territory it is important that favorable opportunities be given for the profitable investment of capital, and most of our states have been quite liberal in the granting of such returns. The indiscriminate issuing and sale of stocks and bonds is, however, of no advantage to a financially sound enterprise,

but has rather the opposite effect in creating suspicion and distrust. Worthless stocks and bonds are usually sold to a class of people that cannot afford to invest, and who have neither the means nor the opportunities to investigate the soundness of the corporation or the integrity of its officers. Millions of dollars have been secured in this state by fake concerns which have capitalized anything and everything that might appear attractive and at the same time lead an investor to think he is to receive something for nothing.

A law should be enacted which will not in any way restrict or even retard legitimate business enterprise, but effectively prevent the issuing and sale of stocks and bonds which have little or no value, by providing for the examination of such securities before issue and sale, and adequate penalties for the violation of the law. It is essential that the law should effectually reach the promoter and solicitor for without them worthless stocks and bonds could not be placed on the market.

LABOR AND CAPITAL.

Co-operation.—Never before in the history of our country have we had so emphatically impressed upon us the importance of co-operation between labor and capital. We are living in an age when the right to organize is readily conceded to both sides. Indeed organization is advantageous and necessary. Consequently, a war between the two is always disastrous to both. Capital is entitled to a fair return for its investment and labor to a fair share of the wealth created. The success of both is dependent upon harmonious co-operation. The question should always be, to determine what the just claims are and then to secure their recognition by friendly adjustment or arbitration. Minnesota is rapidly becoming one of the leading manufacturing and commercial states of the Union and it is, therefore, important that legislation be enacted which will promote the most hearty co-operation between labor and capital.

Workmen's Compensation.—Representing on this occasion organized as well as unorganized employes and employers, I am asking at your hands a fair and adequate workmen's compensation act. I fully realize the difficulty of enacting a satisfactory compensation law, but we have the experience of a number of foreign countries as well as several states to guide us and with the agreement between employes and employers as to the main provisions of the bill itself, reported to the special committee of this legislature, the desired legislation should be passed at this session.

During the past few years the number of accidents to employes in this state has been very largely reduced, and the department of labor is entitled to much credit for its efficient work in connection therewith. It is true, the number must still be largely reduced, but if it could be reduced to a very small proportion of what it now is, the necessity and demand for a workmen's compensation act will still remain. When a workman is injured, the family and other dependents are usually the greatest sufferers. The time has come when industry must bear its proper share of the burden and grant to the injured or his dependents, whether he contributed to the accident or not, a fair and adequate compensation for his loss of time and injuries sustained. This compensation should come to him as a matter of right and he should not be compelled to spend any portion thereof in the courts to establish his claim. The law should provide for a simple and inexpensive, yet effective, method of determining the compensation and the prompt payment thereof. This would relieve the courts of a large measure of litigation and the tax payers of a heavy expense.

Regulation of Woman and Child Labor.—Under our present industrial system women and children cannot be excluded from labor in manufacturing establishments, and it is, therefore, necessary that their hours of labor should be made as short as possible and that they should be surrounded with the best safeguards of health and comfort. Child labor should be reduced to a minimum. I, therefore, recommend more stringent legislation for the protection of woman and child labor and a larger appropriation for the bureau of women and children in the labor department that the law may be strictly enforced throughout the state.

RURAL BETTERMENT.

Agricultural and Industrial Training.—No state in the Union has within recent years made greater progress than Minnesota in the extension of agricultural and industrial training. Through the college and schools of agriculture, the dairy and food department, the university extension, the farmers' institutes, and the state and county fairs, this state has made most rapid advancement in the development of intensive and scientific agriculture. With all these and many other agricultural activities united under the efficient administration of an agricultural department, there is no doubt as to the achievement of still greater results. It is readily conceded that the only institution which reaches every nook and corner of

the state is the rural school, and all the leading educators of today agree that practically every important phase of rural development, industrially and socially, must necessarily be associated with that institution. Of the half million young people in our schools and colleges, our present facilities for agricultural and industrial training reach less than two per cent and the knowledge of scientific methods of agriculture reaches so few of our three hundred thousand farmers and farm hands that it is of slight benefit to the state.

There are now established in this state more than sixty consolidated rural schools, and industrial departments have been created in one hundred and six high and graded schools. The applications for aid in this work have come so fast as to make it impossible to supply the demand. As to the success of this work from an industrial standpoint, these institutions speak for themselves in the strongest possible terms. They have given to the local community the graded school of the city and have enhanced agricultural development by interesting the youth as well as the entire household in better methods of farming and home management. They have completely answered every objection raised against them by demonstrating that their average cost per pupil is very little above that of the old fashioned school, and when their additional advantages are considered, such as vocational training, better teachers, graded classes, larger school buildings with modern equipment and methods of sanitation and better attendance, they are far cheaper than the old institution with all its sentiment and popularity. In the northern section of the state, where the state lands are located, considerable hardship has been experienced in raising funds for the construction of buildings. Therefore, it seems only a matter of common justice that state lands should be assessed a fair share of the benefits resulting from the building of these, as well as other, schools.

In this modern centralized school both the teacher and the pupil are afforded better chances to work. The teacher has every facility of the best graded city school and generally a more willing and responsive set of pupils. On the other hand, the pupil is afforded at home the training that will best fit him for his work in life and impress him with the dignity as well as importance and economic value of farm labor. He is taught how to make home life on the farm more attractive and interesting. I am firmly convinced that whenever we can make the school house a place of training for the farmer, his wife, and servants, as well as children, it will be the solution of the rural betterment problem.

Social and Civic Centers.—While the educational and economic

importance of this movement cannot be overestimated, it has another phase of no less importance, and that is its social and civic advantages. The unsuccessful farmer who estimates that he can make more money by selling his farm at a hundred dollars per acre and live in the city on the interest derived from the proceeds, makes the sale largely for economic reasons but moves to the city almost wholly for social and educational advantages.

To the young people a rural life appears too lonely and unattractive. There are in most rural communities very few social opportunities. Here again the large community school with its little assembly room, large enough for the community it serves, is the only practical solution. The teachers become the organizers and leaders of all social and educational activities. They organize literary and debating societies, social clubs, athletic clubs and various kinds of entertainment, thereby increasing opportunities of country life and making it more interesting. Through the university extension and farmers' institutes, this school assembly can be made a leading center of attraction both as to entertainment and instruction. Farmers' clubs are organized and speakers secured to discuss every topic of interest to the farm and home. Moving pictures are introduced and everything of interest from the standpoint of education and entertainment is depicted on canvas. Thus the community school house becomes the center from which all the social and educational interests radiate in every direction. It brings to the rural sections of the state all the advantages in the way of culture, refinement and instruction that heretofore have been obtained only in the city.

Public Highways.—At the last election the people of this state ratified an amendment to the constitution authorizing this legislature to levy one mill on all taxable property of the state for the improvement of public highways. The state has now an efficient organization and, with the funds available when this constitutional provision is put into effect, road improvement will go forward by leaps and bounds. There is scarcely a section of the state which has not already completed or has under construction or contemplation a state highway, and the demand for state aid is coming in from all directions. Under the new provision we will be able to meet these demands.

It is very important that the new constitutional amendment should be put into effect, and that the highway commission should be given sufficient authority to build and maintain the best possible

roads the communities in question can afford and the available material permit. With the increased production comes the demand for better market facilities, the most important of which is the modern public highway.

During the past two years the automobile has become an important factor in improving the methods of building and maintaining public roads, but it has also given the roads the hardest usage. It would, therefore, seem that the tax on automobiles should go directly for the improvement of public highways rather than into the general treasury.

STATE PUBLICITY AND DEVELOPMENT.

