In Biennial Message Governor Stewart Points to Need of Greater Revenue and Need of New Income to Displace the Loss to State of Liquor License

The Governor Issues a Warning Against Over Appropriation — Recommends Appointment of a Non-Partisan Commission to Investigate Subject of Taxation and to Recommend Needed Reforms in Report to the Next Legislative Assembly.

In a Campaign for Economy He Urges Consolidation of Many Boards and Bureaus of State Government—Advocates Good Roads Legislation and Amendment of Automobile Law and Division of State Into Congressional Districts.

RECOMMENDATIONS OF GOVERNOR STEWART TO THE LEGISLATURE

Governor Stewart's message to the legislature we read before the joint session of house and senate at noon today. It contains many recommendations, the important of which are:

The need of greater revenue.

It issues warning against over-appropriations.

Says revenue from liquor licenses has decreased $4,000 a year and points out that it will cease two years hence, urging some provision to compensate the general fund for this loss.

Recommends non-partisan commission to investigate subject of taxation and report constitutional amendment and statutory law to bring about reform for submission to the next legislature.

Urges that no more offices or departments be created, but that a policy of consolidation be followed, merging boiler and mine inspection departments with compensation department and state board of stock inspection, state board of sheep commissioners with the sanitary board. Consolidation of the weights and measure department with state board of health is also recommended.

Recommends amendment of compensation law.

Suggests state purchasing department, amendment and simplification of the primary law.

Urges good road legislation and amendment of automobile law so the profit from license money will revert to state.

Reviews progress and condition of various state institutions urging segregation of sexes at the industrial school, preliminary provision for another state asylum and amendment of the indeterminate sentence law to relieve prison congestion.

Urges that terms and conditions of farm loans be more specifically defined and the courts be established at agricultural college for training in farm and co-operative management.

Recommends amendment of grain inspection law, establishment of state hail insurance and state owned terminal elevators.

Favors the need of dividing the state into congressional districts and urges broadening scope of absent voters law.

Helena, Jan. 2.—Governor Stewart's message to the legislature was read when the joint session of house and senate convened today. The text of the communication is as follows:

To the Honorable, the Members of the Twenty-Fifth Legislative Assembly—The constitution makes it the duty of the chief executive from time to time to give the legislative assembly information of the condition of the state, and shall recommend such measures as he shall deem expedient.

There are the words of the constitution of Montana. They are plain and explicit, and I therefore take your time to discharge the obligation of a duty which your fathers, in their wisdom, have imposed upon the chief executive of the state.

The legislature is a coordinate branch of the government. The governor can suggest upon the floor of each chamber, and is given the power of veto, conditioned, within certain limits, the act of legislature by another chamber and of weighing the different constituent elements of state as shall seem to him, from the evidence, the interest of citizenship.

The governor suggests what is but a mere ministerial act of legislation and yet he is held responsible for what he suggests or refers to the legislature. While the constitutional authority requisite for final action of the legislative assembly permits the chief executive to suggest, it has been left to him, still, such opportunity for consideration, as the exercise of his judgment may dictate, as necessary for the protection of the interests of the state.

Greater Revenue Now

In the message which follows there will be much of routine and a very considerable amount of misinformation during the four months which twenty-five men will be in the opportunity for the consideration of many matters of absorbing interest and great importance to the state and to the people. Within the period that the next session of the Fourteenth assembly convened our state has taken rank in the forefront of the states of the union. We should not forget that the material wealth of our property is greatly increased when compared with the time when we were in our infancy as a territory and afterwards as a commonwealth. Therefore, we can and should, and it is proper, to provide an revenue for the needs of the state government without imposing an undue burden upon the people of the time when the needs and prosperity of the citizens are most acute.

Need More Revenue

It is not my purpose to burden you with a long message or to make many recommendations for your consideration. While I shall touch upon matters that are in my opinion, of vital importance to the welfare of legislation, I want to impress upon you at the very outset of this message that the people are patriotic and prosperous, and that we have no right to impose burdens of state taxation.

The present activities of the state are numerous and the demand for additional revenue are growing. Since the formation of state government in Montana the state has been practically tax-exempt from year to year. This has been accomplished through the payment of the current expenses for a given year from the amount collected in taxes for that year. State revenue now arises or gets urgent, by reason of the use of the permanent school and institutional funds in the purchase of state warrants. The warrants have been issued in the other funds and originally due in the old and then the state treasury, authorized by virtue of the state, the generally were sufficient to take up the warrants and start the state off with for another year. This method has been pursued for many years. It has always been more or less disturbed by the constantly increasing demand for appropriations and the correspondent disposition on the part of the legislative assembly to make appropriations regardless of the estimated income for the forthcoming appropriation period.

Over-Appropriations

Four years ago when the administration took over the affairs of government and the Thirteenth session began its work, there was in the state treasury the sum of $[illegible]. Warrants had to be issued over by the school fund, soon after the adjournment of the session. That assembly made appropriations that were at least $[illegible] in excess of the estimated income of the state for that period. By strict economy and care on the part of the state board of equalization, even in the face of unusual expenditures, in the Butte conflict, the state treasury showed a balance of $[illegible] on Jan. 1, 1915.

Then came the legislative session of that year, and all estimates were shattered. At the beginning of the session the state auditor estimated that the probable necessary expenditures for the biennium would be $[illegible] and the revenue available for the biennium was $[illegible]. The assembly, however, made appropriations of $[illegible] and left a deficit of $[illegible] to be provided for by the state board of equalization.

In the address to the author assembly, the governor of the Fourteenth legislative assembly, I said: "Notwithstanding estimate actually appropriated $[illegible]. I do not hesitate to say to the members of the legislative assembly, that the amount of $[illegible] over $[illegible] and the $[illegible] over $[illegible] and the $[illegible] over $[illegible] and the $[illegible] over $[illegible] are a part of the burden of a unnecessarily heavy and, in my judgment, not wholly in accordance with the state's ability to pay."

Our attention is respectfully directed to the fact that the state has been in the habit of appropriating more than it has received in revenue, and that the state has been forced to borrow from the school funds to meet the current expenses of the state government, and that the state has been forced to issue warrants payable at a future date, which have been sold at a discount