MR. ODELL'S MESSAGE.

Continued from page one.

to the veto power of the Executive against unnecessary expenditures, without a disapproval of many of the gross appropriations.

In connection with the report of the Controller, it may be well to consider the effect of our incorporation laws, and what bearing they have upon the revenues of the State, and what, if any, legislation is required to liberalize and make them more effective. That corporations are treated more liberally in other States than in our own is well known. The additional burdens placed upon domestic corporations force capital to go to other States where more favorable laws exist, and New-York is losing the revenues which other States are enjoying at its expense. The total amount of money received from the incorporation tax during the last year was but $356,778 61, showing that only $34,000,000 of capital was organized under our laws in that period. Many instances could be cited where single corporations with a greater capitalization than the aggregate just referred to have been made in other States. What renders this condition of affairs the more unjust is that foreign corporations transact their business and use our State to all practical purposes as their main distributing point and place of business. It is comparatively easy for them to escape taxation upon a great amount of capital under that section of the law which provides that they shall pay only upon the amount of capital actually employed within the State. With inadequate means for determining that amount, upon which an honest difference of opinion may also exist, they pay but little if any taxes. What then shall we do to make our laws more popular and at the same time protect the interests of the State and increase its revenues? While the cost of incorporation is greater in New-York than in any other State, entailing a larger burden upon the corporations at their inception, this is of but minor import and has but little bearing upon the discrimination against New-York.

Without considering the restrictions as to the line of business or the acquirement of property, and the mortgaging of such properties, the one feature of our laws which to the average capitalist is the most distasteful is that section which provides that he shall be liable for all the debts of the corporation individually through a failure to make an annual report, which under a recent decision of the Court of Appeals is held to include not only the floating but also the mortgage indebtedness of every corporation. It is right that directors should be held accountable for their action where fraud or misuse of moneys or property is involved. When we take into consideration, however, that the report referred to, if necessary at all, could be enforced against the corporation by an action to compel it, under a money penalty, it would seem to be a very severe punishment that the failure to so file it should result in the transfer of its full debt to each and every director.

When we consider also that these reports need not convey a correct statement of the condition of the company, and are therefore of no benefit either to the State or to the company's stockholders, it would seem desirable, as a matter of right, that this provision should be repealed.

The references made above, together with those as to the limitation to debt, which do not now, under our law, extend to railroads, and other minor details, we might well regard with favorable consideration because they would do much to remove the objectionable features which now surround our corporation laws.

This subject is recommended to your careful consideration, with the hope that the present Legislature will not adjourn without having enacted amendments which will liberalize and make more popular our corporation laws. We should exercise the same supervision over foreign corporations who seek to do business within our State as over our own, and they should be subject to the same limitations. Many complaints now made against large combinations of capital are just, but, owing to our lack of jurisdiction, we are unable to control, and therefore no law can be framed which will reach foreign corporations effectively. Even though we deny their right to file certificates, the greatest penalty is the withholding of the right to use our courts, and this, in effect, is but a slight embarrassment, as the United States Court can be used for the same purpose. Liberal laws, therefore, which will accord the same rights as those given to individuals, restrictive as to their powers, and the safeguarding of the people's interest, will accomplish much more than declamation against corporations, and will at the same time aid us by relieving the burdens of taxation upon the homes of those who can ill afford to bear them.

The abuses which have grown up under the attorney system are such as to call for correction. There are, perhaps, instances where the services of special attorneys may be justified, but in most cases the work performed by them should be left to the legal department of the State. I direct the attention of the Legislature specifically to the law governing attorneys for the Lunacy Commission, and for the Forest Preserve Board. A great amount of money has been expended in the past for such services, and if it is possible to save these expenditures without detriment to the State it should be done. A portion at least is unnecessary, and I am convinced can be avoided without any serious embarrassment following. This recommendation is made with the belief that you will give to it the attention which its importance deserves.

COMMISSIONS.

One of the most important matters to which the attention of the Legislature should be given is the possibility of consolidating or abolishing many of the commissions which have been heretofore created for the care, supervision and control of the various interests of the State. Many of these have outgrown their usefulness. Legislation in recent years has enlarged and in many cases duplicated the work, until their many officials, with the accompanying salaries, expenses and other incidental outlays, have grown to proportions inconsistent with a due regard to the interests of the taxpayers. In this connection your attention is called to the amount appropriated by the last Legislature for the salaries and office expenses of some of these various commissions.

The Board of Mediation and Arbitration received an appropriation of $17,800 for salaries and office expenses. The Bureau of Labor Statistics received an appropriation of $32,942. The State Factory Inspector's department received an appropriation of $121,551, making a total appropriation for these three departments of $172,293.

