GOVERNOR SMITH'S MESSAGE TO THE SIXTH ASSEMBLY

Montana's Executive Reviews the Affairs of the State for the Last Two Years—More Revenue Is Needed to Meet Increased Expenditure—Suggested That Franchises Be Taxed—Retrenchment of Expenses.

Special Dispatch to the Standard.

Helena, Jan. 3.—The house met at 10 o'clock this morning and transacted a little routine business. Adjournment was taken at 10:30 to the Auditorium, where the session was resumed at 11 o'clock. At a few minutes past that hour Sergeant-at-arms Wegner announced the arrival of the senate and the joint assembly was immediately called to order by Lieutenant Governor Spriggs. Upon motion of Stanton a joint committee of three from each house was appointed to wait upon the governor and escort him to the hall. Senators Stanton, Cullen and Anderson and Representatives Hutchinson, Black nad Galway composed this committee, which escorted Governor Smith to the platform. There was not much inspiration in the hall for his excellency, the governor. The Auditorium was extremely cold and the audience was not large. In marked contrast to the crowd that packed the big audience room two years ago, there were not more than a hundred auditors, aside from the members of the legislature. These sat and shivered, and one by one the members of the escort committee left the platform to get their overcoats. The lieutenant governor and Speaker Stiff sat muffled in their coats and listened to the message as attentively as possible. Despite the discomforts, the members and visitors listened attentively to the governor and followed closely the reading of the message. There was no interruption to the reading, which occupied about an hour, but there was a cherry round of applause at the conclusion.

After the withdrawal of the senate, the house adjourned till 10 o'clock tomorrow morning.

This afternoon Speaker Stiff has been at work upon his committees and the senate special committee has been in conference with Lieutenant Governor Spriggs on the same subject.

The senate met at 10 o'clock this morning, pursuant to adjournment of yesterday, and got through with a little routine business. When this had been disposed of, a resolution was passed that the senate go into joint assembly with the house, after which adjournment was taken to to-morrow morning.

The governor's message follows:

To the Sixth Legislative Assembly of the State of Montana:

It becomes my duty, under the constitution and the 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 last 12 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 absolutely 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.

Finances of the State.

During the last 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 $366,974.57, and deficiencies, not represented by warrants, amounting to $51,237.15. To meet this indebtedness, was the revenue for 1896, yet uncollected, amounting to $286,902.76, and cash in the treasury on the first day of December, 1896, amounting to $21,239.38.

It thus became necessary for the present administration to pay off and discharge the large deficiency of $51,237.15, in addition to running the expenses of the state for the next two years. During 1897 there was collected from all sources $516,719.81, which, added to the cash on hand Dec. 1, 1896, gave a grand total of $537,959.19.

The warrants drawn during 1897 amounted to $525,520.07. During 1898, the warrants drawn aggregate $474,658.40, and the total revenue for 1898 amounted to $52,497; and during 1898 there has been paid out, on warrants and interest, $520,494.76, leaving the cash balance on hand, Dec. 1, 1898, $2.70; but there were warrants outstanding, on Dec. 1, 1898, amounting to $337,647.21. And the total amount of deficiencies for the two years aggregates $42,270.43.

By adding together the outstanding warrants on Dec. 1, 1896, and the deficiencies for that year, we have a grand total of indebtedness of $418,011.82. Deducting from that the cash on hand in the treasury, $21,239.38, left a net indebtedness of $396,772.44 to be met by the uncollected taxes of 1898, and by adding together the outstanding warrants on Dec. 1, 1898, and the total deficiencies, we have $379,919.64, from which subtract the cash on hand, $2.70, and we have the net indebtedness of the state, amounting to $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 $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, 1897.

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
Total	$537,959 19
Paid out on warrants during the year	$520,918 62
Paid on interest during the year	15,340 11
Transferred to the university income fund	1,700 00
Total	$537,958 73
Balance cash in the hands of 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
Total	$892,494 64
Warrants paid during the year	$520,918 62
Warrants outstanding Dec. 1, 1897	$371,576 02

General Fund, 1898.

