BUDD'S ADDRESS.

It Breathes the Spirit of Economy.

State Expenditures Have Unnecessarily Increased,

And How They Can be Reduced Without Serious Discomfort.

Too Many County Fairs, Penitentiaries and Other Expensive Institutions.

Following is the full text of the inaugural address of Governor Budd, delivered in this city yesterday in the presence of both branches of the Legislature:

To the Legislature and the Public: It is not without a realizing sense of the great responsibilities devolved by the Constitution upon the high office whose duties I am about to assume that I approach the labors before me. The ceremony just concluded possessed an interest for you quite different from that which it held for the person most intimately concerned, for to him it is a notification that the time has arrived for going to work. Henceforth for four years I am charged with the very responsible duty of directing the affairs of a great State, within the lines laid down by the law, and of guarding the interests of all her people, so far as those interests may be served by the Executive in the faithful and conscientious discharge of the functions of his office. The people of California have reposed in me the greatest trust within their power to deposit with any citizen, and here in this imposing presence, and on this impressive occasion, I pledge my manhood, my honor and the best ability that I am able to exercise, to its safe-keeping and faithful execution. I pledge this as well to those of my fellow-citizens who are not here to-day as to you who are present—to the farmer tilling his field; to the miner delving in the mountains; to the mechanic in the shop; to the merchant in his counting-room; to the man of capital in his bank, and to the laborer on the highway.

Circumstances which are generally known, having been subjects of comment in the public press, make it privileged that I should say a word concerning the unfavorable condition under which I approached this the culmination of the recent campaign for the Governorship. I had hoped after the election to make a thorough study of the workings of our State institutions, and from personal observation, and from contact with their officers, to acquire that knowledge which only such methods of inquiry can yield; but I was deterred from doing so by the necessity of remaining in conference with my friends and my party to protect the result which was achieved at the polls and save from impairment the plain verdict of the people.

Ours is a large State geographically, and large also in the number and scope of its public institutions. To make a personal inspection of all of these, and to study their needs with a view to the curtailment of their expenses, were a task requiring for its intelligent performance every day from the 6th of November to the present date. This task, however, is deferred only for the present, and I shall perform it at the earliest opportunity.

But the general condition of State extravagance in California is a matter of common notoriety. Public knowledge of our recklessness in this regard has transgressed our territorial limits and gone to the country, deterring immigration and the influx of needed capital to develop our latent resources. Prudent citizens of other States, especially of the more economically managed Eastern commonwealths, naturally hesitate before determining to move to and settle in a State whose current annual tax rate is equivalent to an assessment of between $7 and $8 upon every man, woman and child of the population.

When, furthermore, it is considered that the burden has been permitted steadily to increase for the past ten years, in presence of an equally steady decline in the wages of labor and the profits of business, the course of extravagance and profligacy upon which we are entered, and which we are pursuing as if by predetermined purpose to see how far we can proceed before the crash comes—when the situation is regarded in this light, it is discovered to involve almost a public crime.

In every avenue of industry the wage rate has persistently declined, in conformity to the changing conditions through which the country is passing. The farmer, too, receives less for the products of his acres than ever before in the history of our State. Private business has been gradually adjusting itself to the new relation of values, but the business of the State appears to be conducted on the old lines, as though its managers, or those responsible for its conduct, were unaware that any alteration of conditions had taken place since the early days.

The managers of large corporations have scaled salaries and eliminated every possible expense consistent with a safe and economic administration of their companies' affairs, but the affairs of the State are not only permitted to move forward in the old groove of maximum pay for minimum service, but there has developed in recent years a distinct tendency to go from bad to worse.

The correction of this enormous and overshadowing evil rests with the two departments here represented (legislative and executive) working jointly and harmoniously together for the perfection of such legislation as may be considered necessary to eradicate the fiscal canker that is consuming the substance of the people. Laws designed to bring the public expenditures within the limits of reason, to lop off redundant functionaries, to concentrate distributed institutions of like character under a single management, to reduce salaries as far as may be deemed consistent with the efficiency of the service, and in general to place the affairs of the State upon the same safe business footing as that of a successful private enterprise, must originate with one or the other of the two houses. The Executive can only advise, recommend or approve, and the first he takes the liberty now of doing, in a necessarily imperfect way, but nevertheless so as, it is hoped, the direction may be made clear in which the retrenchment so imperatively demanded may be effected without the embarrassment of any useful public institution or in any way hampering the administration of the State's affairs.

STATE TAXATION.