During the last biennial period the publicity given Minnesota has attracted settlers from every portion of the country. State lands and timber have been sold to the greatest advantage and the state trust funds enriched by several hundred thousand dollars more than during any previous biennial period. It is generally admitted that Minnesota leads every other state in the conservation and development of natural resources. We have entered upon an era of development, the greatest in the history of the state, but natural resources are of little value, unless they can serve the people as a whole, not only for the present but for the future. Our great resources belong to the people and the combination of individuals or corporations to exploit them should not be permitted. In order to continue this work of development and to secure active settlers upon our vast public domain, it is necessary that the state provide more money for the publicity purposes. The immigration commission has been greatly hampered in its work by lack of funds. I will not suggest the amount necessary but leave it to the best judgment of the legislature, hoping that the appropriation may be based upon the results already achieved by this commission since its organization together with the possibilities of future development. A law should also be enacted authorizing county commissioners to aid properly organized local development associations in securing for the commission all necessary local data and descriptive material.

JUDICIAL AND LEGISLATIVE REFORMS.

Judicial Procedure.—That a change in the present system of judicial procedure is necessary has long been recognized. The present system is not chargeable to the courts or the bar of the state. All courts and lawyers are bound by legislative enact-

ments and judicial precedents, but the toleration of a system of judicial procedure unnecessarily complicated and which does not afford speedy justice at a minimum expense is rather chargeable to a general indisposition to interfere with any well established system of courts or their procedure.

There is today manifest everywhere a growing prejudice against our courts caused largely by delays as well as technical and complicated procedure for which the courts are not responsible. Approximately one-third of all the appeals taken to our supreme court are based on questions of procedure. Under the present system, cases can be kept in the courts for years without and determination as to the merits thereof. The poor litigant is often exhausted and compelled to dispose of his claim as best he can, while the wealthy litigant can carry on his numerous appeals to the courts without financial embarrassment. Therefore, the first important reform necessary is the abolishment of all appeals except on final judgment.

This is equally true as to criminal matters. Criminal prosecutions are often hampered by technical questions of procedure which delay the enforcement of the law and inspire the criminal with the hope of finally escaping punishment.

In the selection of a jury the intelligent juror, who admits that his knowledge of the case has created in his mind an opinion as to the guilt or innocence of the accused, which will require some evidence to remove, is disqualified, while he, who is neither intelligent nor informed, or, if intelligent, is willing to swear that he has no opinion whatever as to the guilt or innocence of the accused, is quickly accepted as a juror. Technical questions are often permitted as a basis for appeal in important criminal cases, and when the case is finally tried on its merits witnesses have disappeared and the community lost all interest in the prosecution of the crime. These are some of the considerations which have prompted me to request from you the modification and reform of our judicial procedure.

Universal respect for law and order will never be secured until every transgressor of civil or criminal law is made to realize that punishment is not only certain in every case but that it will be meted out speedily and without regard to the social or financial standing of the parties involved.

The question of unnecessary expense to the state and to the litigant is also important. If this legislature will grant the proposed reform of judicial procedure, enact a workmen's compensa-

tion law, and also provide that the supreme court may not be required to write elaborate opinions in all cases, the work of that important tribunal would be reduced to such an extent as to make the addition of two more judges at this time unnecessary, thus saving to the state the expense of additional judges and greatly reducing the cost of printing the supreme court reports.

For the purpose of presenting the entire problem with the sanction of the bench and bar of the state, I have submitted it to a commission of eminent judges and lawyers, whose findings and conclusions I shall later transmit in a special message.

Uniform Legislation.—Closely related to the question of legal procedure is that of uniformity. Owing to modern methods of transportation and intercommunication the various states and cities of the nation are becoming more and more dependent upon each other. These interdependent relations require the adoption of more uniform legislation. The Minnesota commissioners on uniformity of legislation have recommended that this session adopt the uniform negotiable instruments act and the uniform law relating to divorce and family desertion. In this recommendation I heartily concur.

Minnesota at the special session ratified the federal income tax amendment and it is only a question of time when a state income tax will be adopted. When that time comes, it is essential that the tax should be uniform throughout the various states. It has been found by experience that a high income tax rate in one state will operate to the advantage of neighboring states which have a lower rate. Capital will naturally seek investment in the states which are most liberal in regard to taxation, and if the rates were uniform, or nearly so, no advantage could be gained by transfer to another state. Careful consideration should be given to this question, for I am confident that in the near future all taxes on personal property will be abolished and an income tax substituted in lieu thereof, as that is unquestionably the fairest and best method of taxing personal property.

Legislative Reference Bureau.—Another important agency that will aid in the reformation of judicial procedure and the enactment of wholesome legislation is a legislative reference bureau. There is very little difference of opinion as to the value of such a bureau. The serious obstacles to be overcome are usually with reference to its organization. It is fundamentally necessary that it should be closely connected with the state university. The state should have

at its disposal all the activities of its university which would make such reference bureau available to every department of state. On the other hand the university should have for the benefit of its students and teachers the training and experience which the original investigation and research of such a bureau would afford. An earnest effort should, therefore, be made to agree on the best plan of organization so that Minnesota may have a legislative reference bureau which will be a permanent instrumentality for research, investigation and information available to every citizen of the state.

Initiative and Referendum.—There is today a genuine demand on the part of the people for direct legislation. No one questions the capacity of the American people for self government. We have adopted a system of direct nominations and extended the initiative and referendum to the government of our cities under the commission form. The referendum of constitutional amendments has always been regarded as sound public policy. There is no valid reason why the people should not be permitted to initiate and refer legislation directly. Much wholesome progressive legislation, such as the extension of the franchise to women, is pending before the people and they should have the right to submit the same for a majority decision directly either by the initiative or referendum. The legal machinery for instituting these reforms should be as simple and inexpensive as is consistent with the effective determination of the will of the people.

PREVENTION OF CRIME.

It has been stated by an eminent authority on penology that the aim and nature of all prison discipline is, first, the protection of society and second, the reformation of the offender. While this is true as to prison discipline, it represents only one obligation of the state to society. It is recognized today by all authorities on penology that one of the most important duties of the state to society is that of removing the causes which contribute to the commission of crime. Minnesota has taken a leading part in the care and treatment of the unfortunates in penal and charitable institutions. We are now building one of the most sanitary and modern prisons in the world and the management of that institution is admittedly one of the best in the country. In our prison and reformatory we have made provision for the employment and compensation of the prisoners and in many cases where families are found dependent upon prisoners, a certain portion of the prisoner's compensation is paid directly to the family. No state in the Union profits more by

the labor of its prisoners and it can, therefore, afford to be liberal in the payment of compensation, so as to provide for dependent mothers and children, who through imprisonment of the husband have been bereft of family support.

The one great principle involved in the prevention of crime is the maintenance of the home through which the children can be provided for, kept in school and given suitable recreation and employment. When the family is broken up and the children permitted to drift upon the streets without supervision, recreation or employment, it is only a question of time when some of them will finally stray away, drift into error and crime and land in our penal institution. If there is anything that reflects discredit upon America it is the fact that our homes are so easily broken-up, marriage vows so readily dissolved and the children permitted to pursue their own course without supervision or restriction. Any legislation, therefore, which will tend to keep the home intact and bind its members more closely together, keep children under proper supervision and guidance, promote health, and assist in securing wholesome recreation and employment, will have a direct bearing upon the lessening of distress, poverty and crime. Where the parents are found unable to take care of the children, they should be given suitable assistance, for it costs the state only about one-half as much to assist a worthy mother in the care of her children as to provide for them in a state institution. Every effort, therefore, on the part of the state to lessen and prevent crime must be centered about the home.

The most successful efforts in this direction during recent years have been accomplished through the indeterminate sentence and parole system, the juvenile court with its probation officers, the penal or workhouse farm, the honor system for prisons, reformatories and training schools, outdoor charities, settlement work, tenement inspection, public playgrounds and visiting nurses.