Dec. 1, 1898, 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	1,207 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
Total	$520,497 46
Paid during the year on warrants	$505,756 21
Paid during the year on interest	14,738 55
Total	$520,494 76
Dec. 1, 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
Total	$846,234 42
Warrants paid during the year	$505,756 21
Warrants cancelled during the year	2,829 00
Total	$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 $136.56, but during 1898 the state has received as its portion of said tax the sum of $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 $31,019.90, and during 1898, the collection from that source aggregated $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 $10,438,231.08 in 1896 to $13,793,581.35 in 1898, or an increase of $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 corporation. 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 cost of only $5. 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 $20 to the state as a 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 $3,035,016 was assessed as the total value of bank stocks, notes and solvent credits in the state of Montana, and only $7,030,522 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 copartnerships 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 and 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 penalties 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 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 kind 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 all railroads operated in more than one county in the state shall be assessed by the state board of equalization, and the same 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 provisions, 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, 36 prisoners were convicted in Custer county and sent to the state penitentiary. The sheriff, in order to convey these prisoners to the state prison, made 28 separate trips, traveling 896 miles each trip, at 10 cents per mile. During the same time, 22 prisoners were convicted in Yellowstone county, and the sheriff made 22 trips to put them in the state prison. In order to send 40 prisoners from Silver Bow county to Deer Lodge, it was necessary to make 39 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, for making 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 named 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 of the state, that they made 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 the jail till the close of each term of court, and then be required to carry them all to the prison at the same time, taking as many guards as are actually necessary for the safe keeping of the prisoners, and allowing the sheriff and his guard the actual expenses of transportation, which should be borne by the county. Such legislation will relieve the state from a heavy burden, and at the same time relieve the counties from these exorbitant mileage charges; and what I have said with reference to mileage as to the transportation of prisoners should also apply to the matter of transporting the insane to the asylum and the children to the state reform school; actual expenses for such work should be allowed and no more, to be paid in each and every instance by the county from whence the person is transported. And in the summoning of jurors, witnesses and all the other work which a sheriff is called upon to perform, actual expenses should be allowed.

There is no use in allowing this mileage statute to remain upon the books, as an inducement for officers, witnesses and other persons to make public charges against the state or the county.

Second—The constitution provides that the state supreme court charges shall be paid by the state, and that one-half of the salary of the several prosecuting attorneys throughout the state shall be borne by the state, and the other half by the counties. There is no constitutional provision as to the salary of district judges; heretofore, the state has borne this latter charge, amounting to $45,500 annually. I recommend that you make at least one-half of this amount a charge upon the counties, to be paid proportionately where there is more than one county in the district, according to the litigation in such district—such legislation as is now provided for the payment of court stenographers. This would relieve the state of $22,750 annual charge.

Third—Under the present law, our state warrants bear interest at the rate of 6 per cent. per annum. They have been such an inducement to investors during the last two years that a premium of 1 per cent. has practically been paid for them. I earnestly recommend that you reduce the rate of interest on state warrants to 4 per cent. The school fund belonging to the state will be glad to get them at that rate, and by so doing, you will relieve our general fund of an annual charge of about $5,000.

Fourth—The time has arrived in this state when the legal rate of interest upon judgments, notes and other debts should be materially reduced, and a law to this effect and providing against usurious contracts would receive my hearty approval, and, I believe, the approval of our people generally throughout the state. The present law, as almost all laws, looks to the interest of the lender. The borrower needs more protection at your hands—the lender will protect himself.