The Democratic platform of 1894 on State taxation reads:

"We hereby pledge our nominees that the State taxes will not exceed 45 cents on each $100 assessed valuation of property according to the valuation of 1893."

The assessed valuation of property for the year 1893 was $1,211,572,074. Taxes at the rate of 45 cents on each $100 on this amount of valuation would produce for the support of the State Government for the forty-seventh and forty-eighth fiscal years $10,904,148 66.

The Controller's estimate of the cost of the State Government for the forty-seventh and forty-eighth fiscal years is	$11,749,254 66
Less the amount limited by the pledge of the Democratic platform of 1894	10,904,148 66
Leaving a deficiency of	$845,106 00

[In the biennial report of the Controller for the forty-fourth and forty-fifth fiscal years he has omitted from his estimates of the cost of the State Government for the forty-seventh and forty-eighth fiscal years the item "interest and sinking fund," which amounts to $282,270. This amount is included in the above statement.]

The Republican platform of 1894 on State taxation reads as follows:

"We pledge our nominees that the State tax levy, except in cases of war and insurrection, shall not exceed for any one year 50 cents on each $100 of assessed valuation of property, and as much less as a most economical administration of the State government will permit."

The assessed valuation of property for the year 1894 is $1,204,976,952. Taxes at the rate of 50 cents on each $100 on this amount of valuation would produce for the support of the State government for the forty-seventh and forty-eighth fiscal years	$12,049,769 52
Less the amount of the Controller's estimate for support of the State government for the forty-seventh and forty-eighth fiscal years	11,749,254 66
Leaving an excess of	$300,514 86

[The omitted item in the Controller's report, as stated above, is included in this statement also.]

The foregoing estimate includes only the running expenses as provided by law, and does not cover such outlays as those of the Bank, Building and Loan, Harbor and other commissions or institutions having special funds, or the cost of new buildings, additions or improvements, which swell the total to the neighborhood of eight millions a year.

COMPARISONS OF STATE EXPENSES.

The subjoined tabulated statement of comparative expenditures of twenty-two leading States of the Union is derived from the Federal census. It is, therefore, in the highest degree trustworthy, and sheds a flood of light on the question before us. It would have been more interesting and more instructive if the comparisons could have been brought down to date, but in the limited time devoted to the gathering of the information herein contained that were practically impossible. No doubt the other States have decreased their per capita expenditures since 1890, in conformity with the greater purchasing power of money, while ours have increased. The reflection that in that year we ranked fourth in total outlay for State purposes and twenty-second in population is well calculated to induce the most careless citizen to pause long enough to ask himself whether the time has not fully arrived for calling a halt.

STATE.	Population	Rank	Total Expenditures for 1890	Rank in Expenditures	Cost per capita
New York	5,997,853	1	$ 9,018,94	2	$1.670
Pennsylvania	5,258,014	2	8,168,861	3	1.55[illegible]
Illinois	3,826,351	3	4,097,543	6	1.082
Ohio	3,672,316	4	3,513,52	9	.956
Missouri	2,679,184	5	1,159,626	17	.431
Massachusetts	2,238,943	6	11,481,502	1	5.128
Texas	2,235,523	7	5,415,317	5	2.422
Indiana	2,192,404	8	4,471,948	7	2.039
Michigan	2,093,889	9	3,342,168	11	1.596
Iowa	1,911,896	10	.....	.....	.....
Kentucky	1,858,635	11	4,320,868	8	2.324
Georgia	1,837,353	12	2,[illegible],706	13	1.160
Tennessee	1,767,518	13	1,969,531	14	1.129
Wisconsin	1,686,880	14	.....	.....	.....
Virginia	1,655,980	15	.....	.....	.....
North Carolina	1,617,947	16	1,056,572	18	.654
Alabama	1,513,017	17	2,612,957	12	1.746
New Jersey	1,444,933	18	1,565,544	15	1.083
Kansas	1,427,096	19	1,406,013	16	.985
Minnesota	1,301,826	20	3,479,874	10	2.673
Mississippi	1,289,600	21	.....	.....	.....
*California	1,208,130	22	7,916,616	4	6.577

*The total actual expenditure for the fiscal year 1893 was $9,025,243 02; and for the fiscal year 1894 it was $7,997,243 96.

COMPARATIVE COST OF PRISONS.