There are nearly as many men employed in the Factory Inspector's office as in the enforcement of the Excise laws. It would seem that the State might be readily divided into inspection districts, with much better results than are obtainable under the present system, and in addition to the duties now performed the inspectors could at the same time collect the labor statistics, and the necessity for a separate set of men, now going over the same ground and duplicating the work, might thus be avoided. Factory inspectors, in the course of their inspection, become familiar with the questions arising between employer and employe, and their reports could furnish a great deal of the information that is needed for the proper consideration of the relations existing between them. If this be so, it would seem that by a consolidation of these three departments into one, to be known as the Department of Labor, the work done by each of the present departments could be more efficiently performed and at a very much less expense than is now possible. If this Department of Labor should be created, with a deputy in charge of each of the three branches heretofore conducted separately, a provision could be made by which a Board of Mediation and Arbitration might be selected from those connected with the Department, and a large saving of salaries and office expenses be effected.

In my opinion, at least $72,000 would be saved as the result of such a union, and the great interests of labor be better conserved. I recommend such legislation as will accomplish this result.

The Factory Inspector has been charged under a recent law with the examination of the sweatshop system in the larger cities of the State, and has examined 27,000 applications for licenses, of which 19,000 were granted. This law has been generally obeyed. It would be impossible, it seems to me, to prohibit entirely the performance of work in homes, and possibly it would not be desirable, but supervision by local Boards of Health and deputy factory inspectors will result in a very much better hygienic condition than has prevailed heretofore. The penalty for violation of the law should be made more stringent, and in this direction it is to be hoped that the necessary amendments may be enacted.

EMPLOYERS' LIABILITY.

There have been frequent attempts during the last few years to enact what has been called an employers' liability law, the object being to place employes upon the same footing as individuals not employed, where death or injury may result from the acts of fellow employes without contributory negligence. The wide divergence of opinion existing between the employers and employes is responsible for the failure to secure affirmative action, and therefore it has been impossible for these interests to meet upon a common ground. A system of compulsory insurance of employes by the employers has been suggested as the best way of arriving at a solution of this question. It seems to me that it is possible either by this method, or by more clearly defining the law as to when the acts of the employe stand for those of the employer, to arrive at some conclusion satisfactory to both these great interests. The employer should furnish to his employe every protection. It is as necessary that careful and prudent men should be employed as it is that the best mechanical appliances should be used in the prosecution of business, and known incompetency which causes injury should be punished as fully as the failure to provide other proper safeguards. I commend this subject to you for your careful consideration. The States of Massachusetts, Indiana, Colorado and Alabama now have liability acts, and they have been found to work without detriment or serious embarrassment, and the great State of New-York owes to the laboring interests of the State the same ample protection.

STATE BOARD OF CHARITIES.

Article VIII of the Constitution provides for a State Board of Charities to be appointed by the Governor. As at present constituted this Board consists of twelve members, receiving a compensation of $10 for each day's attendance at meetings of the Board, with expenses. The Board also maintains an office with a secretary and other employes. The appropriation for salaries of commissioners, employes and other expenses amounted to the sum of $51,620 last year.

The duties imposed upon this Board, while important, I believe could be more properly attended to by a single commissioner, selected by the Governor by and with the consent of the Senate, together with such State officers as might be designated by him. I would recommend that the present Board be abolished, and the duties heretofore imposed upon it be discharged by one made up as above suggested. The reduction which I am satisfied would result thereby, without impairing the efficiency of the work, would be about $25,000 a year.

PRISONS COMMISSION.

Article VIII of the Constitution provides for a Commission of Prisons, and Chapter 1,026 of the Laws of 1895 provided that the Governor should appoint eight commissioners, who receive $10 a day and expenses while in the performance of their duties. This Commission also maintains an office and office force, and received an appropriation last year therefor amounting to $13,000. While it is true that this Board has effected a great saving to the State, and a better sanitary condition in the various subdivisions, yet its work has reached such a satisfactory state that, in my judgment, the duties of this Commission should be conferred upon a single commissioner, to be selected by the Governor, by and with the consent of the Senate, who, together with such State officers as might be designated, could continue the work of the present Board of Prison Commissioners. The expenses which would be saved by this consolidation, without lessening the efficiency of the Commission, would be at least $10,000 a year.

STATE BOARD OF HEALTH.

I also desire to call your attention to the State Board of Health, which consists of three Commissioners appointed by the Governor and certain ex officio members. The duties are such that one competent man giving him time thereto might easily perform them, provided that the supervision of tuberculosis and glanders in cattle were transferred to the Department of Agriculture, where it properly belongs, and the necessity for a large office force at an expense, according to the appropriation of last year, of $42,200 could be largely reduced. This is also suggested, with a recommendation for affirmative action by the Legislature.

FOREST PRESERVE BOARD AND FORESTRY, FISH AND GAME COMMISSION.

The preservation of the forests, especially as a protection to the water supply of the State, has been a duty that has received proper attention from the Legislature, and is of the greatest importance. The same care has also been extended to the protection of the fish and game interests and the shellfish culture along our coasts. The steps taken toward this end have undoubtedly resulted in great benefit.