Fifth—Two years ago, the legislative assembly made an appropriation of $6,000 per annum, for each of the two years, for public printing. This has been consumed, and a deficiency of $5,097.31 in that fund exists. Something should be done to curtail this cost of public printing. Our constitution provides for the printing of the quarterly reports made by the state treasurer. This alone costs at least $2,500 a year, when it is of practically no benefit to any one. In the same way, everything that is done by any state or county officer is required to be printed in some paper in the state or county, and frequently in more than one paper. This charge alone is an onerous burden to the commonwealth, and the law should either provide for a reduction in the advertising and printing rates or it should provide that many of the things now required to be published might be dispensed with in the discretion of the state board of examiners. I am satisfied that this recommendation will not be popular with the press of the state, but I am impelled to take this step by reason of the fact that the public printing charge is exorbitant and out of all reason for the good that it does to the commonwealth.

Sixth—Again, before leaving this head of retrenchment and the reduction of expenses, I must call your attention to the fact that legislators too often set the pace of exorbitant expenditures and appropriation by their own action. I trust, however, that your sense of duty to your constituents and to the state at large will, at all times, be sufficient to prevent any indulgence in extravagant appropriations or unnecessary expenditures in and about the transaction of your business while you are here assembled. For it is upon your work, and the character of the legislation that you may give to the state, that depends to a great degree the weal or woe of our commonwealth. The party now in the ascendency in this state may strongly entrench itself and fortify its position in the affections of our people by that wise and conservative course which will give to the state and its citizens the very best legislation possible and the most economical administration of public affairs consistent with efficient performance of public functions.

During this legislative assembly an apportionment bill, reapportioning the state for senatorial and representative districts should be passed. I trust that in such apportionment you will reduce somewhat the membership of the lower house of the assembly. In my opinion 60 members is the outside limit required at the present time. These, with the 24 senators required under our constitution, would give a membership of 84 in the assembly. This reduction in the number would somewhat curtail the expenses of the legislative assembly, and at the same time they would perform just as efficiently all the duties imposed upon the legislature.

State Bounty Law.

In 1897 I felt called upon to make certain recommendations with reference to the bounty upon gray wolves and coyotes. During 1896, 18,216 claims for the killing of coyotes had been filed with the secretary of state. At that time I pointed out the possibility of paying this bounty with the revenues then at command of the state. This suggestion in my message was met by the statement that the coyotes of the state had been almost destroyed, and that from that time forward we would see a large reduction in the number of bounty claims, while the few coyotes killed. In order, however, to produce more revenue, an additional mill and a half was imposed upon the stock interests of the state for the purpose of paying these bounties. During the past two years it was proven, by the arrest and conviction of at least one person, and the imprisonment of two others at Bozeman, that our state bounty law was defective and that numerous frauds were being perpetrated by reason of the failure of the law to throw sufficient guards around these bounty claims. Coyote skins have been fraudulently imported from Chicago and Salt Lake in order to secure the large bounty our state pays.

The records of the office of the secretary of state show that during 1897 there were 22,052 coyotes and 6,112 gray wolves killed in the state, for which bounty claims were filed. And that, during 11 months of 1898, up to and including November, 20,797 coyotes have been killed and 5,356 wolves, to which should be added the claims that will be filed during the month of December, 1898. This will undoubtedly bring the total number up to the number given for 1897. The total cost of these claims for 1897 is $84,582, and for 11 months of 1898, $78,459. It will thus be seen that the maximum number of coyotes killed had not been reached in 1896, as we were assured at the time was the case. The increase has been more than 4,000 per annum since that year.

I am constrained to believe that the bounty on the coyote should be reduced to $1, for this reason: the present revenue is not sufficient to meet the present demands. The old bounty claims, amounting to about $70,000, remain unpaid; the new bounty claims are continually increasing and the hunters and trappers under these conditions are compelled to discount their claims. Another reason for this recommendation is, that in hunting for the gray wolf, the coyote will be destroyed almost as effectually as he is to-day. The same poisons and the same traps that are set for the wolf will destroy the coyote, and the hunter who is hunting for the wolf will never allow a coyote to escape if he can prevent it. In my opinion, the bounty on coyotes should be reduced to $1 and the bounty on gray wolves increased to $5. This increased price, with the assurance of a cash payment for their claims, will induce a more systematic and thorough search for these destroying pests, which will eventually result in the destruction of as many coyotes as at present, and at the same time will so relieve the bounty fund as to make it possible to meet the accrued demands; and such a law, if properly guarded with reference to gray wolves, would remove the great temptation now paid as bounty upon coyote claims. Our neighboring states pay only about $1 per capita for such bounty claims, whereas we are paying $3, and the inducement to import fraudulent claims into our state and make them a public charge upon our fund is a constant menace to us, and requires a vigilance not hitherto exercised by our officials.