STATE.	Population	Rank	Cost of State Prisons for 1890	Rank in Expenditures	No. Prisoners
New York	5,997,853	1	$1,033,650	1	8 190
Pennsylvania	5,258,014	2	96,000	14	2.364
Illinois	3,826,351	3	151,150	12	2,057
Ohio	3,672,316	4	477,112	3	1,652
Missouri	2,679,184	5	275,709	5	1,701
Massachusetts	2,238,943	6	460,175	4	1,5[illegible]0
Texas	2,235,523	7	46,825	16	3,319
Indiana	2,192,404	8	205,526	7	1,416
Michigan	2,093,889	9	159,647	11	1,108
Iowa	1,911,896	10	.....	.....	623
Kentucky	1,858,635	11	173,149	9	1,235
Georgia	1,837,353	12	6,200	19	1,729
Tennessee	1,767,518	13	.....	.....	1,484
Wisconsin	1,686,880	14	20,900	18	530
Virginia	1,655,980	15	24,150	17	1,167
North Carolina	1,617,947	16	249,187	6	1,422
Alabama	1,513,017	17	75,679	13	1,086
New Jersey	1,444,933	18	160,289	10	1,557
Kansas	1,427,096	19	196,391	8	918
Minnesota	1,301,826	20	134,611	13	482
Mississippi	1,289,600	21	.....	.....	429
California	1,208,130	22	588,154	2	2,[illegible]57

COMPARATIVE COST OF NATIONAL GUARD.

STATE.	Population	Rank	Cost of National Guard for 1890	Rank in Expenditure
New York	5,997,853	1	$400,000	1
Pennsylvania	5,258,014	2	245,965	2
Illinois	3,826,351	3	103,628	6
Ohio	3,672,316	4	138,026	5
Missouri	2,679,184	5	.....	.....
Massachusetts	2,238,943	6	214,489	3
Texas	2,235,523	7	44,710	10
Indiana	2,192,404	8	38,000	12
Michigan	2,093,889	9	49,963	9
Iowa	1,911,896	10	35,000	13
Kentucky	1,858,635	11	9,585	17
Georgia	1,837,353	12	7,015	18
Tennessee	1,767,518	13	2,996	19
Wisconsin	1,686,880	14	73,959	8
Virginia	1,655,980	15	.....	.....
North Carolina	1,617,947	16	14,889	16
Alabama	1,513,017	17	20,856	15
New Jersey	1,444,933	18	90,885	7
Kansas	1,427,096	19	25,500	14
Minnesota	1,301,826	20	39,467	11
Mississippi	1,289,600	21	.....	.....
California	1,208,130	22	176,528	4

COMPARATIVE COST OF AGRICULTURAL FAIRS

STATES.	Population	Rank	Cost of State and District Fairs, 1890	Rank in Expenditures
New York	5,997,853	1	$29,000	9
Pennsylvania	5,258,014	2	19,080	10
Illinois	3,826,351	3	16,800	11
Ohio	3,672,316	4	20,743	8
Missouri	2,679,184	5	3,640	18
Massachusetts	2,238,943	6	28,747	6
Texas	2,235,523	7	52,615	2
Indiana	2,192,404	8	11,000	13
Michigan	2,093,889	9	1,000	20
Iowa	1,911,896	10	.....	.....
Kentucky	1,858,635	11	4,000	17
Georgia	1,837,353	12	3,200	19
Tennessee	1,767,518	13	10,500	14
Wisconsin	1,686,880	14	33,034	5
Virginia	1,655,980	15	12,100	12
North Carolina	1,617,947	16	39,200	3
Alabama	1,513,017	17	38,176	4
New Jersey	1,444,933	18	8,041	15
Kansas	1,427,096	19	7,600	16
Minnesota	1,301,826	20	24,569	7
Mississippi	1,289,600	21	.....	.....
*California	1,208,130	22	87,520	1

*The Controller's estimate for the fiscal year 1895 is $120,000.

COMPARATIVE COST OF THE JUDICIARY.

STATE.	Population	Rank	Cost of Judiciary for 1890	Rank in Expenditures
New York	5,997,853	1	$639,050	3
Pennsylvania	5,258,014	2	548,290	2
Illinois	3,826,351	3	258,892	7
Ohio	3,672,316	4	315,897	4
Missouri	2,679,184	5	178,725	9
Massachusetts	2,238,943	6	213,081	8
Texas	2,235,523	7	682,078	1
Indiana	2,192,404	8	240,200	6
Michigan	2,093,889	9	94,663	15
Iowa	1,911,896	10	71,450	17
Kentucky	1,858,635	11	.....	.....
Georgia	1,837,353	12	63,550	18
Tennessee	1,767,518	13	96,050	14
Wisconsin	1,686,880	14	161,187	13
Virginia	1,655,980	15	.....	.....
North Carolina	1,617,947	16	48,000	19
Alabama	1,513,017	17	89,500	16
New Jersey	1,444,933	18	151,520	10
Kansas	1,427,096	19	123,400	12
Minnesota	1,301,826	20	134,366	11
Mississippi	1,289,600	21	.....	.....
*California	1,208,130	22	2 9,49	5

*The Controller's estimate for the fiscal year 1895 is $280,855.

