

Assessors' books, and is herewith transmitted; also a certified copy of the appraisal, from the record, and other papers, forming a complete history of this valuable estate. Exclusive of the immense estate situated in Sacramento County, the assessment—which is believed to be but little more than two-thirds of its actual value—it will be seen, amounts to the sum of one million, sixty-eight thousand, three hundred and seventy-five (\$1,068,375) dollars.

THE MINES.

I am gratified to be enabled to inform you that the substantial wealth of the State, during the year just closed, has been vastly augmented. Mining, agriculture, and commerce—the great interests of California—have all been greatly extended in their operations, developing more fully than in any previous year, the varied and immense advantages and resources of the State.

Throughout the mining region, extending about six hundred miles in length—from the Four Creeks to the Oregon line—and averaging not less than forty-five miles in width, many highly important and useful improvements have been made, especially in the excavation and construction of canals and ditches of great length, designed to supply with water, at all seasons of the year, locations known as "dry diggings."

By means of these canals and ditches, water is conveyed from the principal rivers and distributed over vast districts of mining country, enabling thousands of enterprising and industrious men diligently, and at all seasons of the year, to prosecute their labors, and to increase immensely, the amount of gold annually obtained.

These improvements, now so indispensable to the rapid and complete development of our vast mineral resources, it is believed can, and it is hoped, will be so managed in accordance with the local mining laws by those having control, as to render them alike efficient in advancing the interests of labor and yielding just returns to capital invested.

Heretofore, during the summer months, miners have been compelled to abandon valuable claims—in fact, whole districts of country—for the reason that sufficient water could not be obtained for mining purposes. But during the past year much has been done to overcome this great obstacle, and now, by means of canals and ditches, water—the necessary, in fact indispensable element in successful mining—is conveyed in abundance to the door of the miner, and it is confidently believed that in future a large portion of our mining population will be enabled to pursue their labors profitably to themselves, and to the increased prosperity of the State, throughout all seasons of the year. This is a desideratum properly appreciated by those of our citizens who have been compelled in former years for want of water to forsake the richest sections of the country.

From the increased facilities afforded by improvements in machinery, much advancement has also been made in obtaining gold imbedded in quartz-rock. Large and well constructed mills have been erected in various parts of the State, and immense quantities of the precious metal extracted from the numerous veins of auriferous quartz which penetrate the hills of California.

Improvements suggested by past experience in the implements used by the river, placer, and gulch miner have greatly diminished the labor heretofore rendered necessary in separating the gold from sand and rock. Indeed, we have every reason to congratulate ourselves on the many and varied improvements in all departments of mining operations, facilitating as they do the extraction of gold, developing the inexhaustible mineral resources of the State, and opening an enlarged field to the industry and enterprise of our citizens, as well as adding vastly to the already unparalleled wealth of California.

From a portion of the mining counties I have been enabled to obtain information in relation to investments made in canals, ditches and quartz machinery, as follows:

OPERATIONS IN QUARTZ.

Counties.	No. of Companies.	Capital.	Expenses.	Receipts.
Nevada,.....	5	\$700,000	\$299,870	\$116,000 00
Shasta,.....	1	27,000	19,200	53,000 00
El Dorado,.....	5	140,000	119,892	490,000 00
Amador,.....	6	140,000	213,166	412,000 00
Total.....	18	\$1,007,000	\$652,128	\$1,671,000 00

These eighteen companies have been in successful operation during the past year, and the above figures obtained upon careful inquiry may be regarded as nearly correct.

It is proper here also to state that fourteen other companies, four in Siskiyou and Klamath, two in Nevada, one in Sierra, two in Placer, one in Tuolumne, and four in Mariposa, have also been in successful operation, and doing quite as well during the past year as the eighteen above referred to, but as no returns have been received from them they are not included in the above.

It is also known that during the latter part of the year sixteen other companies commenced operations in the following named counties, and with capital stock as below stated.