Two years ago the legislature adopted an indeterminate sentence law and provided for a parole board. There was much opposition to this law at first, but it has been found most satisfactory in its application and no one acquainted with its results in this state would advocate a repeal. The law itself should be changed in only one particular so as to allow the superintendent of the reformatory to be a member of the board of parole in all reformatory cases, the warden of the penitentiary to act as a member of the board only in prison cases. Under this law the average term of the prisoner has been lengthened somewhat. The term of the thoroughly reformed

offender has been shortened, while that of the habitual or hardened offender has been lengthened. It has had two distinct advantages over the former law. The reformed criminal has been given greater opportunities to make good under the direct supervision of an efficient board of parole, while the habitual criminal has been held and treated with a view to thorough reform before being granted freedom. Much crime is caused today by reason of the fact that criminals who, while being able to distinguish between right and wrong, have not the will power to choose the right and reject the wrong, and are inflicted upon society at the expiration of their sentences. These criminals are mental delinquents who by marriage to other defectives contribute largely to the increase of crime by raising children with criminal tendencies. One of the greatest duties the state owes to society is that of protection, and consequently it has no right to permit criminals of that nature to be at large. To keep them where they can receive the best care and treatment, and to protect society from their influence, is an obligation of the state which every officer has sworn to assume and discharge.

Our juvenile courts and probation officers are entitled to more support and co-operation in their work. It is unnecessary for me to mention the numerous cases in this state, where the confidence reposed in the erring boy or girl and the helpful suggestions of the probation officer have checked an early start in a career of crime. In many cases these probation officers have been assisted by nurses who have visited the homes, nursed the sick and suffering, secured better food and clothes, instructed the mother in cleanliness and sanitation, placed the children in school and assisted in securing wholesome employment. These are preventive agencies of the utmost importance and the legislature should do all in its power to provide for their support and to enable the cities to extend the necessary co-operation.

Perhaps there is no reform more urgent today than the penal or workhouse farm. In examining the records of our workhouses, I have found cases where men have been committed more than thirty times. Whenever an offender does not reform after working out two or three sentences in the workhouse, he should be sent to the reformatory or prison. All workhouses should be provided with a large farm or such other means of employment for the inmates as will afford the least competition with free labor. The employment of short term convicts upon farms has been proven an unqualified success. In the case of a large city the produce could be either sold on the market or to other city or state institutions.

Every convict should be permitted to earn fair wages, a portion of which should go to the maintenance of the institution and the remainder directly to the family or other dependents. Often in our large cities, when the father has been sent to the workhouse, the family is without support and the mother is compelled to go out on the street that she may secure sufficient work to keep her children from starvation. No one is left to take charge of the children. They drift away from home, fall into bad company, commit some crime and finally become charges of the state. The neglect of the city or the state to provide compensation for its prisoners and to turn over a sufficient amount of that compensation for the support of the family surely is a policy best designated as "penny wise and pound foolish."

Because of this negligence on the part of the state many efforts have been made by public and individual charity to support the mother and children and to keep the home intact. Some cities and states have provided a system of pensions for dependent mothers. This system is undoubtedly valuable when properly administered in providing temporary relief, but it does not reach the root of the evil. The arguments in favor of such a public charity are numerous. It is claimed that the private charity organizations are too numerous and consequently more expensive in administration; that the pension system is more certain and permanent in providing regular income to the mother which will better secure the education and training of her children; that the state has more power in the regulation of health and sanitation and that under its extensive system of schools and institutions, it can better assist the mother in directing the training of her children; that the mother is entitled to secure this assistance from the state as a matter of right and that it is the duty of the state to give it to her; that private charity is insufficient and that the state is better able to cope with it. On the other hand, it is argued this pension system opens the public treasury to those who believe it inexhaustible and who otherwise would not depend upon it; that it will have a tendency to stop individual giving and the establishment of individual charities; that there is too much publicity connected with public charity and that it necessarily parades the unfortunates before the people; that it is difficult to enact a law which will be sufficiently elastic to apply justly in every case; that the state has no agency which can properly administer this charity, except where specially created for that purpose, in which event the method of selecting officers is too cumbersome and dependent upon change of political administration.

The obligation resting upon the state cannot be satisfied by the payment of these pensions. Where the husband has deserted the family, the strong arm of the law should reach him and compel him to contribute to its support, and where the husband has been committed to a penal institution, he should be employed and a sufficient portion of his compensation be allowed the family for support. It is of greater importance that the slums of the city should be removed; that parks and playgrounds for the children should be provided so that the children of the large cities may have an opportunity to play and develop under more wholesome conditions than they are afforded today. When the state has removed the opportunities for, and the temptations which lead to the commission of error and crime, when the environments of the city are made more wholesome and attractive, the criminal records of the state will not be burdened with the sad story of so many boys and girls who have gone wrong. In ancient times a very unique test of sanity was employed. The person to be adjudged was requested to dip out water with a dipper from a tub under an open faucet. If he kept on dipping he was committed, but if he turned off the faucet, he was adjudged sane. We shall always, perhaps, be compelled to dip out water by increasing the capacity of our penal and charitable institutions, but I am in favor of turning off the faucet by removing the causes which today are responsible for most of our poverty, disease and crime.

There is one crime which of late years has increased with astonishing rapidity, namely gambling. In this state a saloonkeeper selling liquor to an intoxicated person is liable to him, his wife or children, for such damages as may result therefrom. There is no valid reason why the gambler and the owner of a building used for gambling purposes should not be liable. Under an Ohio statute, fully tested in the United States supreme court, the loser in a gambling game has a cause of action against the winner and the judgment is made a lien upon his real and personal property without exemption. Where the owner of a building knowingly permits its use for gambling purposes, he is not only made liable, but the building and real estate upon which it stands are subject to a lien for the amount of the judgment. This is a good law, and I recommend its adoption in this state.

Before leaving this subject, I cannot refrain from calling your attention to the necessity of providing more funds and equipment for the state training school for boys. Anyone who visits the state industrial school for girls is readily convinced that the cottage sys-

tem, and not the ward system is the proper one for the care of wayward boys and girls. It is essential that a training school should be operated as nearly as possible on the home plan, and the ward system should be abandoned. Under the cottage plan a few boys are brought together in a family group and the privileges allowed for the various cottages could be so graded as to give the necessary opportunities for advancement. This change of equipment should be made as soon as possible. More liberal appropriations must also be made for instructors. The teachers employed at a training school must be of the very best and the salaries now paid are not sufficient.

PUBLIC HEALTH.

Minnesota is recognized as a leader in the conservation movement. The greatest national and state gatherings held for the purpose of conserving material and human resources have been held here. At all these meetings, I have made special effort to secure the consideration of every question connected with the conservation of human life. It is a sad reflection upon the intelligence of our age and the integrity of our nation, that from a public standpoint, less consideration is given to the health of human beings than to the health of domestic animals. In accordance with a very able decision of our supreme court, cities and villages are now held responsible for unsanitary conditions within their borders which cause disease. It certainly would be in the interest of human health and life, if the state could be charged with this responsibility, which should apply also to the construction and operation of public buildings. All public buildings should be constructed with a view to the health and comfort of the occupants and should be inspected as to plumbing, heating, lighting and ventilation, so that nothing would be permitted either in the construction or operation of the buildings which has a tendency to breed disease.

According to the latest returns there are 11,210 cases of tuberculosis in Minnesota with only one hundred beds in the state sanatorium besides two hundred and ninety-five beds in private and special institutions. About two thousand five hundred young men and women die and approximately as many are infected within our borders every year. While it is true, that at least two-thirds of these 11,210 cases are hopeless, there is today an opportunity to save the other one-third and to prevent the infection of 2,500 more cases every year. Exact figures cannot be given, but this is sufficiently correct to place the matter before the legislature in its true light. If a disaster should occur which destroyed a village or city, even with a comparatively small population, relief would come from

every section of the state with the utmost liberality. If that same village or city were destroyed by some disaster year after year, the next ensuing session of the legislature would provide the necessary relief without a dissenting voice. During the past ten years an average of about 2,500 young men and women have been killed annually by the white plague. Yet, the state has provided only one hundred beds in a public sanatorium at an aggregate cost of \$200,000, and appropriated \$125,000 for maintenance and other purposes connected therewith annually. If any city or county in this state suffered a loss of 2,500 inhabitants annually from some unknown disease, the state would place all its available resources at the disposal of science for the purpose of investigating and exterminating it. In this case no one questions the cure of tuberculosis when properly treated in its early stages and the possibility of stopping further spread by segregation of all infected cases, yet year after year goes by and the white plague strikes down its 2,500 victims, while the legislature fails to realize its tremendous responsibility.