COMPARATIVE COST OF LUNATIC ASYLUMS.

STATE.	Population	Rank	Cost of Insane for 1890	Rank in Expenditures	No. of Insane
New York	5,997,853	1	$117,300	19	16,624
Pennsylvania	5,258,014	2	476,000	5	7,611
Illinois	3,826,351	3	681,635	3	6,966
Ohio	3,672,316	4	893,133	1	5,171
Missouri	2,679,184	5	167,400	18	1,844
Massachusetts	2,238,943	6	199,879	14	5,939
Texas	2,235,523	7	3,3,693	10	1,4[illegible]2
Indiana	2,192,404	8	542,000	4	2,619
Michigan	2,093,889	9	452,856	6	3,149
Iowa	1,911,896	10	95,875	21	2,480
Kentucky	1,858,635	11	377,928	8	2,[illegible]71
Georgia	1,837,353	12	197,300	15	1,991
Tennessee	1,767,518	13	182,452	17	[illegible]55
Wisconsin	1,686,880	14	240,212	11	2,218
Virginia	1,655,980	15	314,000	9	2,946
North Carolina	1,617,947	16	19,200	16	1,259
Alabama	1,513,017	17	115,293	20	1,[illegible]77
New Jersey	1,444,933	18	215,597	13	2,069
Kansas	1,427,097	19	222,000	12	1,623
Minnesota	1,301,826	20	432,283	7	2,626
Mississippi	1,289,600	21	.....	.....	.....
California	1,208,130	22	882,679	2	3,456

LUNATIC ASYLUMS.

As indicated very clearly by the foregoing figures, one of the main sources of State extravagance is the care of the insane. The extraordinary increase in the number of our lunatic asylums and similar institutions had its origin in two causes. First—The desire of members of the Legislature from particular sections to secure the approval of their constituents by conferring upon them certain supposed benefits, and the consequent iniquitous system of "trading" to which this gave rise. Second—The presence in the already existing asylums of inmates who, under the law, were not entitled to entrance therein and have no right to be retained there. I confidently assert that a large percentage of so-called patients confined in our lunatic asylums are not legally entitled to a home in those institutions. Yet they are, and for years have been, admitted and cared for. Had the law been properly complied with in the past, three asylums only would have been required—one south and two north of Tehachapi—and these, with slight additions to their capacity, would have been more than ample to meet the demands of the State for years to come.

We are by reason of these abuses not only taxed beyond the necessities of our condition, but are misrepresented and injured abroad through the false reputation given to our people by the apparently wide prevalence of mental disorder in the State. That these are but statements of fact let the reports of the two oldest of our institutions for the treatment of the insane bear testimony. The directors of the Napa Asylum in their latest report use this language:

"California supports too many people in her insane asylums. These institutions are crowded, to the detriment of a proper or successful treatment of the curable insane, and are made unduly expensive by maintaining persons—cases of harmless chronic mental unsoundness and mere imbecility—who ought to be supported elsewhere."

In 1886 Dr. W. H. Mays, then Superintendent of the Stockton Lunatic Asylum, said:

"This asylum has, from an early day, carried along on its reports a large contingent, drawn from all quarters, of chronic incurable dements, imbeciles, dotards, idiots, drunkards, simpletons, fools—a class, in fact, of harmless defectives usually found in poorhouses or elsewhere. In the absence of county charitable institutions it was necessary to send them here. There was no other place for them."

And this condition has existed for years, notwithstanding the plain legal provisions prohibiting the commitment to or retention in such institutions of these classes of society's dependents. The class that may be admitted is clearly indicated in Section 2215 of the Political Code, thus: "A person who is so far disordered in his mind as to endanger health, person or property." By Section 2220 the retention in a lunatic asylum of a any person other than those specified is prohibited. The law unfortunately does not permit the Governor to remove appointees in the management of these institutions, but I shall give this abuse my careful attention and require the law to be strictly enforced, and we shall, I hope, find a remedy somewhere.

