GOVERNOR'S MESSAGE

Read to the Sixth Legislative Assembly of Montana in Helena Tuesday.

THE STATE'S FINANCES

And Laws Needed to Increase Revenues—Railroad Commission Suggested—Changes Necessary.

Following is the governor's message delivered before the Sixth biennial session of the Montana legislature, held in the Auditorium in Helena Tuesday:

To the Sixth Legislative Assembly of the State of Montana: It becomes my duty, under the constitution and law of the state, at this time to present to you the condition of our commonwealth, especially as to what has transpired during the past two years, and what will be needed to meet the demands of the state for the ensuing two years. Before proceeding with this undertaking, I desire to congratulate you upon the auspicious condition in which we find the general tone of the state as a body politic, and the improved condition of our people individually. Notwithstanding the fact that our country, within the past twelve months, was compelled to engage in a foreign war, which has been successfully terminated and concluded, we find that the condition of our people and the state at large has not been injured on such account. Neither has the prediction, made by many, that the commonwealth was destined to destruction by reason of the fact that the political control had passed from the republican party, proven true. In many respects we can truthfully say that the tone of confidence displayed toward the state two years ago has greatly improved since that time, and by wise legislation at your hands the condition of our state may yet be further improved, and with its general improvement will be an improvement of each individual composing the state.

The one thing necessary to maintain the good credit and standing of our commonwealth before the world is to be able to meet our obligations, and pay them with cash as they are incurred. In order to do this, the revenue of the state must, at all times, be adequate to meet its imperative demands.

Financial Condition of the State.

During the past two years we have been able to meet all demands with the revenue at our command. But this result is due, in part to certain legislation enacted by the Fifth legislative assembly, and, in part, to the economical methods pursued by the state board of examiners. But under the increased burdens imposed upon the state, this condition of affairs cannot longer be maintained with the present legislation.

At the close of the fiscal year in 1896, there was outstanding, warrants amounting to three hundred and sixty-six thousand, nine hundred and seventy-four dollars, fifty-seven cents ($366,974.57,) and deficiencies, not represented by warrants, amounting to fifty-one thousand, two hundred and thirty-seven dollars, fifteen cents ($51,237.15). To meet this indebtedness, was the revenue of 1896, yet uncollected, amounting to two hundred and eighty-six thousand, nine hundred and two dollars and seventy-six cents ($286,902.76), and cash in the treasury on the first day of December, 1896, amounting to twenty-one thousand, two hundred and thirty-nine dollars and thirty-eight cents ($21,239.38).

It thus became necessary for the present administration to pay off and discharge the large deficiency of fifty-one thousand, two hundred and thirty-seven dollars and fifteen cents ($51,237.15), in addition to the running expenses of the state for the next two years. During 1897 there was collected from all sources five hundred and sixteen thousand, seven hundred and nineteen dollars and eighty-one cents ($516,719.81), which, added to the cash on hand December the first, 1896, gave a grand total of five hundred and thirty-seven thousand, nine hundred and fifty-nine dollars and nineteen cents ($537,959.19).

The warrants drawn during 1897 amount to five hundred and twenty-five thousand, five hundred and twenty dollars and seven cents ($525,520.07). During 1898 the warrants drawn aggregate four hundred and seventy-four thousand, six hundred and fifty-eight dollars and forty cents ($474,658.40), and the total revenue for 1898 amounted to five hundred and twenty thousand, four hundred and ninety-seven dollars ($520,497); and during 1898 there has been paid out on warrants and interest five hundred and twenty thousand, four hundred and ninety-four dollars and seventy-six cents ($520,494.76), leaving the cash balance on hand December the first, 1898, two dollars and seventy cents ($2.70), but there were warrants outstanding, on December the first, 1898, amounting to three hundred and thirty-seven thousand, six hundred and forty-nine dollars and twenty-one cents $337,649.21). And the total amount of deficiencies for the two years aggregates forty-two thousand, two hundred and seventy dollars and forty-three cents ($42,270.43).