At the last regular session a bill was introduced providing for the establishment by the state of one or more sanatoriums in each congressional district. This bill passed the senate without discussion, was reported favorably by the house committee, but was lost in the final scramble by the adjournment of the house. It is true chapter 347, permitting any county in the state to establish a local sanatorium was passed, but under that law only two counties, St. Louis and Otter Tail, have established sanatoriums. Four or five other counties have appropriated the maximum amount allowed by this chapter, but this was not sufficient and the project subsequently abandoned. There is only one solution, and that is the appropriation of sufficient state aid to enable every county in the state, if necessary, to build a sanatorium, so that every infectious case can be isolated and every hopeful case afforded proper treatment. Such an institution would immediately become the center from which would radiate information in regard to prevention and treatment of this disease. These institutions should be under state supervision, so that the state aid would be properly apportioned and the best methods of construction and operation in all cases observed. There would, however, be several counties that would not be able to take advantage of this law and, therefore, the state sanatorium should be enlarged so as to accommodate patients unable to secure admission to the local hospitals.

There are two important considerations which should prompt the legislature to grant this relief. In the first place Minnesota is

one of the healthiest states in the nation, its death rate from tuberculosis being comparatively low. Besides, it is also one of the wealthiest states and can readily afford to grant the required aid to the various counties. In the second place, the nature of the disease, the expense and sacrifice connected with the care thereof and the appalling loss of human life from infection should stir every legislator to action. It cuts the brittle thread of life somewhere between the ages of fifteen and fifty years, during the period of life when there should be the greatest strength, vigor and service. When this terrible plague attacks and masters a person, he becomes an active recruit of a destructive army, a mortal enemy to his family and associates, an instrument of death and destruction in his own home and community. I wish I could paint the picture of desolation most vividly in your minds. When this legislative session is ended over seven hundred more victims will have been sacrificed upon the altar of negligence and seven hundred more will have been prepared for sacrifice in the near future. Every morning when the chaplains of the two houses offer prayer to the Almighty in gratitude for the blessings received and for greater strength to discharge official duty, remember, that because of failure to perform such duty on the day just gone by, seven more innocent victims have passed to that great beyond from whose bourne no traveler returns, and seven more have been condemned to a slow but sure death unless relief is granted. I wish that for at least one session the beautiful paintings and decorations upon the walls of these legislative chambers might be transformed to represent the suffering and distress in thousands of Minnesota homes, and that these innocent victims of a preventable disease might appear before you, their pale and lifeless countenances picturing mingled hope and despair, their hands outstretched to you as in fervent prayer, not for the rights of property protection or security, but for their God-given right to breathe the fresh air and live.

If we have the courage of our convictions, we should proceed at once to do our duty. Thousands of human lives can be rescued from death, an average of fourteen years added to the years of the living and untold millions of dollars, now wasted, turned into channels of useful enterprise. The benefits will accrue in the fullest measure to every home in the state; the satisfaction of duty well done will be yours and mine.

CONCLUSION.

During my years of service as governor, it has been my constant endeavor to study the needs of the state, that I might present

them to you intelligently and with personal knowledge. These recommendations are made after most careful and earnest consideration for the best interests of the entire state. In their consideration I hope we can avoid either factional or sectional controversy, acting only as representatives of the people for the common good of all. To merit the confidence and goodwill of the people should be our sole ambition. While we cannot eradicate selfishness and attain perfection, we have a right to require that every official shall honestly and efficiently serve the people, and that in the enactment of every law justice shall be meted out to all without favor or discrimination. To that end I pledge you my support and co-operation.

DEPARTMENT RECOMMENDATIONS.

The attention of the legislature is called to the very comprehensive reports of the various departments of state administration, the specific recommendations of which are herewith appended:

THE ATTORNEY GENERAL.

The recommendations which the statute provides the Attorney General shall make in his report are not supposed to cover all the changes in existing laws that might seem desirable, but only changes of such laws as affect the work of the Attorney General. The statutes prescribing the powers and duties of the Attorney General have been drawn with care. They are not quite elastic enough in some respects, and are too much so in others; they are on the whole too good to be changed unadvisedly.

The laws as to county attorneys should be materially changed. Each county attorney should be required to advise all persons bringing to him any facts which seem to them to constitute a violation of a penal law, as to whether or not such facts would, if proven, constitute a public offense. If he should so advise, then he should be required to draw a complaint in legal form for the person complaining to present to a magistrate; and if such magistrate decide to issue a warrant, the county attorney should prosecute the consequent action from that time of the signing of the complaint. The county attorney should attend, from the hearing of informal complaints to the final proceedings in district court, to the enforcement of all state criminal laws, except as similar duty as to misdemeanors may be imposed on city attorneys in cities having municipal courts.

Whenever the Attorney General appears, by himself or assistant duly authorized, in any case, he should have by statutory provision, as he has by common law, the control of such case.

Sheriffs should be given greater duties in the matter of detecting crime and apprehending criminals. All their bills incurred honestly for that purpose should be valid claims against the county where the crime is committed and the sheriff holds his office.

It has been suggested that the office of Attorney General should have the assistance of a detective force, or at least have a few employes to be used in obtaining facts material to the preparation of cases for trial and in the enforcement of law. Such help may have to be given to the Attorney General in time to come. For the present I do not think such a step should be taken. If the county attorneys and sheriffs should be given the additional duties and powers above indicated and afterward there should be laxity in the discovery and punishment of offenders it might be wise to consider at such future time the organization of a detective force under state control. A prominent editor has said:

"Allowing one set of people to make the law and expecting another set of people to enforce the law is not self-government."

When a state law is violated, such violation is "against the peace and dignity of the state of Minnesota;" and the state should be in a position to defend as directly as may be necessary its "peace and dignity."

While the Attorney General is an executive officer, he is not specifically entrusted with the execution of the law, as is the chief executive. His duties are legal and advisory.

Provision should be made permitting the appointment of women as peace officers and members of police forces. Their work in large cities has proven of undoubted benefit.

The corrupt practices act should be strengthened. Its effect upon the conduct of the last political campaign was beneficial. There are some changes desirable.

Offenses should be punished according to their enormity. Political committees, as defined in the law, should be better regulated. The freedom of the press should be fully respected and at the same time untrue and prejudicial statements should be prevented.

There should be a considerable emergency fund provided and properly safeguarded so that unexpected expenses can be met. For instance, the

printing of a long record in the supreme court of the United States might be required in an emergency and might cost more than the entire usual contingent fund of this office. The cost of printing the record in the rate cases was about \$9,000.00, and while such an expense is not likely to occur again, a very considerable expenditure of this kind might occur. There are other possibilities which should be guarded against. The present contingent fund only provides enough for the current expenses of the office, properly administered. The expense of the file clerk and bookkeeper (one person) should be met by a specific appropriation, and money for the obtaining of information necessary for intelligent action along the lines of duty should be provided.

The inheritance tax law should be carefully considered as to the reciprocal clause (subdivision 2, section 2, chapter 209, G. L. 1911). This clause is likely to reduce largely the revenues from the taxation of inheritances. The wealth of this state flows in larger streams to New York than the wealth of New York flows to Minnesota. If either state should forego taxation it is the one where the evidence of property is, rather than the state where the property itself is.

INSURANCE DEPARTMENT.

At the last session of the legislature the act creating the Insurance Department, and defining the duties of the Commissioner of Insurance, was extensively amended and re-enacted. For this reason it is to be hoped that the legislature will investigate the work of the department for the past two years, and also determine whether further amendments to the act should be made.

Promotions.