It seems to me, however, that two boards, one charged with the purchase of lands and the other with their protection, must necessarily duplicate each other's work to a considerable degree, and that a consolidation would result in a large saving. The Forest Preserve Board is composed almost entirely of officials elected by the people, and the Fish and Game Commission appointees of the Governor. The law governing the work of the Forest Preserve Board could be amended so as to permit the selection of a member by the Governor, by and with the consent of the Senate, who, with the two State officers now designated, should constitute the Forest Preserve Board, and the powers and duties of the Forest, Fish and Game Commission could be transferred to the Board as thus constituted. The importance of this suggestion is realized perhaps more fully by placing before you the appropriation made for these Boards last year. There was appropriated by the last Legislature for the salaries and office expenses of the Forestry, Fish and Game Commission the sum of $82,875. This includes the expenses of printing and publication of reports, salaries of commissioners and employes and other expenses incidental to the maintenance of such a department, but not the maintenance of hatcheries and legal expenses. Aside from the sum of $250,000 appropriated for the purchase of lands and expenses of the Forest Preserve Board there was expended for other salaries and office expenses over $14,000, and paid for additional counsel about $12,000. The legal work of this Department should be performed by the Attorney-General.

The saving of expenses which would undoubtedly follow consolidation, amounting probably to $35,000, is certainly enough to warrant careful consideration upon the part of the Legislature, and such legislation as will lead to this result is recommended.

SUPERINTENDENT OF WEIGHTS AND MEASURES.

One of the offices which, in my judgment, might be abolished without loss to the interests of the State, and with a saving of expense, is the Superintendent of Weights and Measures. Apparently, he may not perform any duties oftener than once in ten years, while he receives an annual salary of $500. This office appears to be in the nature of a sinecure, and I recommend legislation looking to its abolishment.

EXPENSES OF JUDICIARY AND STATE PRINTING.

Other great items of expense which have been growing steadily are the expenses of the judiciary and of State printing.

Upon the adoption of our present State Constitution the Appellate Divisions superseded the General Terms, the object being to relieve the Court of Appeals from the great volume of business which before had been left to its determination.

While a more rapid adjudication of actions was the object of the change above referred to, it was not supposed that this and other amendments made in the Constitution would so enormously increase the expenses of the Judiciary of the State. Many laws, such as that providing for clerks and personal attendants, have been enacted in recent years, and there seems to be no limit to which this extravagance may not lead. As an example illustrating my meaning, your attention is called to the expenses which have grown up under the Special Jury law, passed in 1896 for the city of New-York. The Appellate Division of the First Department is responsible for the appointment of the officials charged with the administration of this law, and has placed in charge one Commissioner at a salary of $6,000, a deputy at $3,000, three clerks at $1,500 a year each, three at $1,000 a year, and one at $750, a total of $17,250. In addition to these officials this division also maintains its staff of employes upon the same liberal basis. Of course, New-York City pays the expenses of the Jury Commission, but this profligacy in the one case is an indication that no greater care is exercised where the expenses are borne by the State. It seems to me, therefore, that in making your appropriations for the judiciary a saving could be effected without loss of dignity or power to the various branches resulting therefrom. I may say in justification of the criticism of the Special Jury law that I am informed that the Commissioner is seldom called upon to furnish a jury, and is a hindrance rather than a benefit to our jury system, and the law should therefore be repealed.

Another great increase in expenses has been in the item of printing, which in 1880 amounted to $108,435 88, and last year to $583,191 47, or five times as much.

It is your duty to curtail in every way this wasteful extravagance, which exists to-day in almost every State Department. It is no answer to cite the fact that others have done worse, and that the State is better able to afford these expenditures because of the indirect taxation, but it is your duty at once to take such action as may be necessary to correct what I am convinced are grave abuses.

It is the right of the taxpayers to expect at the hands of the Legislature such action as will lead to a reduction of their burdens, which are now bearing heavily, especially upon the farming sections of the State. I trust your favorable consideration will be given to these recommendations.

STATE TAX COMMISSION.

The State Board of Tax Commissioners have had placed upon them the additional duty of assessing the special franchise tax under the law enacted during the administration of my predecessor. Under the first operations of this law 4,751 valuations were made, aggregating a total of $266,163,059, an increase of $170,101,157 over the assessment of the same properties by local assessors the year previous. The Tax Commissioners, in the valuations under this special franchise tax, have had to do with the assessment of property crossing highways, and they have recommended that where the occupation is less than two hundred feet the law be so amended as to leave to the localities the assessment, State supervision of such properties causing serious and unnecessary irritation to those affected, with hardly any corresponding benefit to the State.

TAXATION.