No. of Companies.	Capital Stock.
Placer,.....	\$ 22,000 00
Nevada,.....	104,000 00
El Dorado,.....	46,000 00
Amador,.....	18,000 00
Tuolumne,.....	50,000 00
Total,.....	\$240,000 00

These new companies, it is understood, all commence operations with very flattering prospects of success.

CANALS AND DITCHES.

No. of Miles.	Value.
El Dorado,.....	\$380,000 00
Calaveras,.....	369,000 00
Tuolumne,.....	400,000 00
Amador,.....	298,000 00
Placer,.....	330,000 00
Nevada,.....	400,000 00
Sierra,.....	117,000 00
Total,.....	\$2,294,000 00

In addition to the above, in the same counties, and in others, there is quite a number of canals and ditches, which, within a few months will be in actual use, contributing greatly to the general prosperity of the mining region.

The following is the amount of gold bullion exported to Europe and the Atlantic States, as exhibited by manifest at the Custom House, San Francisco, during the years 1853 and 1854:

1853.	1st Quarter,.....	\$15,157,913 58
	" 2d ".....	14,095,035 18
	" 3d ".....	12,241,476 99
	" 4th ".....	15,336,023 18
	Total—1853,.....	\$56,830,448 93
1854.	1st Quarter,.....	\$ 9,764,702 96
	" 2d ".....	13,786,458 01
	" 3d ".....	13,794,760 47
	" 4th ".....	13,088,752 00
	Total—1854,.....	\$50,434,873 44

Amount and value of Quicksilver, the product of the State of California, shipped from San Francisco during the year 1854: 20,000 flasks, weighing 75 lbs. each, making 1,500,000 lbs., at fifty cents per lb., \$750,000 00

Gold, as before stated, is to be found in more or less abundance throughout a district of country six hundred miles in length by forty-five in width. It is found in varied quantities, from the surface to the bed-rock, which is sometimes only reached at a depth of two hundred feet.

By means of these extensive and valuable improvements, water sufficient for mining purposes will be gradually distributed over the entire mining region, and millions of acres not now known certainly to possess gold, will be found to abound with the glittering ore.

Actual observation, and the experience of the past, have satisfied me that fifty years hence, when most of those now prominent on the stage of action, shall have passed away, it will be said that mining operations in California have but fairly commenced.

AGRICULTURE.

No less encouragement is to be derived from the experience of the past year in the agricultural department. While there is necessarily less improvement to be noted in implements of husbandry, yet by the industry of our citizens, the whole face of the country has been changed and its agricultural capacities fully and most successfully tested. Immense farms have been cultivated, and have yielded their fruits and grains with a productiveness unrivaled in other parts of the world, and with labor comparatively insignificant. From the extreme North to the farthest South, broad acres, fertile valleys and plains, have been transformed by the hand of culture and enterprise into immense fields of grain to meet the wants of our people, and adding immensely to the permanent wealth of the State. Large sums of money have been expended in fencing, ditching, and improving these farms, and are unmistakable proofs of the prosperity of our people, and, also, that they are no longer mere sojourners in the land, but have determined to make this, really and truly, the State of their adoption.

The location throughout the State of families, the rearing of homes, and the permanent improvements so generally to be observed, are gratifying evidences not only of the fertility of our soil, the healthfulness of our climate, and the beauty of our scenery, but of the advancement and prosperity of the State in all the elements of true greatness and enduring wealth.

The products of the year 1854 are generally believed to be amply sufficient for the supply of the home market. I have no data before me, upon which to

base an estimate of the amount of corn and oats produced. Of wheat, not less than three millions of bushels have been raised, and more than four millions of bushels of barley. Of potatoes, more than will suffice for home consumption have been produced; such is also the case as regards vegetables of all kinds, the yield during the year having been unusually large.

In the southern counties, the grape and pear crops have been exceedingly abundant, and other fruits extensively and profitably cultivated. I am also assured that extensive preparations are there being made for the manufacture of wine of various qualities and flavor.