By adding together the outstanding warrants on December the first, 1896, and the deficiencies for that year, we have a grand total of indebtedness, four hundred and eighteen thousand and eleven dollars and eighty-two cents ($418,011.82). Deducting from that the cash on hand in the treasury, twenty-one thousand, two hundred and thirty-nine dollars and thirty-eight cents ($21,239.38), left a net indebtedness of three hundred and ninety-six thousand, seven hundred and seventy-two dollars and forty-four cents ($396,772.44) to be met by the uncollected taxes for 1898, and by adding together the outstanding warrants on December the first, 1898, and the total deficiencies, we have three hundred and seventy-nine thousand, nine hundred and nineteen dollars and sixty-four cents ($379,919.64); from which subtract the cash on hand, two dollars and seventy cents ($2.70), and we have the net indebtedness of the state, amounting to three hundred and seventy-nine thousand, nine hundred and sixteen dollars and ninety-four cents ($379,916.94), which is to be paid and discharged by the uncollected taxes of 1898.

Admitting that the taxes for 1898 would not exceed those of 1896, we have, notwithstanding, gained sixteen thousand, eight hundred and fifty-five dollars and fifty cents ($16,855.50) on the indebtedness of the state, besides maintaining several institutions during the past two years which were not in existence prior to 1897. But, as a matter of fact the taxes collected for 1898 will largely exceed the tax collection for 1896 by reason of the fact that our assessment has been largely increased during the two years and the delinquent taxes are much less, so that, on the whole, there has been a very perceptible gain in the financial condition of the commonwealth during the past two years.

I submit herewith an abstract of the condition of the general fund during the past two years:

General Fund, 1898.

Dec. 1, 1896, cash in the hands of the treasurer	$ 21,239 38
Transferred from school and other funds	13,075 12
Cash received during the year 1897	503,644 69
	$537,959 19
Paid out on warrants during the year	$520,918 62
Paid on interest during the year	5,340 11
Transferred to the University income fund	1,700 00
	$537,958 73
Balance cash in the hands of the treasurer Dec. 1, 1897	46

Warrant Account, 1897.

Warrants outstanding Dec. 1, 1896	$366,974 57
Warrants drawn during the year 1897	525,520 07
	$892,494 64
Warrants paid during the year	520,918 62
Warrants outstanding Dec. 1, 1897	$371,576 02

General Fund, 1898.

Dec. 1, 1897, cash in the hands of the treasurer	$ 46
Received during the year	503,471 02
Transferred from the Law Library fund	1,206 67
Transferred from the University Library fund	1,267 55
Transferred from the State Examiner's fund	3,300 00
Transferred from the School funds	8,339 74
Transferred from the Soldiers' Home fund	2,912 02
	$520,497 46
Paid during the year on warrants	$505,756 21
Paid during the year on interest	14,738 55
	$520,494 76
Dec. 1, 1898, balance cash in the hands of the treasurer	2 70

Warrant Account, 1898.

Warrants outstanding Dec. 1, 1897	$371,576 02
Warrants issued during the year 1898	474,658 40
	$846,234 42
Warrants paid during the year	$505,756 21
Warrants cancelled during the year	2,829 00
	$508,585 21
Warrants outstanding Dec. 1, 1898	$337,649 21

This assembly, however, must not be lulled into indifference or carelessness on account of the showing thus made, for each year adds additional burdens to the state which must be met. The cost of maintaining our numerous schools, all of which have been fully inaugurated with the exception of the school of mines, the increased numbers in our state prison and asylum, and in the reform school, orphans' home and soldiers' home, all add additional burdens which must be met.

We were enabled to make this showing largely by reason of the legislation enacted by the last assembly. Two of the measures enacted by the Fifth legislative assembly call for particular mention at this time. The one is known as the "inheritance tax law." During 1897 the revenue for the state produced by this law amounted to only one hundred and thirty-six dollars and fifty-six cents ($136.56), but during 1898 the state has received as its portion of the said tax the sum of six thousand, nine hundred and twelve dollars and seventy-two cents ($6,912.72). This is a tax which hurts no one and can, with all propriety, be laid and collected justly. I would call the attention of this body to the first section of that law, and ask that you amend it so as to make it more definite and certain as to its meaning and interpretation, and so that the taxes collected under it may be ascertained and collected with more certainty, and that real estate as well as personal property, descending to the direct heirs, be assessed for taxation under the law. I would also, if possible, make it more imperative as to just what assessment or appraisement of the estate should be taken as a basis for collecting the tax, for in numerous instances in large estates I have noticed an evident desire to avoid the tax by having an appraisement made for taxing purposes. The matter should be made so plain, definite and certain that no one could evade the payment or levy of that tax.