The subject of taxation is one that is of the most import to the people of the State at large. The attempt from time to time to shift the responsibility from one class of property to the other, with but correspondingly slight decrease in the burden borne by the real estate throughout the Commonwealth, does not fulfil the requirements of the constituency which we represent. I have looked forward with pleasurable anticipation to the day when the State of New-York would no longer find it necessary to levy a direct tax for State purposes. The franchise tax meets, to a limited degree, this expectation. The Stranahan bill, the purpose of which was to impose a tax upon all mortgages, came nearer its consummation than any law that had ever before been presented to the Legislature. The complications and antagonisms which it aroused made it unwise to act upon a matter of such great importance during the last session of the Legislature; so that to-day we have the same problem confronting us as has been before us for so many years.

All corporations receive from the State certain rights. They have, first, the right to exist. In addition some acquire from municipalities, through the action of the State, rights to build, maintain and operate their properties. It seems to me, therefore, that capital of this character in our State should pay a tribute to the creating power for that which they have received. This justifies the present laws taxing corporations for State purposes, and all future corporation tax laws should be based upon this principle. That the present law works hardships to some and is not fully enforced in other cases is apparent. This no makeshift remedy will correct, but an entirely new system should be framed to meet existing conditions, and a fair and equitable recompense from all corporations enjoying State protection and favors should be exacted. Exemptions should be given by the localities rather than by the State, because it is the former which receive the greatest benefit, and all corporations should therefore pay a tax based upon their earning power. But few of the many corporations in the State are now taxed in this manner, and therefore an unfair discrimination exists. A correction of this error would add greatly to corporation tax receipts by the State.

In addition to this, corporations organized under the Transportation laws, which include all those using public utilities, should also pay an additional tax. To correct many abuses which grew up under the administration of this feature of our law the Franchise Tax law was enacted. While agreeing with the principle, I am convinced that the method of its administration is crude, and should be more clearly defined.

We have in addition to these as sources of revenue a great number of banks, both National and State; trust and insurance companies, some of which are assessed at a high figure and others at a valuation so low as to be absurd. It is a well known fact that trust companies do not pay their proportion of the State's taxes, and that this discrimination is of such a character as to enable them to thrive and do business where a National or State bank cannot. The total amount of the capitalization, undivided profits and surplus of banks amounts to $385,133,329, of which about $55,000,000 is in real estate, leaving about $330,000,000 in personal property in such capital and surplus. Trust companies and banks should pay a tax upon their capital to the State, because of their use of our courts and for the other privileges which are accorded them. One per cent upon this amount could be exacted, which would bring into the treasury between $3,000,000 and $4,000,000, and would not materially interfere with the collection of taxes in the various localities. In addition to this the surplus of savings banks and insurance companies, which is now held as a reserve, and which amounts to $469,707,751, should pay its proper proportion of the taxes, because it is in effect the capital of such banks and companies, and should be so treated. I do not believe in attacking the deposit of the poor man, whether in savings banks or in the form of life insurance. Every possible inducement should be afforded by the State to encourage saving by those who labor and desire to lay up a fund against a "rainy day." But this surplus which accumulates from time to time should bear its portion of the tax burden, and the enactment of a law which would tax it at the rate of 1 per cent, as above, would not be too great in consideration for the protection and safeguards which our State throws around savings banks and insurance companies. These suggestions, in my judgment, if favorably acted upon, will greatly relieve the burden upon real estate. In return for this I should favor exemption from payments by banks, other than savings banks, of all local assessments for State purposes, and in the case of savings banks and insurance companies from all other taxation except upon their real estate.

The inequalities resulting from the taxation of mortgages are very great, the burden being borne principally by estate and trust funds, nearly all other mortgages escaping taxation.

If the suggestions before outlined should meet with favor, I should recommend exempting mortgages entirely from taxation, in the belief that their taxation should be left to the operation of the Transfer Tax law, the present unfair discrimination being thereby corrected, and a lower rate secured to borrowers.

THE EXCISE DEPARTMENT.

The total receipts of the Excise Department from all sources for the last year amounted to $12,567,199 25, the State's share being $4,232,625 09. This revenue was derived from 31,530 certificates. Four thousand three hundred and ninety-two certificates were surrendered during the year. The total expense of operating this Department was $280,995 06, to which should be added county treasurers' fees, amounting to $55,758 54, making the total expense of collection $336,753 60.

Your attention is called to the low expense of collection as compared with the expense of collection of the collateral inheritance tax heretofore alluded to. The Excise law was originally framed for the purpose of taking the saloon out of politics and reducing the number of licensed places. Since 1896, the date of the passage of the law, there has been a decrease of licensed places to the number of 5,698. It is still possible, however, to subject the dealers to blackmail and intimidation. I find under the present operation of the law that where a violation occurs the dealer is under the control of the blackmailer, just as he was under the law for which this one was substituted. It is possible for a citizen to begin a civil prosecution on his own relation against the violator and then carry the proceedings along to trial, or if he so desires the prosecution may be closed without either the consent or the knowledge of the Excise Department. Instances have come to my notice where such suits have been settled without any reference to the Department and without any knowledge by it of the consummation of such settlement. This is not the purpose of the law. It was intended to hold at all times the liquor dealer responsible, and if he was guilty of a violation it was designed that his certificate should be cancelled. Under the circumstances related it is possible for a man to be a frequent violator, to be prosecuted, to be blackmailed and still continue in business. I would recommend, therefore, that the law be amended so that it will be impossible, if a prosecution is begun, to settle it without the consent and approval of the Excise Department.