In fifteen counties, being less than one half of the State, the beef cattle number three hundred and twenty thousand four hundred and seven, (320,407.)

The number which arrived within the last year by the overland route, is as follows: Through Noble's Pass, twenty-four thousand and twenty, (24,020); Beckwith's, ten thousand one hundred and fifty-one, (10,151); Gila route, nine thousand and seventy-five, (9,075); Sonora Pass, five thousand one hundred and six, (5,106); Carson River Route, twelve thousand nine hundred and ten, (12,910); whole number, sixty-one thousand four hundred and sixty-two, (61,462.)

The above statistics may be considered as nearly correct, as they were obtained from those having charge of the ferries along the several routes named, and over which, cattle coming into the country must necessarily pass.

COMMERCE, MANUFACTURES AND IMPROVEMENTS.

As a necessary consequence of the progress and prosperity of our people in other departments of industry, our commerce has extended to meet the wants of our citizens, and, advancing with equal strides, has kept pace with the other great industrial interests of the State.

The fleets of vessels which, during the past year, have entered our harbors from Atlantic ports—from South America, the Islands of the Pacific, and from the coasts of Asia and Europe, attest alike the prosperity of California and her great commercial importance. As a State which dates her organization scarce five years since, her foreign commerce, bearing the necessities and luxuries of every clime, and hailing from every port of the civilized world, stands unrivaled in the history of the past, and presages the proud position California is destined to occupy at an early day, as a great commercial State.

Our people, aware that increased population, improvements and extended trade will render necessary more rapid means of transportation for passengers and freight, fully appreciate the importance of constructing Railroads connecting the various towns and cities of the interior with those of the seaboard, and have already projected several such roads, which are now under contract, and when completed will not only be of immense advantage to our citizens, and open up vast regions of the State to cultivation and commerce, but, it is hoped and believed, will also form a link in the iron chain, which is at no distant day to bind the Atlantic with the Pacific shore.

PACIFIC RAILROAD.

The gigantic project of connecting the Pacific with the Atlantic Ocean by means of a Railroad over the continent is properly appreciated by the people of this, the youngest of the sovereign States, and it is perhaps needless to add, that their aid will be cheerfully extended to the accomplishment of the work in every form consistent with their own and the Constitution of the United States.

The wants and necessities of California eminently and peculiarly demand the speedy completion of this great work, which, when fully consummated, will not only incalculably advance all her substantial interests and add immensely to her wealth and prosperity, but will connect in interest as they are now united in feeling, the people of the extreme sections of this great confederacy.

Inland travel between all the principal parts of the State by means of stages, has also, during the year, been rendered expeditions and comfortable. Indeed, California to-day can boast of stage and coach conveyance equal, if not superior, to any of her sister States.

In supplying the wants of this extended and highly important commerce and land travel, our manufacturers, machinists, mechanics and builders have given evidence that California is able, within herself, to meet the requirements of her people. In fact for many of the water craft now employed upon our inland bays and rivers, we are indebted to the enterprise and skill of our own mechanics, as they have been entirely constructed within the limits of the State.

The progress to be noted in this particular department of trade is peculiarly gratifying to all friends of California, and speaks much for the enterprise of her people as well as the general prosperity of the State.

The immense improvements in our commercial metropolis and the cities of the interior, in the construction of extensive wharves, capacious warehouses, and magnificent marble and brick edifices equal in architectural beauty and durability to any which adorn the emporiums of the East, are unmistakable evidences of the enterprise and public spirit of our citizens who have charge of mercantile and commercial affairs.

Situated as is California, on the confines of a continent, midway between the Indies, Asia, and the millions of Europe, with a population unequalled in intelligence, enterprise and progressive spirit, she cannot fail to take the lead of the nations of the old world, and bids fair soon to rival in commerce, her sister States of this mighty confederacy, as she already surpasses them in mineral wealth and fertility of soil.