Reports of State Officers.

I trust you will examine carefully the reports of the secretary, auditor, attorney general and superintendent of public instruction. These will disclose the condition of affairs as to the several elective officers, and the thorough manner in which they have discharged their duties. It will be observed that the present treasurer has kept a much larger amount of the school fund invested than formerly, and no cash is allowed to accumulate in the general fund. It is paid out as fast as collected and interest on state warrants is thus curtailed to a minimum.

It is my earnest request and desire that during your session you will consider carefully the reports of the several appointive state officers, for by so doing you will acquire a more accurate and thorough knowledge of the business affairs of each department of the state, and these reports are the best guarantees of the faithful performance by each and every officer of the duties imposed upon him by law.

I desire to call your attention particularly to the report of the register of the state land office, which is most gratifying to every one interested in that important branch of our public affairs. Mr. Moore entered upon his duties as state register in March, 1897, so that during that year he really performed but nine months' labor in his official position, but the results accomplished were gratifying and indeed wonderful.

I submit herewith a table showing the funds received during the years 1896, 1897 and 1898, as follows:

Gross receipts of state land office for the year 1896	$ 41,558 52
Gross receipts of state land office for the year 1897	102,886 53
Gross receipts of state land office for the year 1898	126,823 71

These figures indicate the magnificent results achieved by the officer of the state land office in thus so vastly increasing the revenues of the state.

The receipts for 1898 are divided as follows:

Permanent school fund	$37,739 06
School income fund	52,585 22
Permanent university fund	4,727 90
University bond fund	8,804 55
State capitol building fund	3,088 72
School of mines fund	2,147 48
Normal school fund	6,342 46
Agricultural college fund	3,044 00
Deaf and dumb asylum fund	2,403 50

A careful perusal of this latter report will be very gratifying to each and every one of you. From the above it will be noticed that our school income fund for the past year amounts to more than $52,000. This sum for distribution among the school children equals, or is in excess of, $1 per capita for each child of school age in the state, whereas, during the eight years of our existence as a state prior to 1897, there had only been one distribution of public school funds among the children of school age, and it is now assured that the annual distribution will exceed $1 per capita.

Reports of Inspector of Mines, Inspector of Boilers and State Examiner.

The report of the inspector of mines is very interesting and instructive as to this, one of our greatest industries in the state. The state boiler inspector and his deputy have done their work thoroughly. These offices, together with that of state examiner, are each self-supporting. The receipts of each of these three offices, in fees for the performance of his duty, exceeds the salary and expense of the office, and they are each revenue producers, in that respect, to the state. Too much cannot be said as to their efficiency and the great industry and ability shown by each in the discharge of his duty.

The office of state examiner has been created for about four years. During the first two years of its existence only six counties of the state were examined; but the present incumbent and his assistant, during their term, have examined each of the 24 counties of the state twice, making, in other words, 48 examinations of the 24 counties within less than two years. In addition to this they have examined our state banks in the state, with the possible exception of the Cruse Savings bank. Their report gives in full all the information that can be desired with reference to the operations of this office and the legislation which the examiner deems necessary for more perfect and harmonious conduct of public affairs.

I believe every boiler in the state and every working mine has been thoroughly examined by the present incumbents of the offices, a record for which they are entitled to the highest credit.

Bureau of Agriculture.