I desire further to call your attention to the benefits resulting from the bill passed by the last legislative assembly, taxing insurance companies doing business in this state. After the passage of that law and during 1897 the total amount received by the state for licenses and taxes from insurance companies amounted to thirty-one thousand and nineteen dollars and ninety cents ($31,019.90), and during 1898 the collection from that source aggregated forty-one thousand, eight hundred and fifty-seven dollars and forty-two cents ($41,857.42). All of this revenue has been collected and received by the state without adding one additional dollar to the general public or taxpayers of the commonwealth.

The railroad assessment of this state was largely increased during the past two years, from ten million, four hundred and thirty-eight thousand, two hundred and thirty-one dollars and eight cents ($10,438,231.08) in 1896, to thirteen million, seven hundred and ninety-three thousand, five hundred and eighty-one dollars and thirty-five cents ($13,793,581.35) in 1898, or an increase of three million, two hundred and fifty-five thousand, three hundred and fifty dollars and twenty-seven cents ($3,255,350.27).

How to Increase the Revenue.

In order to meet the additional burdens which will be laid upon the state, I recommend for your consideration the following suggestions:

First—Amend the legislation relating to the incorporation of companies and the increase of the capital stock of any company, so that each time the capital stock of the company is increased, such increased capital stock shall be taxed at the same rate as the original capital stock in said coporration. As the law now is, and as it has been construed by our supreme court, corporations are originally organized for a very small capital and the required fee is paid. Immediately thereafter the capital stock of the company is increased to any desired amount, by an additional fee of only five dollars. This defect should be remedied by legislation; and I would further provide that each active incorporation, foreign and domestic, except insurance companies, alive and doing business in the state, should pay an annual license fee of twenty dollars ($20.00) to the state as tax.

Second—Under the present system for the assessment of bank stocks, notes and solvent credits, and for the levy and assessment of cash on hand, the attempt to make an assessment has so far proven only a farce. In 1898 only three million, thirty-five thousand and sixteen dollars ($3,035,016.00) was assessed as the total value of bank stocks, notes and solvent credits in the state of Montana, and only one million, eighty thousand, five hundred and fifty-two dollars ($1,080,552.00) the total cash assessment of the state for the same year.

In my opinion the law should be made so explicit as to the duty of assessors in levying and assessing bank stocks, notes and solvent credits and cash on hand, that they could not avoid the responsibility imposed upon them. I believe severe penalties should be the consequence of their failure to require of each person a personal, sworn statement as to their cash, notes and solvent credits. The state and private banking corporations and co-partnerships return little or no stocks or securities of any kind. The law should impose it upon the officers of each bank to give the names of the stockholders and the interest held by each, the total amount of the stock surplus and undivided profits, and require the president or cashier to assess the whole of such stock or property for the several stockholders according to the value of the stock surplus and undivided profits. Also, each and every individual should be required, under the strictest penalties, to render an exact account of the money or cash on hand liable to assessment. And it should be made the duty of the cashier of each and every bank, if such a law can be enacted, to disclose to the assessor, upon proper interrogatories, the amount of money standing in the name of each depositor in the bank and liable to assessment, and severe penalites should be imposed upon the assessor for his failure to make such assessments, and likewise severe penalties should be imposed upon the president, cashier or other bank officer or individual failing or refusing to make a proper assessment of the money, bank stocks, notes or solvent credits on hand.

Under the present system of taxation the only person who bears his full share and proportion of taxes is the farmer with a few acres of land, or the citizen who owns an humble home in a town or city. These people pay taxes upon the full value of all their property. The corporations and the wealthy classes of our people evade taxation upon fully one-half of all they possess.

Third—The valuable franchises exercised by foreign or domestic corporations in this state, individuals or persons should be assessed at something like their adequate value. There are several express companies, doing a large and lucrative business in the state of Montana, that pay taxes simply upon a horse and wagon in the several cities of the state. The different companies operating sleeping cars, refrigerator cars, or other kinds of cars for the conveyance of persons or freight, each and all exercise and have franchises that are valuable to them; these franchises should not escape taxation.

Under section 16 of article XII of the constitution, it is provided that "all property shall be assessed in the manner prescribed by law except as is otherwise provided in this constitution. The franchises, roadway, roadbed, rails and rolling stock of and railroads operated in more than one county in the state shall be assessed by the state board of equalization, and the sum shall be apportioned to the counties, cities, towns, townships and school districts."

Section 15 of the same article of the constitution prescribes the duty of the state board of equalization as to the adjustment and valuation of property between the several counties, and although the wording of the constitution as to the power of the state board of equalization and the county board of equalization of each county is identically the same, the supreme court of this state has rendered a decision which practically destroys all the power of the state board of equalization, so that we are unable, in any instance, to increase or diminish the assessment made by the assessors or the county boards of equalization, so that the same will affect the whole state. Where the language is identically the same, I cannot understand how the county board of equalization has authority to increase the assessment of the county, when the state board of equalization has no authority or power, under the same language, to increase the assessment for the state.