As a step in the direction indicated I would recommend that a bill be passed abolishing existing asylum boards and providing for one non-partisan board of from seven to nine members, to control the entire system of lunatic asylums, with power to employ one general supervising head, who shall be an expert, and not otherwise connected with any of the institutions. The saving by such a system would be large, and local persuasion and influence could circumvent neither the expert nor the general board. While all reasonable liberality should be shown in the care of the insane by the State, not one dollar of the people's money should be wasted, nor should a single person who ought to be supported in a county almshouse be maintained in a State institution.

THE STATE PRISON.

The recommendation of one board for all the lunatic asylums will apply with equal force to the other State institutions. It would be a good idea to consolidate San Quentin with Folsom, and the management of the Preston School with that of Whittier. Unless the Preston and Whittier Reformatories be merged into a single institution, the former should be used as a reformatory for girls and the latter for boys. From this change a large saving of expense would result, the estimated cost of maintaining these reformatories being $200,000 and $100,000 respectively.

A law also suggests itself requiring the keeping of uniform books and the making by the officers of our State institutions of uniform reports annually instead of biennially, so that any citizen might trace each item from beginning to end of a transaction. All moneys received by any of these establishments, instead of being placed in a "contingent fund," to be drawn upon at will by the board, should be paid into the State Treasury, duly credited, and only drawn out on properly approved warrants and vouchers.

At Folsom the State has one of the finest prisons and manufacturing sites in the world, and as the Constitution, in Section 6 of Article X., requires in definite terms that convicts shall be forced to labor for the benefit of the State, the tremendous water-power at Folsom might, in conjunction with the prison labor, be turned to profitable account. The high prices paid by many of our public institutions for supplies, purchased from the lowest bidder, suggest that nearly all the articles needed in these institutions might be economically manufactured at Folsom. At present we must in certain of these purchases accept the product of Eastern convict labor. The suggested change would be beneficial in two ways: It would be a measure of economy and be highly reformatory, occupying the minds and bodies of the convicts; and, by teaching them some handicraft, enabling them to become useful members of society on their release. The Legislature, in any action that it might see fit to take on this suggestion, should have a care that convict labor be not permitted to compete with the free labor of our own people further than is unavoidable.

On this subject the late report of State Prison Director DePue contains valuable recommendations. One of the most important industries that might be established at Folsom, he says, is that of manufacturing ice. The cost would be surprisingly small, and the value to all classes, especially to butchers, fruit-raisers and handlers of perishable products in general, would be very great. Ice can be profitably manufactured at Folsom and sold to our people at a very small fraction of the usual market rate for natural ice. The free labor which the establishment of such a plant at the State Prison would displace would be comparatively insignificant, for about the only employment furnished by the natural ice companies that would be affected is in harvesting and storing a gratuitous product of nature for a short time in the winter. This recommendation is contained in the Democratic State platform.

STATE COMMISSIONS.

While all civilized countries recognize the importance of and provide for such work as that assayed to be performed by our various scientific commissions, they usually commit the task to persons skilled in the subjects investigated. The United States, years ago, recognized the necessity of some thorough scientific investigation on the lines attempted to be followed by our agricultural associations and related commissions, which include horticulture, viticulture, forestry, etc., and in pursuance thereof made large gifts to the States for the purpose of endowing universities. Notwithstanding the establishment, in accordance with this purpose, of the University of California, we have spent since 1880 on horticulture, in appropriations and printing, over $200,000, and in viticulture, in appropriations and printing, $221,311 50, or a total for the two of about $425,000. And yet I am informed that these organizations and departments do not own one experimental station, an orchard, vineyard or nursery. I learn also they have expensively furnished offices and many valuable books and instruments. It is known that some of the officials connected with these commissions are able men in the departments of knowledge indicated, and could, under different circumstances, render valuable service to the State. The work could be done far better and at a much less cost by the appropriate departments of the University of California or the Stanford University, if they would undertake it. In each of these institutions of learning there is a professor specially trained in all the matters contemplated by law that the commission should control. Not only would the work be better executed in this way, but the result arrived at would have a higher standing among educated men, and the cost to the State would be much less. The reports of these commissions and bureaus will reveal to the Legislature the significant fact that office rent, salaries, etc., consume an inordinate amount of the appropriations set apart for their maintenance. All the work that possesses any value to the people could be done for not to exceed 30 per cent. of the cost if each commission were merged into a department of the University.