I believe that criminal prosecution is of greater effect than a civil prosecution, for the reason that in the majority of cases the licenses are not owned by the proprietors of the places, but by some other individual. The real violator against the law therefore escapes and renders valueless the license intrusted to his keeping. This should also be corrected.

During political campaigns some of the hotels known as Raines law hotels have been subject to more or less suspicion as to the character of their guests, and the charge has been openly made that they are often used for the purpose of colonization of illegal voters in Greater New-York and the other cities of the State. No possible restriction can be placed upon places of this character, except by constant supervision. Under the so-called Metropolitan Election law the proprietors of these hotels are required, thirty days before an election, to give to the Superintendent of Election a list of the names of the permanent guests of their houses. This renders it still possible to colonize and cast a fraudulent vote. I would suggest an amendment to the Excise law by which the Excise Commissioner may at all times throughout the year call upon the hotels under his jurisdiction for such a list of permanent guests as are then domiciled, and that he may be empowered to make such additional regulations as will at all times place him in possession of such information as he may be called upon to furnish by the Superintendent of Election or others.

PUBLIC WORKS.

Your attention is directed to the report of the Superintendent of Public Works for a detailed statement of the operations of this Department. The expenditures this year were $950,925, as against $867,148 41 for the year 1899. This increase was due to the Eight Hour law, which largely increased the payrolls, especially for lock and bridge tending.

The repairs of the canals and structure for the current year include the grading of 130 miles of towing path, of which eighty-eight miles were raised and gravelled; also, the repairing and building of a large number of structures, namely, waste weirs, culverts, vertical and slope walls, bridge abutments, aqueducts, dams, etc.

A large number of special appropriations are made annually and the work thereunder is in most cases required to be performed under the direction of the Superintendent of Public Works. Under these special acts by the Legislature the amount of $211,327 88 was appropriated, and the cost of the completed work was $169,317 69, exclusive of the cost of engineering. Three contracts under special appropriations were commenced and completed to date in 1900, the appropriations for which were $10,996 13, and their cost $9,976 18. Twenty-eight contracts have been awarded this year, under which work is proceeding, but not completed. The appropriations for these amounted to $505,426 89. The contracts were awarded for $380,529 17. From these figures it would seem that this Department has been managed in a businesslike manner, and that no undue extravagance has been permitted.

The tonnage of the canal for 1899 was 3,386,051. For 1900 to October 1 it was 2,868,526 tons, and the estimated tonnage for 1900 is 3,349,461 tons, showing a falling off for the season of 336,590 tons. It is supposed that this is due in part to the fact that the Lake traffic did not open until April 23 of this year, which was unusually late. The Superintendent believes that a large part of the canal's tonnage may be reclaimed by the repeal of so much of Chapter 935, Laws of 1896, as prevents the formation of canal transportation companies with more than $50,000 capital. I recommend that such action be taken by the Legislature.

STATE PRISONS.

The number of prisoners confined in the various prisons during the last year averages 3,376. The expenditure for maintenance during the fiscal year was $460,528 02. A somewhat larger appropriation for care and maintenance will be required for the coming year, for the reason that the Eastern New-York Reformatory at Napanoch will come under the charge of this Department. It has been found that approximately 1,600 prisoners have been engaged in productive industries. At a first glance this would seem to indicate that over half of the prisoners were idle. Such was not the case, however. The others have been employed, but not upon productive industry. If the State and its political divisions would make greater demands for manufactured product, more prisoners could be employed on such work, and their labor would contribute in a larger measure to their support. The Superintendent reports the structures at Sing Sing and Auburn as unsanitary, and in such a condition as to prevent the application of a comprehensive scheme of gradation and classification of the prisoners and the attainment of reformatory results that might be obtained if proper buildings were provided. It is hoped that from time to time the work of the prisoners in the production of the necessary materials for new buildings, as well as in the construction of the buildings themselves, may permit their enlargement and the betterment of the sanitary conditions of the prisons without any great expense to the State.

It is gratifying to note that most of the prison labor is now fully employed upon industries not interdicted by the various laws for the protection of free labor which have been enacted during the last ten years. The Bertillon system of measurement, which has been perfected under the present Superintendent, not only renders it much easier to detect and identify a criminal who has previously served a term of imprisonment, but it also makes possible the enlargement to a greater degree of the scope of the law which was passed last year, permitting judges to fix indeterminate sentences. While the application of this law rests entirely within the discretion of the Court, its scope should be so broadened as to be made mandatory in the case of conviction for a first offence for all crimes except those against the person. This would enable the Prison Department carefully to watch and hold out inducements to those who had taken their first step in crime, and when in their judgment the prisoner had shown sufficient signs of reformation, liberty could be granted. This could be done without any serious menace to society at large and would relieve the congestion which now seems to render necessary the erection of more prisons in the near future.