During the past two years no financial loss from the insolvency of any insurance company licensed to do business in this state has devolved upon any of our citizens. There is, however, still one field of activity in insurance open to the get-rich-quick man, and this is through promotion schemes.

Minnesota has had its share of that class of men, who will furnish the ocean if the gullibles will furnish the ship. Due to the fact that the insurance business is exceedingly intricate, it is probably easier for the promoter to make a success in organizing insurance companies than in any other field. Insurance companies well managed usually pay a fair return on thrift, but there is no magic in the term "insurance."

During the past year, inquiries in great numbers in regard to insurance companies now being organized have come to this department. The department has been helpless in advising the public, for the reason that the state legislature has never given the Department of Insurance supervisory authority over insurance companies during their embryotic period, that is, before they have sold their capital stock and before they have applied for a license to do an insurance business in the state.

In view of the manifest fact that a great many of our people have been imposed upon and induced to buy stock in insurance companies through misrepresentation, the department has always advised prospective purchasers of this class of stock that in purchasing insurance stock they should bear in mind:

First—That the constitution of the state of Minnesota imposes a double liability upon stockholders of this class of stock.

Second—That the purchaser should inform himself of the character of the men in charge of any company, in which it might be his intention to interest himself.

Third—What part of the money paid in would be used for promotion purposes.

Fourth—What return he may expect on his investment.

There are no doubt insurance companies being organized in this state that are conducting their operations upon a very high plane. It is an injury to this class of companies that unreliable institutions are endeavoring to interest the public in their undertakings. For the protection of the public, as well as the honestly promoted companies, the National Conven-

tion of Insurance Commissioners, at Spokane, Washington, in August, 1912, after thoroughly considering the tremendous drain on the public resulting from promotion of insurance companies, and that, due to the intricacies of the insurance business, this field appears in the past few years to have been a most fertile one for the promoter, took upon itself the burden of drafting a bill entitled "An Act to Provide for the Regulation and Supervision of Investment and other Companies." It was hoped that this bill would be presented to the various legislatures, in order that some law along the lines indicated in this bill might be enacted in the various states. A copy of the same, somewhat modified, is herewith transmitted to your Excellency.

Policy Loans.

During the panic of 1907 the legal reserve life insurance companies of the United States furnished, on demand, approximately sixty million dollars to policyholders. Under our present law a life insurance company may defer the granting of a loan, or the giving of a cash surrender value, for a period of six months, if it is so provided in the policy. It has not been mandatory upon any insurance company to provide in its policies that it may defer the giving of a cash surrender value, or a loan, for any length of time. The result has been that in their zeal for business a number of insurance companies, more desirous of securing business than safeguarding the interests of the policyholders, provide in their policies that the policyholder may secure his cash surrender value upon demand. On account of the keen competition in the life insurance field, even the more conservative insurance companies have been forced to meet this competition. The granting of a loan, or cash surrender value, on a policy upon demand has particularly two evil results.

Our savings banks in the state of Minnesota are required to reserve the right to defer, for a period of sixty days, the return of a deposit to a depositor. During the panic of 1907 banks availed themselves of this saving clause. There is no reason why insurance companies should not be compelled, by legislative act, to insert in all of their policies a similar saving clause, as has been provided for by legislative act in regard to savings banks.

While it is not anticipated that even a panic would cause the failure of any legal reserve life insurance company, nevertheless, it is well that the policyholders of these companies should be protected by such a saving clause, in order that during a financial depression the company, while its solvency were questioned by the public might not be required to throw its securities upon a breaking market, and convert its assets, which are not usually of a liquid character, into cash, in order to meet immediate demands for loans and cash surrender values, and in that manner hazard the solvency of the company to the detriment of the policyholders.

The primary purpose of every life insurance company is to protect families and pay death claims. Any other duty which it may perform is merely incidental thereto. It is a matter of history that ninety per cent of the loans made to policyholders result in lapsation of the policy. If the policyholder were unable to get his cash surrender value, or secure a loan on his policy upon demand, unless the company saw fit to give the same, he would at least be deterred, and possibly prevented, from borrowing on his policy, which is tantamount to borrowing from his prospective widow and orphans.

Standard Provisions for Health and Accident Policies.

Some time ago a number of insurance departments of the United States instituted joint examinations of the leading health and accident companies doing business in the United States. These examinations disclosed that a great many of the health and accident companies were dealing unfairly with policyholders in the settlement of claims. The chief reason assigned for this quite uniform condition was the ambiguous and indefinite contract or policy forms employed by a number of companies. To rectify this condition a bill was prepared providing for standard provisions for all

health and accident policies. This department submits that it is absolutely necessary for the protection of the public that a law be adopted providing for legislation along the lines of that contemplated in the proposed bill, copy of which is transmitted herewith.

Misrepresentations and Twisting.

During the past two years a great many instances have come to the attention of this department where agents of health and accident companies, severing their connections with one insurance company and taking employment with another, are endeavoring to persuade the policyholders which they secured for the former company, to drop such insurance and obtain insurance from the company in whose employ the agent now happens to be. Without dwelling upon the question as to whether the business of an agent belongs to him or to a company, it is well known that the change of membership from one company to another is usually a distinct loss to the policyholder, for the reason that nearly all health and accident policies provide that cumulative benefits shall be given to a policyholder when he shall have been a member of the company for a certain period of time. It is therefore also patent that the agent's success in "twisting" or "switching" a policyholder from one company to another is usually brought about by misrepresentation.

For the protection of the public the National Convention of Insurance Commissioners have recommended, for adoption by the legislatures in the various states, a measure which it is hoped would stop this practice in the future, as applies to health and accident companies. The bill also affects life companies where this practice of "twisting" also prevails.

A copy of the proposed bill is transmitted herewith and your Commissioner hopes that the legislature may adopt this, or some similar measure at its coming session.

Fire Prevention.

The fire prevention campaign which has been carried on by the State Fire Marshal's office, and the Minnesota Fire Prevention Association, during the past year has borne tremendous fruit. It is estimated by the State Fire Marshal that the loss to our people by fire has been reduced from approximately \$5,400,000 in 1911, to \$4,200,000 in 1912. Considering what the tremendous fire waste in the United States means to our people this is exceedingly encouraging. The average per capita fire tax in Europe is about 33c, while in the United States it is approximately \$2.50. Much can be done by way of legislation to assist in this fire prevention campaign.

A. The Criminal Match.

It is estimated that from 10 per cent to 15 per cent of our annual fire losses is due to our so-called parlor match. The National Convention of Insurance Commissioners has endorsed for passage in the various states, a bill which, by its terms, would prohibit the manufacture, sale, and distribution of the so-called criminal parlor match. A similar law will be found on the statute books of a number of European countries. Your Commissioner hopes that this proposed measure may have the attention of the legislature.

B. Fire Prevention Education.

In a number of states, legislatures have provided for instruction in fire prevention in public schools. The success which this course has met with demonstrates that it does not interfere with the regular curricula of our schools, and that it has its worth. It is to be hoped that Minnesota will also take an advanced stand on this question.

C. Fire Insurance Rates.

It is very evident that no substantial reduction in fire insurance rates can be secured until the fire losses have been materially reduced. The rates in the state of Minnesota are made by the Minnesota & Dakota In-

spection Fire Insurance Bureau. Most of the fire insurance companies doing business in this state are subscribers to the rates of this bureau. Chapter 331, Laws of 1905, prohibits discrimination in fire insurance rates. For this reason insurance companies usually follow the rates prescribed by the above named bureau. Nearly all, if not all, of the stock fire insurance companies doing business in this state are parties to an agreement whereby the compensation of local fire insurance agents is fixed. These questions should be considered in connection with the general fire prevention movement.

D. Co-insurance.

Chapter 446 of the Laws of 1907 provides that where the entire risk covered by a policy amounts to more than \$20,000, the policy may contain a co-insurance clause. Where a co-insurance clause is inserted in a policy a very distinct reduction in the rate of premium is made. It is unfair to the smaller property owner that he cannot avail himself of the co-insurance clause and consequent reduction in rate. It is a distinct discrimination in favor of the rich and against the poor, and it is the opinion of your commissioner that the \$20,000 limitation should no longer be contained in the statute referred to, but should be substantially reduced.