These observations apply with equal pertinence and force to the Mining Bureau and the scientific functions assumed to be discharged by the agriculture societies. The agriculture societies as now managed are of but little or no benefit to the people. There is but slight competition between classes or sections and but small rivalry in anything except horse-racing. Three annual fairs—one south of Tehachipi, one between that point and Sacramento, and one north of Sacramento—would serve better to stimulate a wholesome spirit of emulation and rivalry than the present plan of a fair in nearly every county, encouraged by State aid. The place of meeting could be changed yearly, and an annual appropriation of $5,000 for each would be amply sufficient in addition to the means provided by the local directors. Three district societies and one State society would be far better than the existing system.

The Mining Bureau costs the taxpayers upwards of $50,000 biennially, and our district fairs upward of $200,000, not including printing. The saving that would be accomplished by placing the commissions referred to under the management of one or both of the universities would be from $225,000 to $300,000 biennially, not to speak of what might be spared to the people in the matter of printing the reports.

LARGE LEAKS.

The evil consequence of permitting the State Treasury to become a grab-bag, into which capacious hands may be thrust with impunity for the benefit of certain sections or interests is forcibly illustrated in the operation of the law by which counties obtain a bonus for the maintenance of each aged person in indigent circumstances supported at public expense. It is a fit companion of the statute awarding a bounty on coyote scalps. The result in each case has been a numerical increase in the objects of the State's concern. The estimate of the Controller of the amount necessary to meet the demands of the different counties arising from the care of the aged poor for the ensuing two years is the enormous sum of $800,000, whereas for the year ended June 30, 1884, it was but $103,866 57. The increase has been steady and persistent, and if it should continue in the same proportion, ten years hence the amount required for this purpose alone would run into the millions.

Society must of necessity take care of its dependent poor, especially those whose accumulation of years renders them unable to take care of themselves; but it is submitted whether local communities might not perform this duty more economically and efficiently on their own account exclusively, without assistance from the State. The allowance from the State for each of the aged poor on a county roster is often greater than the expense of his maintenance, leaving a residue of profit and encouraging a fictitious enlargement of the roll. There is no more reason why the State should contribute to the support of the poor of local communities than there should be for an appropriation to help along the fire or police departments of the different towns.

I therefore recommend the repeal of Chapter No. 86 of the Statutes of 1893, entitled, "An Act to appropriate money for the support of aged persons in indigent circumstances."

I also recommend the repeal of Chapter No. 198 of the Statutes of 1891, entitled, "An Act fixing a bounty on coyote scalps" The Controller's estimate of the cost of carrying out the provisions of the last-named Act for the ensuing fiscal period is $200,000. Here is an easy saving, then, of a million dollars in these two items, and if we are sincere in our purpose to retrench and reform, there is no good reason why the saving should not be made.

REDUNDANT OFFICIALS.

The attorney for the State Board of Health and the San Francisco Board of Health (useless offices that should be abolished) receives as much as the Secretary of State, State Treasurer or Attorney-General. Many officials with less duties to perform, who are not compelled to change their residence or forego other business, receive more than these last-named State officers; and others still, as well as certain employes, are furnished with their living, in addition to their pay, which latter is much in excess of that received by citizens who perform similar service for private parties. I speak now only of such as do not require special education or training for the positions which they fill.

WHAT THE CONTROLLER SAYS.

Having made my canvass for the Governorship on the lines here indicated, it is a matter of peculiar gratification to me to find the Controller, who is of the party that opposed me in the election, verifying, in the annexed extract from his report just issued, what I said to the people in the campaign:

"Compared with other States, of even far greater population, this amount ($8,000,000 a year) is simply enormous. There is no good reason for such extravagance. While it is true our State is large in territory, its products many and varied, and we are now undergoing what might be termed a creative or formative period, nevertheless there are numerous items of expense that may be done away with without the slightest injury to the State's interest, and in these stringent times it should be the first duty of the Legislature to reduce taxation to the lowest possible limit."

CITY AND COUNTY GOVERNMENTS.

Our Constitution declares, in Article XI., Section 5, that the Legislature, by general and uniform laws, may provide for the election or appointment, in the several counties of the State, of various officers, and that it shall regulate their compensation in proportion to their duties, and for this purpose may classify counties by population. The plain meaning is for a general classification of such counties as have an approximately equal population; yet we find the most dissimilar and discriminating classifications and the most unequal and unjust burdens imposed on the taxpayer, the plain constitutional provisions being ruthlessly ignored. There are fifty-three classes under this law out of a total of fifty-six counties, or nearly one class to each county. The difference in population forming the alleged basis of the classification is often ridiculously slight, although the compensation of officers varies greatly. Thus in counties of the thirty-second and thirty-third classes the difference in population, according to the latest enumeration, is but thirty-one, while the difference in population between classes thirty-first and thirty-second is but sixteen. Nevertheless these classes differ widely in the salaries and other compensation allowed their officials. Again, many counties have different fee bills, and while the Clerk's fees in one county might not exceed in a probate or contested case the sum of $5, in other counties they may run into the hundreds. These unfounded and unnecessary differences impose unequal burdens upon the people.