MUNICIPALITIES.

The influence of good government in municipalities is of such a character as to affect the people of the State, and therefore its consideration by the highest lawmaking power under our constitution is proper and necessary. We may expect to find that whenever extravagance exists as to local government it will have a similar bearing upon the action of the representatives from such a centre on the expenses of the Commonwealth. While it is true that such remedies as are permitted under our system of government can be used by the voters themselves to correct and rebuke, yet it is at the same time your province to assist in restraining and correcting evils which, though local, may by their bearing upon other sections become the evil of the whole State.

The Legislature of 1900 authorized the appointment of a commission to redraft the charter of the city of New-York, and also authorized the appointment of a commission to investigate and report on the tenement houses of the greater cities of the State. Both of these commissions were appointed by my predecessor and both will submit reports to this Legislature. Matters of such grave importance, affecting the great municipalities, should be carefully considered and such recommendations as may appear feasible in the direction of better city administration should receive favorable action. These two commissions have had under consideration two very important subjects. One has to do with the government, the other in effect with the morals, health and physical well being of a vast number of citizens.

While the revision of the charter has for its object an improvement in New-York City government, yet it has not fully met all expectations, particularly as to expenditures and the husbanding of the resources of the city. Every department of New-York needs corrective legislation. Especially is this true of those departments whose administration is confined to county lines. In this direction I desire to call your attention to the fact that many of the public officers in that city are receiving a larger remuneration for their services than that which is given to the President of the United States. Your attention is called to a few instances of this character. The Sheriff of the county of New-York receives an annual salary of $20,000, and one-half of the fees, which are said to amount to $60,000 a year more. The claim has been made heretofore that the Sheriff takes great financial responsibility, and is therefore entitled to additional compensation. This is not now true in effect, because he can at all times demand a bond of indemnity and thus save himself from all harm. It would seem to me that a salary of $20,000 would be ample for this office. The same may be said of the County Clerk and the Register of the county of New-York, whose salaries are excessive. In the county of Kings the combined salaries of the Sheriff, County Clerk and Register amount to $300,000 per annum. This could be reduced by abolishing the fee system and substituting therefor salaries, the balance to be paid into the treasury for the purpose of reducing the taxes upon property.

Recommendations to reduce commissions and to substitute single-headed commissions whenever possible should be given favorable consideration.

The maintenance of the supremacy of the greater New-York as a commercial centre is important to every part of our State. Therefore the development of the waterfront of New-York City and the improvement of its dockage facilities should receive the attention of both the municipal and State authorities. It seems to me that legislation for a more rapid improvement of its wharfing facilities should be inaugurated, and a much greater efficiency could be secured if a single-headed commission were substituted for the present Dock Board.

POLICE DEPARTMENT, NEW-YORK CITY.

The serious problem as to the proper administration of the New-York Police Department should receive your immediate attention. The present condition is probably due to divided responsibility. I am not one of those who believe that because there is a disregard for existing regulations upon the part of some of those charged with police administration the whole system is faulty and bad. With the present complicated system, the responsibility for this condition can be shifted from one to another, and it is therefore almost impossible for even the chief executive of the city to secure an honest and faithful enforcement of the law. Vice can never be entirely eradicated from the city of New-York, or from any other city. It can, however, be held in subjection and not allowed to flaunt itself defiantly before the public. It can be curbed and held under such control that at least the citizens will feel that the Department has done all that lies in its power to enforce the law. How can this be best accomplished, and what action shall be taken by the Legislature to obtain this result? In looking over the situation, and understanding something of the workings of the Department, I believe that a more perfect system can be secured by a more complete centralization of authority. At present we have, first, the Governor, charged with execution and enforcement of the laws, whose sole power at present to obey the mandate of the Constitution lies in the suspension of the Mayor and his removal when charges of official misconduct have, after a due hearing, been proven. While it is true that, during the administration of my predecessor, this power was ample to bring about the revocation of an order issued without warrant, and which for a time seemed to make a conflict between the State and city authorities imminent, yet it is possible that mayors may hereafter disregard such injunction until the injury has resulted or an actual outbreak has occurred. It cannot, therefore be said that the authority of the Governor is all that could be desired properly to discharge the duties imposed upon him. It may be claimed that the Mayor himself possesses ample power as the Chief Executive of the city, but this is disproven when we recollect that the Mayor has no authority to remove his Commissioners after the expiration of six months from the beginning of his term of office. Therefore, he is powerless except to try upon charges, and then the same condition that has been cited above may result, with consequent disaster to the public. While it is true that a majority of the Commissioners, with the approval of the Mayor, may remove, yet this solution brings up again divided responsibility and renders it almost impossible to secure that discipline which is so desirable in a well organized police force.