E. Over Insurance.

Over insurance is, beyond a doubt, responsible for a very large percentage of the fire losses in the United States. Avaricious fire insurance agents, for the sake of a few paltry dollars in commissions, will induce men to over insure their property. Too frequently we see a man of apparently good character and of honest purposes, who, when he finds himself confronted with financial difficulties knowing that his property is insured for more than its actual value, yields to temptation, burns his property, and secures the face value of his policy in exchange for a poor investment.

More frequent it is that the incendiary, premeditating crime, secures insurance on his property for more than it is worth and then burns it. It is a notorious fact that the assured can secure in some company or other, insurance in a greater amount than the value of his property.

The evils of over insurance are not limited to the insured alone. Numerous complaints have been made to this department that the neighbors, or adjacent property owners of the complainants, have their property vastly over-insured, endangering the property and lives of the community.

The State Fire Marshal should be empowered to make appraisements of property insured, report the same to the Commissioner of Insurance, who should be clothed with authority to order the cancellation of any policy insuring property in excess of such valuation, and with authority to cancel the license of the agent who placed the insurance. Where the property is found to be over-insured the expenses of the State Fire Marshal for investigating the risk should be charged to the company with whom the insurance is placed.

Inter-Insurance.

A great deal of fire insurance is being written in the state of Minnesota by large property holders through the medium of what is termed an attorney, or inter-insurer. Under our existing laws no provision is made for the authorization of organizations of this class, nor has the state been receiving its taxes from these institutions. Nor have these been subject to the supervision of this department.

Herewith is transmitted copy of a proposed bill for the regulation of inter-insurance concerns. The same has been endorsed by the National Convention of Insurance Commissioners.

Agents' Licenses.

Under the present law all foreign insurance companies are required to secure a license to solicit insurance for each of their agents, from the Commissioner of Insurance. Domestic companies are not required to obtain licenses for their agents.

The department has no supervision over the agents employed by domestic companies. It is the duty of the Commissioner to cancel the license of an agent of a foreign company who violates any insurance law. The public cannot secure any redress from the Department of Insurance against an agent of a domestic company who violates the statutes. The practical result of this situation has been that where the department has cancelled the license of an agent of a foreign company, or refused to license some person for a foreign company, he has immediately obtained employment with a domestic company to the detriment of such domestic company as well as the public.

For these reasons the Department of Insurance should be required to license agents of domestic companies before such agents can engage in the insurance business.

It is respectfully suggested that the legislature be urged to consider the provisions of the proposed bills and recommendations, in order that such legislation as the legislature in its wisdom may see fit will be enacted.

DEPARTMENT OF PUBLIC INSTRUCTION.

This office makes the following recommendations with respect to educational legislation:

1. That biennial appropriations be made for special aid to high, graded, consolidated, semi-graded and rural schools, and for maintaining industrial departments under the Putnam and Benson-Lee acts, and that existing laws for standing appropriations for any of these purposes be repealed.

2. That in making appropriations for special aid to public schools, the aid for high and graded schools be combined in one sum, and the aid for consolidated, semi-graded and rural schools be combined in one amount.

3. That the aid for school libraries be on the basis of \$10, for each school building; that this be made permanent, and that the standing annual appropriation of \$10,000 for school libraries be repealed.

4. That the law governing school libraries be changed, to authorize the board of any district to enter into an agreement with a central library for co-operation and interchange of books, with the privilege of securing library aid.

5. To make the county treasurer the treasurer of schools in all districts except those that maintain a high, graded, or consolidated school.

6. That Chapter 91, the Benson-Lee act, be incorporated with Chapter 82, the Putnam act, and that the number of schools to be aided under the Putnam act be not limited.

7. A state-wide teachers' pension act.

8. For the creation of an Education Commission as recommended in this report.

9. That the superintendent of public instruction be authorized to fix a standard for the educational and professional qualifications of teachers.

10. To increase the annual aid for teachers' training departments in high schools to \$1,000, and to amend the law so that a school employing two trained instructors and offering the two years course of study may receive \$2,000 annually.

11. For granting the superintendent of public instruction authority to close a public school with an enrollment of less than ten pupils, by consolidation with one or more public schools.

DRAINAGE COMMISSION.

The state of Minnesota in its natural state contained over 10,000,000 acres of swamp land. Fully 95 per cent of this entire area could be easily and cheaply drained, and fully 60 per cent of the area of swamp lands in the state was either open marsh, meadow, or swamp sparsely timbered. A very large portion of the wet land area has a rich black muck or vegetable mold top soil, with a clay subsoil; and is very productive when drained. Owing to the fact that the surface slopes with very few exceptions of the swamp areas of the state are very favorable for cheap and effectual drainage, the water from the lakes and swamps keep up a continual percolation

working down to lower levels, as a result these swamp areas even where the soil is of a peaty nature, rarely ever gets dry enough to burn. The percolation of water from the upland soil and lakes through these swamps gives the muck and peaty soils of the swamp a sufficient content of lime for all kinds of plant growth.

The drainage work that has been carried on under the various drainage laws of the state, has resulted in reclaiming about 6,000,000 acres of waste land at an average cost of \$1.80 per acre.

There is at the present time upwards of 4,000,000 acres of wet lands within the state, a large proportion of which would, if drained, become immediately available for agricultural purposes.

Drainage work should be continued until all the wet lands available for agricultural purposes are reclaimed, and all work should be carried out so as to give uniformity of practice under the various drainage laws.

Under proper supervision similar work should be done as cheaply in one locality as in another. There seems to be no good reason why the taxpayers should pay 28 cents per cubic yard for digging their ditches in one county, when contracts are let for similar work in another county for less than 10 cents per cubic yard.

Chapter 471, laws of 1909 made provisions for securing uniformity in all drainage proceedings. It will not be practicable, however, to enforce the provisions of this law until the topographic survey which is now being carried on has progressed sufficiently to admit of the preparation of complete drainage plans of an entire watershed. Until this is accomplished provisions should be made for state supervision of all drainage projects with a view to bringing about uniformity in carrying out the proceedings on all drainage work.

FORESTRY DEPARTMENT.

Of the facts brought out clearly by the experience of the past two years, the inadequacy of the present appropriation is most forcible. The matter of organization has been worked out with great care. Without doubt the legislature acted wisely in making a small initial appropriation for carrying on the work of the Forest Service for the first two years. It is hoped that the results accomplished during this experimental stage are now sufficiently evident to warrant more liberal financial support from the legislature.

Fortunately, the dry seasons of the past two years have been comparatively short. Even so, they taxed the present force to the utmost, and had the dry spells continued the force would have been unable to handle the situation. With the appropriation available, it was possible to employ throughout the dangerous fire season only what amounted to a skeleton force, spread over the enormous forest districts of the state. Experience has shown us the points of danger and the manner in which to cope with the fire problem, and it is only too apparent that the present field force must be doubled at least before anything like a reasonable degree of safety can be assured to the forests and the settlers of Northern Minnesota.

Force of Patrolmen for Work Throughout the Year Imperative—Although the protective force was confined to the more dangerous coniferous region, where life as well as timber property is imperiled by forest fires, still the area assigned to each man for patrolling averaged 400,000 acres. Furthermore, the great amount of work other than fire patrol which devolves upon both rangers and patrolmen makes it highly essential that men qualified to handle the work should be retained throughout the greater part of the year. The importance of work other than fire patrol calls for a continuous force throughout the year, and it is apparent that only by employing men all the year around can the right kind of officers be retained. We need more definite information regarding our timber resources. It is urgent that the trail and telephone systems be greatly extended, in order to make more efficient the patrolmen who are employed. The slash, disposal problem cannot be handled at all satisfactorily by the rangers alone. For these reasons and others, most of our present force of patrolmen should be retained throughout the year. During the fire

season it should be made possible to employ a much larger force of patrolmen than was on duty during the past two seasons.