The bureau of agriculture has been presided over during the past two years by Hon. J. H. Calderhead, and his report speaks for itself. A vast amount of information, hitherto unsecured from any source, is given to the people of the state through the medium of that office, and too much cannot be said in praise of the conservative and business like methods that have characterized the administration of the office by Mr. Calderhead.

Arid Land Commission.

Under the law passed by the Fifth legislative assembly the arid land commission was organized by appointment of the following gentlemen: Ex-Governor J. K. Toole of Lewis and Clarke county, Hon. C. O. Reed, Hon. Donald Bradford of the same county, Dr. A. H. Mitchell of Deer Lodge county and Hon. T. C. Marshall of Missoula county. These gentlemen went to work in earnest for the purposes of carrying into effect the legislation enacted with reference to the reclamation of arid lands under the Carey land act. They have at least three canals surveyed in the eastern part of the state, namely, in Sweet Grass and Yellowstone counties, which, if completed, will bring under cultivation about 75,000 acres of our arid lands. A contract has been let for the construction and completion of two of these canals, reclaiming about 53,000 acres, and I am reliably informed by the commission that every indication points to the successful completion and carrying into effect of that contract. If this shall have been accomplished, that of itself will be forever a monument to the industry and energy of the present commission.

Veterinary Surgeon.

The present incumbent of the office of veterinary surgeon has undoubtedly given to the people of the state and especially to the stockgrowers the most thorough and earnest attention to his duties. He has always responded to each and every call, even when, at times, the expenses of travel were borne by himself. The amount appropriated for the expenses of the office was inadequate to a full and complete discharge of all the duties devolving upon the officer, but Dr. Knowles has not hesitated to spend his own money in order to assist and protect the stockmen of the state against infectious and other dangerous diseases to which the stock interests of our state are subjected. The information that he has given to the stockgrowers and stockraisers of the state with reference to the treatment and protection of animals against disease is of vast and incalculable benefit, and I trust that such legislation will be enacted and such appropriations made as will give to this officer every opportunity to thoroughly protect the stock industries of the state, for there is no industry that is more perilous or hazardous than that of stock-raising and stockgrowing. They are subjected to all sorts of infectious and contagious diseases, to the destruction and ravages of gray wolves and other pests, and to the rigors at times of inclement winters. These dangers to this great industry require at our hands most vigilant and careful watching, in order to diminish, as far as possible, the loss to our stock industries.

Adjutant General.

The report of the adjutant general of the state is complete and exhaustive. It gives a full and complete roster of each and every one of our citizens that responded to the call of our country in the late Spanish-American war. It is gratifying to know that through the able and efficient management and control of the adjutant general's office of this state Montana was the first state in the union to respond to the call of our country, having mustered into its service a regiment of our citizens, ready to perform any duty imposed upon them by the higher officers, and in addition to the regiment of infantry thus furnished, four troops or one squadron of cavalry was also enlisted from Montana, making our total number furnished 1,366, whereas our quota called only for 524. The regiment of infantry was sent to the Philippine islands, where it is now stationed, and although seven members of that organization have succumbed to the grim reaper, it is gratifying to know that the health, discipline and efficiency of our regiment far surpasses that of any other volunteer regiment transported to those distant lands.

The cavalry rendezvoused at Camp Thomas, or Chickmauga park, where they remained until they were mustered out in September, after the close of hostilities. I am not absolutely certain, but believe that their total loss was only four men. This is certainly a gratifying and splendid showing for our soldier boys, and it is to be hoped that no more of them will be sacrificed until they can be returned to their homes, their friends and their country.

The cost of maintaining the militia of the state during the past two years was reduced to a minimum. The cost of mobilizing and mustering in the regiment was something over $2,700. This sum, we are assured by the government, will be repaid to the state. At the present time the militia of the state consists of one battery, under command of Captain Moore, stationed in this city. At the time of the call to arms every company or troop organized as a part of the national guard of the state volunteered with alacrity and responded almost to a man. The efficiency of the organization greatly aided in the rapidity with which it was mustered into the service of the United States.