The truth is that our existing scheme of county government is a species of the most unjust and unequal special legislation imaginable, along with being, as the courts have so frequently declared, obviously unconstitutional. The necessary limitations of this communication do not permit a full consideration of all its inequalities and iniquities. The illustrations presented, however, will suffice to draw your attention to the condition of the law and suggest the necessity for its amendment. We should lay aside all other considerations than those of public good and devote ourselves assiduously to this important task. The members of the legal profession in your respective bodies, comprising, as they do, some of the best lawyers in the State, should have the matter referred to them, instead of to persons unfamiliar with the many decisions of the courts covering the matter. Should you pass a new Act, drawn in accordance with the suggestions of our Supreme Court in Dougherty vs. Austin (94 Cal. 608), our people would be relieved of many oppressive and unjust burdens, and freed from the necessity of much useless litigation.

The laws under which city governments operate are in a scarcely less chaotic state. Take for example the municipal improvement bill, known as the Vrooman Act, as amended, and under which public work is done. This in many cases imposes unjust burdens upon property-owners and is essentially a contractor's law. It should be carefully amended. Property-owners should have a right to appeal to the courts against inferior street work or the failure of the contractors to comply with any condition or specification of the agreement, and every contractor should be put under bonds to keep the work in repair for three years, and during that period to remedy all injury or damage thereto arising from inherent defects. The cost of preliminary street work under the present Act can easily be reduced over 50 per cent.

CONSTITUTIONAL AMENDMENTS.

There should be two constitutional amendments submitted to the people, one abolishing the clause making the findings of one Railroad Commission conclusive and another requiring special qualifications for eligibility to the office. Many other States accept none but men of special training for this most responsible position. In some a lawyer, a man experienced in railroad matters and a business man, are required to constitute the commission. In California any one who can get the nomination may run. Of course this change might make necessary an alteration of the method of selecting the commission, but as in fourteen years' experience in this State we have not covered ourselves with glory through the operation of the law as it stands, almost any kind of a change would be an improvement. The finding might be *prima facie*, allowing either party to apply to the courts in case of dispute or manifest wrong. I here state nothing new to the people and intend no reflection upon any individual member of the Railroad Commission, past or present, when I say that the conduct of this department of our State Government has been from the outset a scandal and disgrace. It appears to have been impossible hitherto to elect a commission the majority of whose members would not fall under the influence of the powerful interest whose relations with the people they were chosen to regulate. The scandal has not only been a perennial topic of discussion in the newspapers, but it has gone into permanent literature as an example of the low standard of official morality in the community.

A second amendment greatly desired is one giving to local communities more liberal self-government in matters purely local, and each community should be allowed to have a charter passed to meet its own peculiar municipal needs. As the law now stands, a city with a charter has to keep watch at Sacramento during each session of the Legislature for fear of changes being attempted under the forms of general laws, for the special benefit of some other city. Let us have a provision of the Constitution submitted to the people which shall be sharp and expressive and beyond all question, giving to cities the right of regulating their purely local affairs without the interference or dictation of a law-making body composed of representatives from every other part of the State.

PROBATE REFORM.

Bills largely remodeling our probate laws were introduced by an able member from Los Angeles two years ago, and the good work then begun should be taken up and carried to completion. Among other matters that might with profit be considered is the regulation of Public Administrators. Except in the larger cities and counties, such as San Francisco and Los Angeles, the County Treasurer should act as Public Administrator. His office is convenient of access, his deputies ample in number and the additional duties would not overwork either him or them. The District Attorney should be compelled to act for all resident orphans and minors in estates of less than $10,000. A man should be allowed to apply to the Superior Court to prove a will, deed or other instruments by serving citations on his known heirs in the State and by publishing the same for a time to be prescribed by law. A jury should be allowed either party to the proceeding, the judgment to be final as to his capacity at the time of trial and of his freedom from duress, menace, fraud, etc. Such a bill will be introduced, I am told, during the present session.