What remedy have we, then, for this manifest evil, which has brought the police force of the city of New-York into such disrepute? A State Constabulary has been suggested, but the strong disinclination upon the part of the other municipalities throughout the State to acquiesce in this solution renders this plan valueless. A metropolitan police system is open to the criticism that it is a violation of the principle of home rule guaranteed by the Constitution. We are therefore brought to face this proposition, with no apparent remedy as yet suggested. In my opinion there should be a complete centralization of power. There is no necessity, it seems to me, for a Commissioner who is not in effect as well as in name the absolute head of the police system of the city of New-York. An efficient man, the choice of the Mayor, as a single-headed Commission, with all the powers now possessed by the Chief of Police, would at once narrow down the responsibility, and place it within the power of the Chief Executive of the State to hold accountable the Mayor and the Commissioner thus appointed. This suggestion, if given effect by legislative enactment, would, in my opinion, be no violation of the principle of home rule. It is moreover right that inasmuch as the Governor is equally responsible he should have an authority over this department, because the people, not only of New-York City, but of the whole State, are interested, and certain powers to be exercised only in cases of emergency should be conferred upon him to enable him to carry out the constitutional mandates.

I recommend, therefore, the substitution of a single-headed Police Commission for the city of New-York, such Commissioner to be the Chief of Police of the city, to be appointed by the Mayor, and subject to removal either by the Mayor or Governor, and that the present office of a separate Chief of Police be abolished.

CITY EMPLOYES.

The decision of the Court of Appeals, which in effect makes the tenure of office no longer secure, should receive your early consideration. It has come to my knowledge that the employes of various city departments have been coerced in numerous instances under the ruling as now laid down by the Court of Appeals. I recommend that an amendment be enacted making the section of the Civil Service law affected by that decision legislative. This is due to the man who works by the day as well as to the higher paid officials. Both should have the same protection under all circumstances, and the full intent and purpose of our Civil Service laws be given effect.

RAMAPO WATER COMPANY.

Under Chapter 985 of the Laws of 1895 as amended, the Ramapo Water Company was given the power of condemnation for the purpose of securing to it the water and lands necessary for its purposes. During the year 1899 an attempt was made to enter into a contract with this company by the municipal board empowered to make such contracts. This proposition when presented to the citizens of New-York was severely criticised by them, and the question of continued municipal ownership of their water supply was thus brought to their attention. The Legislature of 1900 enacted a law which made the consummation of such a contract impossible without the unanimous consent of those empowered to make such contract. The ownership of water rights sufficient to provide the city of New-York with an ample supply of pure and wholesome water should be entirely under the control and direction of that municipality. By what now seems to have been an unfortunate omission in the original charter of the city of New-York, the city is not given the same rights that are afforded other municipalities for securing an additional water supply. It should, therefore, be your first aim to correct and repeal such provisions of the law as interfere with the free and full exercise of such powers by the city of New-York, and then to place it upon an equality with the other cities of the State. I ask the speedy enactment of such laws, and the repeal of all conflicting laws. In this legislation due regard should be given all rights involved, reserving the preference, however, for the city wherever there shall be a conflict between the rights now possessed by private corporations and those desired by the municipality.

BUREAU OF ELECTIONS.

I recommend the entire separation of the Bureau of Elections from the Police Department of the city of New-York, and the creation of a bi-partisan board, to be selected in the same manner as the minor election officials in the city of New-York; i. e., that appointments be made by the Mayor of the city on the certification of the appropriate committees of the two great political parties, charging such board with the duties now possessed by Election Boards. I believe this suggestion is in line with the original bi-partisan idea in the conduct of elections.

I recommend the enactment of an amendment to the law whereby all lodging houses shall be required to register and secure from the Board of Health permits; that such records be open to the public, and that they be compelled from time to time to report to the Superintendent of Elections of the Metropolitan District the names of and other information concerning their permanent guests.

GOOD ROADS.

Under the Higbie-Armstrong act for the building of good roads, the State of New-York appropriated the sum of $150,000 last year. The number of petitions received by the State Engineer and Surveyor from localities desiring to take advantage of the provisions of that act shows a general interest in the subject. Twenty-three roads, covering a mileage of 53.58, have been constructed, or are now in process of construction, at a cost of $377,594, one-half of which expense was borne by the localities in which the roads are located. Surveys have already been made which, if adopted, will call for an appropriation by the State of $1,222,000.

It would be inexpedient for the Legislature to appropriate this sum in any one year, but it is evident that if the building of roads is to continue a much larger appropriation will be necessary this present year. An amendment to the law which would provide that the State should pay the entire expense of construction by the issuance of bonds, levying upon the counties their proportion for the benefits received, would expedite and reduce the cost and extend the time for payment over a longer period and at a lower rate of interest. A systematic plan should be adopted, however, for the building of roads, so that all parts of the State should be equally benefited. We should effect the reopening of the old State roads, which would be of much greater advantage to the citizens of all parts of the State than the building of many such roads in any one locality.