I shall very briefly call your attention to the condition of the different public institutions of our state.

State Capitol Building.

The Fifth legislative assembly passed an act repealing the act passed by the Fourth assembly for the erection and construction of a state capitol building to cost $1,000,000, and in lieu thereof provided for the erection and construction of a building at a cost not to exceed $300,000, and for the taking up and payment of the outstanding obligations of the former commission, amounting to $40,000.

A complete history of what has been done with reference to the capitol building will be found in the report of the state capitol building commission, which you will find upon your desks. Suffice it to say that under the act passed by the Fifth legislative assembly a new commission was created by the appointment of Hon. Elizur Beach of Lewis and Clarke county, Hon. D. E. Folsom of Meagher county, Hon. J. M. Fox of Carbon county and Hon. A. D. Peck of Deer Lodge county, who, together with the executive of the state, composed the capitol building commission.

We organized, and before proceeding further in any way to create an expense, undertook to find a purchaser for the $350,000 worth of bonds authorized by the act. Not succeeding during 1897, in January, 1898, we thought probable that if we could raise sufficient money to pay the architect his fees and commissions that we might find some contractor who was willing to erect the building and take the bonds in payment. After due advertisement and consideration of all bids, Messrs. Bell & Kent of Helena were selected to prepare the plans and specifications for the new capitol building and to superintend the erection and construction of the same, at a total cost of $8,250. Before these plans had been fully perfected and completed the capitol building commission were gratified to know that one of our own citizens of the state of Montana and of the city of Helena, Thomas Cruse, came forward and agreed to take the whole issue of the capitol building bonds at par, and pay for them at such times and in such amounts as the commission might require, only charging the interest upon the money advanced from the time of its actual receipt by the commission. Having thus secured the funds and the plans and specifications for the capitol building, on the 13th day of September, 1898, we let a contract for the building of the state capitol building, at a cost of $289,821, to Joseph Soss, a citizen of Butte, with whom was associated the Hon. H. L. Frank of the same city. They immediately went to work in an energetic way, and at the present time the foundation for the capitol building is almost completed. The warrants of the old capitol commission, outstanding, were bearing 7 per cent. interest. We immediately called these in and paid them off, and have issued bonds in lieu thereof bearing 5 per cent. interest. A full history of the financial transactions of the commission will be found in the report submitted for your inspection.

We are assured by the contractor that the building will be finished and completed in May, 1900, so that the next legislative assembly, instead of being called together in the narrow, close and unhealthy quarters to which you are subjected, will be able to assemble in spacious, elegant and well ventilated rooms and buildings, and can enjoy to some extent the pleasures of our new state home.

The University.

The last legislative assembly provided for the issuance and sale of $100,000 worth of bonds, secured by the rents and profits of the lands granted to the state university, for the purpose of erecting university buildings at the city of Missoula. Under this law a commission, consisting of Hon. Alfred Cave, Joseph K. Wood, George L. Higgins, Reuben Latimer and A. E. Winstanley, were appointed for the purpose of constructing the university buildings. They adopted a wise course by reserving a part of their funds for the purpose of equipping and furnishing the university. Plans and specifications for two splendid buildings—known as the main university building and science hall—were secured and contracts let for their construction, at a total cost of about $80,000. These buildings are almost completed, and I am assured will be finished by the first of February ensuing. This leaves a fund of about $20,000 to be used in furnishing and equipping

(Continued on Page Six.)

FACE ON FIRE

I had Eczema of the scaly, itchy kind seven years. I thought my face and arms were afire. My face was full of large white scales, and my head was full of sores. I was ashamed to go in company. I took five bottles of CUTICURA RESOLVENT, washed with CUTICURA SOAP, put on CUTICURA (ointment), and found *great relief instantly*, and got a clean face again, thanks to CUTICURA.

VALENTINE EGNER,
March 7, 1898. 108 Stagg St., Brooklyn, N. Y.

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