Another needed change in the law is one requiring the acknowledgment hereafter of an illegitimate, to entitle him or her to inherit from the father, to be in a signed writing, specifying the person intended to be legitimated, and indicating the intention to legitimate, which writing should be signed by some person as a subscribing witness thereto, in the declarant's presence. At the same time, a bastardy law, permitting the proof in court by ample evidence of the paternity of a child and requiring its support during minority by the father, should be passed. The judgment as to paternity before the father's death should legitimize the child equally and for the same purpose as an acknowledgment. In all societies, barbarous as well as civilized, the doctrine is accepted that a man who brings a new life into the world should be forced to care for it during the period of dependence. It is bad enough for the babe and mother to bear the shame, while the father passes often times as a citizen of unquestioned respectability.

BALLOT REFORM.

Our ballot system, while an improvement on the old, is still in need of amendment. The Australian plan is excellent, and assures freedom and independence to the voter, but it might be easily improved. There is little or no protection to the ballot after it is cast. It is easily altered, and in a manner to defy detection. It is often left in a place of insecurity, and in the past many changes have been made in the ballots in the most unaccountable way. It is but two years ago in San Francisco that about 500 ballots were altered after they reached the Registrar and before being produced in court during a contest. What has happened once might occur again. Many methods for protection will suggest themselves to you. So long as the law remains as now, and the ballots are liable to such easy changes, no contest can be guaranteed to tell the true vote as it should.

If precinct officers of different politics can be found who will falsely certify returns, under the very eyes of political watchers, how little faith is to be placed in a political worker of one party who has sole charge of the ballots, a slight change in which might defeat a candidate whose election meant the removal of the person in whose custody the ballots were.

Provision should be made for the recount of a precinct or county before the Supervisors or Election Commissioners on establishing to a Superior Court that there is a reasonable ground to apprehend fraud or mistake, and a bond being given for cost in case the apprehension prove unfounded. This should especially be so as to State officers. But before this change can be made a satisfactory method of preserving the ballots must be devised.

No man should be exempt from serving on a precinct election board because of his wealth, and no man should be excluded because of his poverty. The whole system of appointment of precinct election officers ought to be changed. The names of eligible persons should be drawn from precinct ballot boxes at least thirty days before election by a Judge of a Superior Court or by someone in his presence, the same as jurors are now drawn. The person selected should be required to make excuses or serve or be punished for contempt. Then each political party managing a canvass should be permitted to have watchers paid by itself at each booth to watch the count and returns. Ten days before election the inspector should be required to appear before the Registrar or County Clerk and receive his instructions.

While this method would not make the board equal, politically, there would always be in its membership good men, and political parties and candidates would watch more carefully the result.

THE RAILROAD REFUNDING BILL.

While as legislators you cannot pass any Act directly bearing upon the subject of transcontinental transportation, still you may instruct your Senators and advise your Representatives in Congress thereon. And I would suggest that you so advise and instruct in favor of Government construction and control of the Nicaragua Canal. I also suggest that you instruct and advise against all Pacific Railroad refunding bills. The Government might with profit to the Pacific States foreclose on the property and operate the mortgaged roads, under proper regulations, at a rate of charges to be measured by the cost of the service.

Our banking system is altogether too loose. We do not give sufficient attention to the interests of depositors, and the public would be guaranteed increased security if our laws were made to conform more closely to those of the General Government regulating national banks. We should also provide for the punishment of all violations of the banking laws by the officers or stockholders of any bank—something for which there does not appear to be any adequate provision at present.

COLLECTING TAXES.

The method of assessing and collecting taxes in this State is cumbersome and unjust, and no better plan of reform in this particular could be devised than that suggested by my honored predecessor, Governor Markham, in his biennial message to the thirtieth session of the Legislature. That interesting and able document indicates many abuses the correction of which would save the people large sums of money annually.

HAMPERING THE EXECUTIVE.

The Governor of California must appoint a very large number of subordinates, but it is not permitted by the law as it stands that he shall remove one of them or cause his removal (save in a few cases), except by the tedious process of an action in the courts. I find myself confronted with scores of places to be filled which, properly conducted, should be of the utmost importance in an efficient and economical administration, and if among the scores of applicants for each I should make the mistake of appointing the wrong man, there is no way under the law, barring the exception noted, by which the error could be corrected.

It seems needless to say that if the Governor is to be held responsible for the conduct of the departments whose incumbents he names he should have the control of those functionaries. In this State we should either have a system of continuous tenure during good behavior, as under the civil service classification of the General Government, or else the appointing power, which in the public mind is held responsible for the conduct of the appointee, should be vested with authority to remove the appointee, in the language of the Constitution, "for misconduct, incompetence, or neglect of duty, after an opportunity to be heard on written charges."

IN CONCL