Nor is she deficient in domestic or internal commerce. Our steamers, and thousands of minor water craft, which daily leave our wharves and ply between the several cities and towns of the State, have, during the year just closed, not only been largely increased in number, but for beauty and durability of construction, as well as their adaptation to the several trades in which they are employed, are unsurpassed in the older, but not more enterprising communities of the Atlantic.

Regarded as a national undertaking, and as the great work of the nineteenth century, it is eminently worthy of the enterprise, power and wealth of this young Republic, as a means not only of commanding the commerce of the world and the riches of the Indies—of developing the vast resources now hidden in the desert, and opening to the industry and skill of our rapidly increasing population, the interior of a continent, but as binding together with hooks of steel and iron bands, the now widely separated portions of the Union.

That it is the province of the General Government, in some form, to act upon this momentous question, is most true, but in view of its immense and universally conceded importance to the Pacific country, I cannot refrain from suggesting to you the propriety of again memorializing Congress on the subject, and giving expression to the wishes and views of the people of this State.

OVERLAND ROUTE TO CALIFORNIA.

During the past year, the subject of the construction of a Railroad, connecting the Mississippi River with the Pacific Ocean, has been sufficiently discussed to convince all that, owing to the magnitude of the undertaking and the perplexing questions mooted, many years must elapse before this desirable and highly important project will be finally consummated.

Until this great work shall have been completed, and overland travel rendered expeditious and secure, Congress should, at least, by the establishment of a sufficient number of military posts along the entire route, afford ample protection to immigrants against the aggressions of hostile Indians.

The establishment of such posts is regarded as a matter of vital importance to the interests of California, and one to which I trust you will in some form, at an early day, invite the attention of the General Government.

The establishment and maintenance of a sufficient number of military stations, at intervals of seventy-five or one hundred miles, with fifty men at each post, it is believed, would afford the security required, and incur the expenditure of but a trifling sum, compared with the great and manifold advantages which would certainly result, not only to California, but to the whole Union.

This plan, it is believed, would render overland travel secure, and augment immensely the population of California, by the immigration of families, at present so much required to add permanence and stability to our prosperity. Nor would the benefits derived from this plan be confined to California alone; for around each of these stations would gradually be formed a settlement of hardy and adventurous pioneers, and in a few years from the protection and facilities thus afforded, the entire country lying between the Mississippi and Sacramento Rivers would be thoroughly explored, and, I doubt not, discoveries made, not only developing the vast mineral and agricultural resources of that immense tract of land which is now an almost unbroken wilderness, but also clearly and unmistakably indicating the shortest and most practicable route along which can best be constructed the great highway of nations—the Pacific and Atlantic Railroad.

During the recess, I have given this subject careful consideration, and feel called upon to assure you that, as a means of increasing our population and adding to the true and substantial wealth of the State, as well as affording the additional mail facilities now so much required, I regard it as one of more than ordinary importance to California.

By this plan the expense of travel would be so far lessened as to accommodate the undertaking to the means of thousands who are now deterred from migrating to California, and locating their families in our midst.

At this time, are to be found in the mines, as well as in the agricultural districts, thousands of men who monthly remit a large portion of their earnings for the support of families in the Atlantic States. Should the measure suggested be adopted, and the required protection and facilities afforded, these families would soon be located among us, and, instead of being the recipients of the proceeds of labor in California, now transmitted for their support, they would become consumers of the products of our own soil, sharing, in common with us, the responsibilities and blessings of this highly favored land.

From documents in my possession, I derive the important information, that of the entire amount shipped monthly to the Atlantic States, a sum nearly equal to one fourth is remitted for the support of families residing there. This fact alone is sufficient to demonstrate the necessity of adopting measures to induce their immigration to California.

In the months of September and October, of the present year, three thousand three hundred and thirteen (3313) drafts were drawn by the Banking House of Page, Bacon & Co., payable to persons in the several States of the Union, and

of this number one thousand seven hundred and sixty-two (1762), were for sums less than five hundred dollars. During the month of October, five hundred and forty-two (542) drafts were drawn by Adams & Co., in addition to the above, payable in the Atlantic States, for sums less than five hundred (500) dollars.