Under these circumstances I would recommend the passage of a law authorizing the state board of equalization to assess all such franchises as I have above enumerated for taxation, and apportion the assessment among the several counties according to the value of the franchises exercised in each county. And if it be possible for this legislature to give effect to the constitutional provision, by legislation, prescribing the duties of the state board of equalization, so that its power of adjusting and equalizing taxes will not be destroyed, then I should recommend such legislation, but if it cannot be done except by a constitutional amendment, then this legislature ought to provide for the submission of such an amendment at the next election. Upon this point I call your attention to the very able and exhaustive report made by our state treasurer, as chairman of the state board of equalization, and recommend it to your careful consideration, so that you may take such steps as will correct the evils therein mentioned.

Fourth—In my opinion the mortgages upon real estate in this state, held abroad, should be the subject of taxation, and if a law is carefully prepared and adopted something similar to the law upon that subject enacted by the legislature of the state of Oregon, I am satisfied it will not be obnoxious to any constitutional provision, and will be the means of levying an assessment upon a large amount of property that now wholly escapes taxation.

Reduction of Expenses.

First—In order that your legislation may be effective and that the increased revenue which we ask may not be squandered and wasted, I call your attention to several matters wherein the expenses of the state can be materially reduced, without in any way impairing the efficiency of the public service.

In my previous message to the legislature of this state I recommended a law cutting off and abolishing all mileage fees of sheriffs or other officers, jurors or witnesses, in the transaction of public business. Also, the reduction of salaries in some instances, and legislation along this line was attempted by the last assembly and a bill to that effect passed both houses, but through some connivance, it failed to reach the executive and did not become a law.

I desire to call your attention to a few instances of the abuses to which this mileage system is reduced. During 1897 and 1898 thirty prisoners were convicted in Custer county and sent to the state penitentiary. The sheriff, in order to convey these prisoners to the state penitentiary, made twenty-eight separate trips, traveling 896 miles each trip, at 10 cents per mile. During the same time twenty-two prisoners were convicted in Yellowstone county, and the sheriff made twenty-two trips to put them in the state prison. In order to send forty prisoners from Silver Bow county to Deer Lodge it was necessary to make thirty-nine trips. Each of these officers was traveling upon passes furnished by the different railroads, and they were collecting mileage from the state of Montana at the rate of 10 cents per mile, each way, from taking these several trips; and what is said of these three sheriffs is mainly true of other sheriffs. There were a few notable exceptions to this rule, namely, the sheriff of Beaverhead county and the sheriff of Madison county. These latter gentlemen waited until the expiration of the several terms of court held in their counties, and then carried all of their prisoners at one time. The sheriff of Madison county at one time took as high as five prisoners, carrying only one guard with him, while I notice in the bills of the sheriffs from Custer, Yellowstone, Silver Bow, and almost every other county in the state, that they make their trips every other day to the penitentiary, or just as fast as they could make one trip and return with another prisoner. These charges of transporting prisoners to the state prison during the two years amounted to $15,612.35. This charge should be borne by the several counties as much as any other charge connected with the prosecution and conviction of criminals.

In addition to this a law should be passed providing that in counties where they hold only four terms of court per annum, the sheriff should keep all of his prisoners in jail till the close of each term of court, and then be required to carry them all to the

Continued on Third Page.

Rheumatism

Confined This Man to His Bed For Months

Hood's Sarsaparilla Put Him on His Feet.

"I was taken down with rheumatism and confined to my bed, unable to turn over without help, for several months. I took medicines with only temporary relief, and finally gave them up altogether. By this time I was so I could sit up. I remained in this condition a long time, when one day my wife went to the store and brought home a bottle of Hood's Sarsaparilla. She persuaded me to begin taking it. In a few days I was able to get to my meals and the continued use of the medicine put me on my feet. I was able to go to the store myself after taking the first bottle." ROBERT D. WEST, Willow Creek, Montana.

Remember

Hood's Sarsaparilla

Is the best—in fact the One True Blood Purifier. Sold by all druggists. $1; six for $5.

Hood's Pills cure nausea, indigestion, biliousness, constipation.

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Every garment is guaranteed to fit and please you in every respect.