With these facts before us, it is felt that the \$75,000 increase asked in the appropriation for the administration of the forest service is the least that can be asked in fairness to the important work for which it is to be used. We therefore urgently request that the board make every effort to obtain an appropriation of \$150,000 a year for the administration of the forest service.

Constructive Legislation to Make Profitable Administration of Timber Lands.—In the foregoing report, reference has been made to the areas of idle non-agricultural lands. It is recommended that the board ask the legislature to pass constructive legislation which will make possible the profitable administration of these lands for production of timber, recreation and fishing resorts and game preserves. There are several means by which this can be accomplished, and since the state has heretofore been inactive in this respect, we should by all means avail ourselves of every opportunity to build up a system of forests and parks, and bring about the utilization of all idle non-agricultural lands for growing timber. The legislature has already passed a constitutional amendment, which narrowly failed of endorsement by the voters, that had for its object the setting aside of non-agricultural state lands for forestry purposes. This is a thoroughly good measure and should again be brought forward. It is well known that a considerable proportion of the lands now owned by the state are suitable only for timber production, and unless some provision is made for using the lands for this purpose they will continue in their present state of unproductiveness.

In addition to the setting aside of state lands, it is important that a large part of the waste non-agricultural lands now in private ownership be acquired by the state, in order that they may be made useful by producing timber. Many of these lands are interspersed with state lands of a similar character, and all should be consolidated in state ownership, where state forests, parks and game preserves are, or may be established.

One Hundred and Five Thousand Dollars to Purchase Non-Agricultural Lands and Property Adjoining Itasca Park—It is recommended, therefore, that an appropriation of \$105,000 a year be asked for the purchase of non-agricultural forest land, of which \$5,000 is needed each year for purchasing lands adjacent to Itasca Park.

An illustration showing the short-sighted policy of making small appropriations for work of this kind may be seen in the case of Itasca Park, where the state was pledged to purchase all the lands and timber under the terms of the donation of the federal lands within the park boundaries. For twenty-one years the legislature has been appropriating \$5,000 to \$6,000, and most of the private land is still to be purchased. The state could have obtained absolute title to the lands in the park had it in the first instance made an appropriation of but little more than one-tenth of what is now necessary.

DAIRY AND FOOD COMMISSION.

It goes without saying that the police and prosecuting power of the commission is indispensable; nevertheless the educational work provided for and exercised is a potent power for good and can accomplish results in improving conditions for the manufacture and sale of food in the state to a degree far surpassing the finding and prosecuting of trespassers.

All reasonable provision should therefore be made to expand the usefulness of the Commission on this line. This does not mean that it should be extended so far as to duplicate the work of, or take any place that should be occupied by educational institutions, but there is common ground to reach as has been done in the creamery inspection, where the Commission works in perfect harmony with the dairy division of the agricultural college, and in the egg work of the food inspection, where we get in close touch with the poultry man of the extension division of the same college. This

co-operation between the educational institutions and the Commission can be readily attained when service is the aim.

Provision should be made for adding to the egg inspection service. This is not only an important article of food for the people of the state, but an important industry that has a reputation to win from outside, whereby we may benefit, as in the dairy industry.

The educational feature should be carried into all food inspection. Instead of making exhibits only at the annual food show, the state fair and a few county fairs, this educational method should be extended so as to reach more county fairs, and a small exhibit should be provided for the food inspectors to use at schools, clubs, health organizations, etc. This will create demand for more wholesome food and be a force that will bring the standard far ahead of what the exercise of the police power alone could do.

A new line of inspection was started in this administration, that of farm dairy inspection. No special man had been assigned to this work before, those doing dairy inspection confining themselves to city dairies only. While not much was looked for the first year, still we have obtained results that are gratifying. The problem of improving the quality of cream, to which this work has been devoted, is of such magnitude that ten inspectors could readily find more work than they could do, but a cautious proceeding would be to make provision for three or four more men. In city dairy inspection, efforts have been made to have the work of the few men count as far as possible by getting in touch with local health officers and organizations. This work can stand widening.

Canning is one of the infant industries in the state, and therefore additional care for this industry should be exercised in the line of inspection and educational work. This industry bears the same relation to the Commission as the manufacturing side of the dairy industry.

The cheese industry, while not as young nor as small as the canning industry, still requires some of the same attention as the latter.

In the analytical division, extension should be made by including equipment and service for bacteriological work.

The experimental creamery at Albert Lea, is filling a long vacant place, and should be maintained at full capacity for service. However, the solving of scientific problems is not so much needed as the application of known practical principles. To this end conditions should be changed so the creamery inspectors could be permitted to devote more time to each creamery visited. The need of extra help is obvious.

The matter of salaries of the commissioner's assistants is something that needs adjustment. The limits set in the different lines were suited to the conditions of twenty years ago. For instance, when the law was enacted buttermakers' salaries were from \$50 to \$80 per month, while at present such men as the Commission requires for efficient service are getting \$100 to \$135 per month, and the \$100 limit of the law is a hindrance. Limits in other lines are equally felt. The antiquated salary limit has caused the loss of many valuable men in the last few years. For the good of the service some change must be made whereby the men who have done the best service can be retained and meritorious work rewarded.

In order to back up the efforts of the Commission in its campaign for pure foods and to protect the public against deceitful practices, several laws are needed. Chief among them is a law to regulate the sale of oleomargarine. The wide difference in cost of producing that product and butter makes the temptation very strong to pass it off as butter, and the close resemblance it can be made to bear to butter makes it imperative that a distinction be made in the color of the two products. In no other feasible way can the consumer be protected.

A sanitary law should by all means be passed. This should regulate the sanitary condition of all places where food products are handled. The enforcement of this law could be placed under whatever commission the legislature sees fit, but, with a very small addition to the force of the Dairy and Food Commission, the state could be satisfactorily looked after in this line.

The National Association of Dairy, Food and Drug Officials has carefully drafted a cold storage bill. This or a similar bill should be passed.

FIRE MARSHAL.

The state fire marshal law enacted two years ago has been of material benefit to the people of the state, but before the department can reach the highest efficiency the law should be amended to place ample funds at the disposal of the fire marshal to prosecute the work. The fire losses for the year just closed show a decrease of approximately \$1,700,000 over 1911. The vigilance of the fire marshal department has undoubtedly contributed materially in this reduction. The fire waste in Minnesota is still much too high and the fire marshal should be given more specific power in the cleaning up of hazardous conditions and the removal of dilapidated buildings which are a menace to adjoining property.

The moving picture theatre is a continuous fire menace. The fire marshal should be given absolute jurisdiction over these places of amusement with authority to inspect at any time; to close where conditions are a menace to life and property; to issue a license good for a year where conditions are satisfactory, with power to revoke; to charge a fee of \$5 for the inspection, the money to be turned into the fire marshal fund.

No department in the state appears to have authority to regulate exits in halls, theatres and other public places of amusement. The fire marshal has authority to inspect these buildings with a view of protecting the property from fire, but has nothing to say regulating the protection of the lives of the women and children who visit the places. The fire marshal should be given jurisdiction over exits and fire escapes on all buildings where people assemble in large numbers.

The fire waste in Minnesota can only be permanently reduced by a campaign of education. In a number of the other states fire waste prevention is successfully taught in the schools in a series of lessons running through the grades taking about one period each week. The Minnesota fire marshal law should be so amended as to make the teaching of this subject compulsory in all public and private schools of the state, from text books on this subject prepared by competent authority sanctioned by the state fire marshal.

If the fire marshal department is to be of the greatest possible service to the state it should be absolutely divorced from politics; the fire marshal and chief assistant should be appointed by the governor for a six year term and all other employees placed upon a strict civil service basis.

BOARD OF CONTROL.

Former Recommendations Renewed.—With reference to county support of the insane; with reference to home for the aged and senile; with reference to transportation of insane to hospital accompanied by employe of the institution; with reference to a reformatory for women; with reference to an insurance sinking fund; with reference to additional lands for state institutions; with reference to bonds of contractors.