Although not favored with reports from the other Banking Houses, I have ascertained that their books exhibit about the same state of facts. The drafts for sums under five hundred (500) dollars, with but few exceptions, were remitted for the support of families in the Atlantic States, the heads of which are now laboring in our mines, and engaged in various vocations throughout the State. Most of these families, I am induced to believe, would gladly become residents of the Pacific country, if possessed of means sufficient to defray the expenses of the journey.

From information before me, I am satisfied that not less than ten millions of dollars are thus annually remitted to the Atlantic States, which large sum could and would be retained within our own State, by increasing the facilities and diminishing the expense of transit from the eastern to the western portions of the continent. These ten millions, if expended by consumers in our midst, for the products of our own soil, would not only increase largely the direct wealth of California, but stimulate to a very great extent the agricultural interests of the country, and add immensely to the general prosperity as well as to the amount of taxable property within the State.

The proposed plan, it is confidently believed, will obviate the only formidable obstacle remaining, and enable thousands of useful and worthy citizens, to become permanent residents of our State, who now cannot command, without great sacrifices, the amount of means required to defray the transit expenses of a family by the Ocean Route; and who are, therefore, compelled either to forego migration to California, or leave behind them the only sure basis of State prosperity and permanent welfare—the family circle, and the blessings of home.

In connection with the foregoing recommendation relative to the establishment of military posts, it is deemed proper to state that the Overland Route via the South Pass, is regarded by all who have traversed it, as the best natural road of its length, in the world. Indeed, it is confidently believed that the expenditure, at different points, of a comparatively small sum of money, and the establishment of a few ferries over the principal streams, would render it, as a stage route, quite as easy and safe as the road between the city of Sacramento and Sonora.

From the Missouri line to California, are to be found beautiful valleys, interspersed along the entire route; many of them exceedingly rich in soil, and covered with a luxuriant growth of nutritious grasses. These valleys, as soon as protection shall have been afforded by the establishment of military posts, will all be fully explored, many of them cultivated, and others now unknown to the traveler, discovered. So, also, with regard to the route generally; new passes, lessening the distance, bettering the road, and affording increased supplies of grass, wood and water, will be discovered.

The first three hundred miles, after leaving the Missouri line, being within the newly organized Territory of Nebraska, and being daily traversed by hundreds of emigrants on their way to their new homes, will, it is presumed, require no additional military posts, and the road need no further improvements to prepare it for stage coaches.

Between Fort Kearney and the Sierra Nevada, following either of the emigrant trails, via Fort Hall, Salt Lake City, or what is known as the "Cut-off," from Bear River to Raft River, the road would not require the expenditure of a large sum of money, to render it eminently practicable for stage travel; and actual observation has satisfied me that new crossings and passes can be found, avoiding many of the points where it would be necessary to expend much labor and money.

In truth, the portion of the entire route most difficult to be rendered fit for stage travel, is that lying between California and the points on the Humboldt, where the different trails leave that river.

But the great matter first to be accomplished, is to induce Congress to establish military stations. The stations once established, and the route rendered entirely secure, the practicability of staging over it, will soon be settled to the entire satisfaction and great convenience of the whole country, more than realizing the expectations of the most sanguine.

It is, therefore, hoped that you will, within the first week of the session, present the question in some appropriate form through our delegation, for the consideration of Congress, and adopt such measures as may be deemed practicable and expedient on the part of the State in relation to improvements necessary to render travel over the road, with coaches, expeditious and safe.

CORPORATIONS—MONOPOLIES.

Since the adjournment of the last Legislature, the existing laws in relation to Corporations have been carefully examined and all found more or less defective. I therefore deem it my duty again to commend the subject to your early consideration.