Joseph Zimmerman, - - - **Billings, Mont.**

10-7-3m

First Publication Dec. 30, 1898—4.

IN THE DISTRICT COURT OF THE Seventh Judicial District of the State of Montana, in and for the County of Yellowstone.

The Annin & DeHart Mercantile Company (a corporation), plaintiff, vs. William M. Gordon and Agnes Gordon, defendants.—ALIAS SUMMONS.

The State of Montana to the above named defendants:

You are hereby summoned to answer the complaint in this action, which is filed in the office of the clerk of this court, a copy of which is herewith served upon you, and to file your answer and serve a copy thereof upon the plaintiff's attorney within twenty days after the service of this summons, exclusive of the day of service, and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

This action is brought to recoover from you the sum of eighty-two and 39-100 dollars ($82.39), with interest thereon at the rate of ten per cent per annum from the seventeenth day of October, A. D. 1897, and for costs of this suit, the said sum so alleged to be due being for balance due for goods, wares and merchandise, sold to you by the plaintiff at Columbus, Yellowstone county, Montana, within the three years last past, and if you fail to appear and answer said complaint as above required the plaintiff will take default against you, and each of you, and apply to the court for the relief demanded in the complaint.

Witness my hand and the seal of said court this 28th day of December, A. D. 1898.

(Seal.) T. A. WILLIAMS, Clerk.

Fred H. Hathhorn,
Attorney for Plaintiff.

Acker's English Remedy will stop a cough at any time, and will cure the worst cold in twelve hours, or money refunded; 25 cents and 50 cents. Sold by Chapple Drug Co.

First Publication Dec. 16 1898.—6

NOTICE FOR PUBLICATION.

Land Office at Lewistown, Mont., December 8, 1898.

Notice is hereby given that the following-named settler has filed notice of his intention to make final proof in support of his claim, and that said proof will be made before T. A. Williams, clerk of the district court, at Billings, Montana, on Saturday, January 21, 1899, viz:

WILLIAM G. LOOSEMORE,

who made H. E. No. 1,200, for the N½ NE¼, N½ NW¼ section 26, township 6 north, range 19 east.

He names the following witnesses to prove his continuous residence upon and cultivation of said land, viz: John A. Todd of Lavina, Mont.; David Fratt of Billings, Mont.; Edward Sleight of Lavina, Mont.; William B. Parkinson of Billings, Mont.

EDWARD BRASSEY, Register.

First Publication Nov. 25, 1898—6.

NOTICE FOR PUBLICATION.

Land Office at Lewistown, Mont., Nov. 9, 1898.

Notice is hereby given that the following-named settler has filed notice of his intention to make final proof in support of his claim, and that said proof will be made before T. A. Williams, clerk of the court, at Billings, Montana, on Saturday, January 7, 1899, viz:

FRANK LAMONT,

who made H. E. No. 651, for the S½ SE¼, NE¼ SE¼ Sec. 10, township 5 north, of range 30 east, Mont, P.M.

He names the following witnesses to prove his continuous residence upon and cultivation of said land, viz:

Jefferson Z. Brewer of Billings, Mont.; William M. Murphy of Lavina, Mont.; Marcus M. Klein of Lavina, Mont.; James W. Mendenhall of Lavina, Mont.

EDWARD BRASSEY, Register.

First Publication Nov. 25, 898—6.

NOTICE FOR PUBLICATION.

Land Office at Lewistown, Mont., November 5, 1898.

Notice is hereby given that the following-named settler has filed notice of his intention to make final proof in support of his claim, and that said proof will be made before A. Fraser, U. S. Commissioner, at Billings, Montana, on Saturday, January 7, 1899, viz:

ALEXANDER THOMPSON,

who made H. E. No. 252, for the lots 8 and 9, E½ SW¼ section 6, township 8 north, range 27 east, M. P. M.

He names the following witnesses to prove his continuous residence upon and cultivation of said land, viz: Christian Yegen of Billings, Mont.; George T. Lamport of Billings, Mont.; James Buckey of Billings, Mont.; Charles L. Ford of Roundup, Mont.

EDWARD BRASSEY, Register.

WANTED — SEVERAL TRUSTWORTHY persons in this state to manage our business in their own and nearby counties. It is mainly office work conducted at home. Salary straight $900 a year and expenses—definite, bona fide, no more, no less salary. Monthly $75. References. Enclose self-addressed stamped envelope. Herbert E. Hess, Prest., Dept. M, Chicago. 10-7-6

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