New Recommendations.—With reference to a fourth hospital for the insane; with reference to public administrators of property of the insane, e'tc.; with reference to use of old prison for insane and defective criminals; with reference to visits to institutions by committing judges; with reference to industrial building at St. Cloud Reformatory; with reference to laws as to communication with prisoners.

County Support of the Insane.

The board has frequently pointed out the necessity of a change in the law providing for the public care of the insane, so that the state shall be wholly or partly reimbursed for the expense of the maintenance of this class of our population. There are many in our hospitals for the insane who are not subjects for hospital treatment, and some who have been committed because it was considered easier for the state to take care of them

than for the relatives and friends to bear with their queer ways and eccentricities. If part of the burden of the cost of maintenance were borne by those liable for such support under our laws, a great many of these people would never be committed. It is quite evident, also, that a charge for maintenance would lessen the more or less prevalent custom of people in other states sending their afflicted relatives and friends to this state, where they are likely to become permanent charges. But six states of the union, including Minnesota, assume entire cost of caring for the insane. Most states have provision for reimbursing the state for cost of maintenance. There are various methods in use, but the most common is to make each county responsible for the cost of maintenance of the patients it commits to the hospitals, the county being given authority to collect from the estates, relatives or guardians responsible under the law for the care of such patient, where such estates or relatives are able to pay. For the indigent insane the county pays as it would have to pay for its other indigent. In some states the maintenance of the institution is a direct charge on the estates or relatives of those able to pay in whole or in part. In several states the judge of probate makes the financial investigation and fixes responsibility at the time of commitment. In other states—notably Ohio, where the system has been very successful—special agents of the board of control make investigation as to the financial status of the patient.

BOARD OF HEALTH.

Good health has a commercial value and is an economic problem. It is not wise to throw the burden of public health responsibilities upon physicians and others whose time is taken up chiefly with their own affairs. The man who tries to conduct a private business of any kind and incidentally to look after the health of the people of his community will make a failure of one or the other. Public health problems are the people's problems. It is the protection of their own lives and the lives of their dear ones.

This being true, public health workers should be people with special training for their work, giving their whole time to it as to any other business. It is a disgrace to the state of Minnesota that in 1910, 11,819 deaths out of a total of 22,807 were due to preventable causes. The financial loss through these 11,819 deaths is simply appalling; and yet at the present time there are but three health officers in the state at large who are giving their whole time to the work of protecting the lives of our 2,000,000 citizens. It is high time that this work was put on a business basis. Every county at least should have a whole-time health officer and one visiting nurse or more. At least every municipality of 5,000 and upwards should have a well-organized health department with a whole-time health officer. The position of health officer should be placed on a business basis and a somewhat permanent tenure assured the deserving and conscientious worker. The present legislature should take steps in the right direction along these lines.

STATE BOARD OF VISITORS.

We wish to repeat our recommendations of two years ago relative to enlargement of the powers of the State Board of Visitors for public institutions.

Under the law governing the State Board of Visitors for Public Institutions, it is an investigating and advisory department of the state government acting under appointment of, and reporting to, the state's chief executive. It has made various reports to the governor of matters and conditions at several state institutions which in the estimation of its members, required immediate adjustment and betterment. These reports were in each case referred by the governor to the board of control. The board of control, receiving these reports from the governor, is under no special obligation to in turn report on its action or reason for not acting on such recommendations to the Board of Visitors. Thus it is that the Board of Visitors, after spending much time, effort, and in some instances considerable state money, on completion of its work knows nothing in the way of direct information

from the authorities in charge of the institutions criticised, whether its work is of any avail. It would seem but a fair proposition that the law be amended to require a report to be made the Board of Visitors of such action as is taken on its recommendation, by the authorities to whom the Board of Visitors' reports have been referred by the governor.

It would appear to this board that in order to avoid confusion or conflict in investigations of charges against these institutions, that the sole power and authority to officially investigate charges and report findings based on investigations of humanitarian matters, should be vested in an independent state board. And as the act creating the State Board of Visitors makes it an investigating body, with power to administer oaths to witnesses, and compel their attendance, it would naturally follow that the State Board of Visitors should be intrusted with exclusive authority to make such investigations and report thereon.

A complaint against a state institution is at least indirectly one against the Board of Control which has charge of all state institutions. Without criticising the Board of Control in the least, it is manifestly a wrong principle for the state to so legislate that any state board or department shall be the court to investigate and adjudicate complaints and charges against itself.

We are firmly convinced that co-operation between the State Board of Visitors and the State Board of Control is most desirable for further advancement of the interests of your institutions. The Board of Control has general management of these institutions, while a large part of the work of the Board of Visitors is their humanitarian supervision. Under the law establishing the Board of Visitors, this board makes its reports containing suggestions and criticisms to the governor. We understand it is the practice of the governor to refer these to the Board of Control. That is the last the Board of Visitors hears of them. We do not know if our suggestions are to be carried out, if they are approved or disapproved, if they are given consideration or merely filed away, uncerimoniously buried, without any chance of life hereafter. We should like to know, and feel that we are entitled to information as to how far our recommendations, criticisms and commendations are received.

STATE AGRICULTURAL SOCIETY.

The governing board for the state fair exposition will submit to the next general assembly, a recommendation that adequate funds be appropriated for the erection of a suitable agricultural building, and horse barn, upon the state fair grounds, and for the completion of the roof over the grand stand. It may not be out of place to here call attention to the fact that while the Minnesota state fair has made a great name for itself in the matter of attendance and exhibits, we cannot say as much for the "fair grounds" equipment. In short, the fair—like the growing boy—has grown so rapidly that it has almost completely outgrown the present facilities for properly housing and caring for exhibits and patrons. It is not my intention, in this report, to call your attention to present needs other than those which the governing board has decided to submit for the consideration of the next general assembly, except to say that representative liberal arts, electric, cement, and numerous other exhibits and educational features which go to make up a well-balanced fair, cannot be expected until such time when the grounds will be equipped with more suitable and substantial buildings.

BUREAU OF LABOR.

Five bills are recommended for enactment by the labor commissioner, all of which are of great importance.

1. A bill providing for the re-organization of the labor bureau creates a labor department composed of four bureaus, to-wit: a bureau of factory inspection, a bureau of statistics, a bureau of women and children, and a bureau of public employment offices. The labor commissioner and his assistant will have general direction of the work of the entire department, and

these two, with the chiefs of the four bureaus, will form a sort of commission to direct the work of the department. All employes, except the commissioner, assistant commissioner and one stenographer, shall be appointed only after a civil service examination. Special inspectors are provided for the inspection of agricultural machinery, elevators and railroad switch yards. The work of the free employment bureau will be extended so as to aid in the distribution of labor among the agricultural districts of the state, with especial purpose to furnish the laborers needed in agriculture in these districts.

2. A bill for an act amending the factory laws of the state to include the best provisions for accident and fire protection that can be found in the laws of the various American states or which have been devised during the last few years by the leading safety experts of the country. All the provisions contained in the bill have been proved practicable by the experience of other states or the practical judgment of men engaged in industrial operations. The labor commissioner is confident that the enactment of this law will mean a large reduction in accidental deaths and injuries in the state of Minnesota.

3. The legislature is asked to amend the accident report bill, simplifying it and at the same time making its provisions more effective. The new report bill is so framed that it will furnish more accurate information to help the bureau in its accident prevention work, and so that it will require proper records to be kept of all cases settled under any compensation law that may be passed.

4. A bill providing that reports of certain occupational diseases shall be filed with the labor commissioner by physicians passed the house of representatives at the last session of the legislature, but did not come to a vote in the senate. The same bill is presented for enactment at this session. The labor commissioner considers its passage of much importance.

5. The fifth bill is designed to prevent certain abuses in the payment of wages and remedy wage injustices that the bureau of labor have found to exist on a large scale. It requires that all wages must be paid in cash or the practical equivalent, and that all wages of employes discharged by their employers shall be paid at the time of discharge.