With State aid for a common road through all counties, the building of other roads under a local money system by the counties would follow, and in a short time good roads would come without the great expense which must necessarily follow, and the discrimination which is probable under a full State system would be avoided.

CANALS.

During the administration of my predecessor a Commission was appointed by him for the purpose of taking into consideration the improvement and enlargement of the present canal system of the State. A report from this Commission was made to the State Legislature of 1900. Acting upon the recommendations contained in that report the Legislature appropriated the sum of $200,000, Chapter 411, Laws of 1900, for surveys and estimates of the cost of such enlargement or improvement of the canal system. The report on these surveys and estimates will be ready for submission to the Legislature about the first of February of this year. I shall, therefore, defer such recommendations as I have to make on this subject until the transmission of that report.

PALISADES.

The work of the Commissioners of the Palisades Interstate Park has been eminently successful, and I desire to commend to your careful attention their forthcoming report, and urge your action on their request for financial support, in a spirit of liberality commensurate with the importance of the undertaking and the great public interest therein. In anticipation of their report I am able to state that the $10,000 appropriated last year for the purpose of defraying the expenses of the Commissioners and perfecting surveys and maps has been used entirely as the nucleus of a fund for acquiring and closing down the most destructive of the quarries. Blasting at these quarries stopped on Christmas Eve in accordance with the provisions of option contracts binding until June 1 next.

The Commissioners are securing options at conservative prices on several miles of the Palisades, and through the generosity of a number of public spirited gentlemen have obtained subscriptions amounting to upward of $120,000 to be used for the purpose of taking up the quarry options, contingent upon a State appropriation sufficient to close the options upon the remainder of the property now under contract. A practical and businesslike solution of the question of the preservation of the Palisades is thus presented, and the project awaits only the proper action of the Legislature for its consummation.

AGRICULTURAL.

The appropriation by the State last year of a sum sufficient to discharge the obligations of the State Fair, bringing it under the control of a commission appointed by the State, has proved wise, and the encouragement thus given has resulted in the most successful fair that has been known in recent years. Sufficient appropriation should be made to continue this work as a State institution during the coming year. The various laws passed empowering the Commissioner of Agriculture to protect consumers from adulterated food products have been thoroughly enforced, and the results in the main have been satisfactory. You are referred to the report of the Commissioner of Agriculture for a detailed statement of the work of this Department.

The sugar beet industry of the State should still be encouraged and the bounty continued. It is anticipated that this year about 9,000,000 pounds of beet sugar will be produced in our State.

Farmers' Institutes have been conducted successfully and are of great benefit to the farming localities. The work of the stamping out of tuberculosis and glanders among the cattle should, in my opinion, be transferred to this department, because it comes properly within the scope of its duties and because it can be done with less expense.

NATIONAL GUARD AND NAVAL MILITIA.

I am pleased to report that the National Guard is in a condition entirely satisfactory, and under the existing regulations governing it has reached such a degree of efficiency that it may be safely relied upon to perform every duty that may fall to it. Every man owes his country a duty, and it ought to be both from a patriotic and physical standpoint the aim of every citizen to serve his State for the term which is usually given by those who enter the National Guard. The National Guard was not intended as a military reserve of the General Government, and it cannot in any way be so regarded. Separate companies and regiments are made up of men who through social or business relations are usually known to one another. They are willing to give their services to the State if such a call is made upon them. The Guard should never be expected to do anything else than was originally intended, that is, to suppress local troubles and repel foreign invasion, and strengthen the Federal arm only until a sufficient force can be recruited and be put into the field to replace them, but the Guard should never be broken up. This was the theory under which it was called into service during the War of the Rebellion, and it should still be our aim so to regard it. The instruction which they are now receiving at the State Camp, giving as it does to every man a practical insight into the duties which he may be called upon to discharge, teaching him the necessity of looking after himself, are calculated to raise the standard of efficiency. The display of this force at times, even though no actual outbreak occurs, has a tendency to curb lawlessness and bring respect for the law. This was notably the case in the Croton Dam strikes last year, where the mere assembling of the troops was sufficient to prevent what might have been a serious outbreak. I trust that the time may be far distant when the services of the National Guard may be necessary in our State. Mediation and arbitration, it seems to me, should be our aim rather than the exhibition of armed force. Yet we must always recollect that there may be occasions when every other remedy may fail, and as a last resort we may be compelled to rely upon the National Guard for the preservation of life and property. The force now consists of about fourteen thousand.

A faithful adjunct and auxiliary of the National Guard is the Naval Militia. The Naval Militia is as important in its way as are the infantry and other arms of the State. Their services may at any time become necessary, and they form the nucleus for building up such a naval force as may be needed for the protection of our harbors. The total amount appropriated for the National Guard and Naval Militia last year was $559,920 71. This is exclusive of appropriations made for buildings. I desire in this, as in every other branch of the State government, to recommend economy

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