Under our government, where the will of the people should prescribe the kind and character of the laws, it should be the earnest endeavor, as it is the bounden duty of their representatives, so to frame enactments as to effectually protect their interests from the encroachments and oppression of corporations organized for the accomplishment of objects beyond the means of individual enterprise. In fact, legislation should ever have in view the protection and prosperity of industry, and, while extending to capital and enterprise, liberal and proper inducements, should not neglect those checks and limitations which alone can prevent them from being made instruments of oppression and extortion.

The fact that the interests of the people of California are identified with labor, and opposed to extending the influence of government to the advancement of the few at the expense of the many, should determine legislation in favor of the protection and security of individual enterprise and industry, rather than to the maintenance of unchecked giant monopolies.

I have, as is well known, steadily opposed the policy of selling the Mineral Lands by the General Government, for the reason that I believed the inevitable result of the sale of these lands would be the gradual formation in our midst of fearful monopolies, and that these monopolies, by combination, would be able to regulate the prices of labor as circumstances or avarice might dictate; such monopolies, it is believed, would exert a blighting influence on the rapidly advancing prosperity of the State, and paralyze the energies of thousands of industrious and enterprising men, whose well directed efforts are now successfully developing the varied resources of this young State.

The golden sands of our rivers—the inexhaustible mineral wealth of the hill-side and the gulch—and the unparalleled products of our fertile valleys and plains, should be free to the industry of our citizens—and labor in every department receive its just equivalent, without the interference or dictation of any power, save alone that free and honorable competition which is its life and spirit.

The evils which may result from the passage of laws, under which powerful monopolies can be organized, are considered of such magnitude as not only to justify, but to require, a careful revision of all previous legislation on the subject, with a view of supplying the restrictions and limitations necessary for the protection of public rights and interests.

Comparatively but few companies, it is proper here to remark, have, as yet, been organized under existing laws, and all the modifications necessary for the security of public interests, can now be made without material interference with the rights or interests of any portion of our citizens.

But the fact that companies have been organized and exist under Acts heretofore passed, does not interfere, in the least, with the right of the Legislature either to amend or repeal any or all of them.

The 31st section of the 4th article of the Constitution provides for the formation of corporations under general laws, and that "all general laws and special Acts passed pursuant to this section may be altered from time to time, or repealed," and the 30th section of the Act of 1850, under the head of "general provisions," authorizes the Legislature at any time "to repeal the Act and dissolve all corporations created under it."

The right of the Legislature to amend or repeal the several existing laws concerning corporations must, therefore, be conceded, and that they require revision, it is believed, will be admitted by all, after careful examination.

In the formation of laws authorizing the organization of companies, the manifold interests of the public should be carefully guarded, either by fixing reasonable rates in the Act itself, or by vesting the power to prevent exorbitant charges upon commerce and travel in the Courts, to be exercised whenever necessary.

Industry and enterprise, unaided by the special privileges enjoyed by corporations, have in a few years, made California, in many important respects, superior to most of the older States of the confederacy. To continue her prosperity, and develop with sufficient rapidity her mighty resources, it is only necessary to give the people wholesome general laws, for the protection of person and property, and to prevent monopolists from controlling the main sources of her wealth as well as the principal avenues of trade and travel.

Under enactments such as now exist upon our own statute books, monopolies of the most oppressive character, have grown up in most of the States of the Union, and become so powerful as almost to defy legislative authority, and sufficiently potent to seriously interfere with the rights and interests of the people.

Although it may be true that the people of California have, as yet, suffered comparatively but little from the exactions of monopolies, organized under State laws, still it must be apparent to all who carefully investigate public affairs, that, unless judicious modifications of existing laws on the subject, be soon made, the evil will be more seriously felt in California, than in any other State of the Confederacy.

I, therefore, commend the subject to your early and favorable consideration, and trust that you will, without delay, adopt such restrictions and modifications as will effectually preserve, in all time to come, the people of this rapidly growing State, from evils which now oppress the citizens of other sections of this Union, and which are the direct result of injudicious and unguarded legislation in relation to corporations.

PAPER MONEY.

In connection with the subject of Corporations, it is deemed proper to invite