



Oregon State Archives

800 Summer Street NE

Salem, OR 97310

503-373-0701 ext. 1

sos.oregon.gov/archives

GOVERNOR LAFAYETTE GROVER ADMINISTRATION

September 14, 1870 to February 1, 1877

Inaugural Address, 1870

Source: Inaugural Address of Gov. LaFayette Grover to the Legislative Assembly September 14, 1870, Salem, Oregon, T. Patterson, State Printer, 1870.



INAUGURAL ADDRESS

Salem Oregon, Sept. 14, 1870

Gentlemen of the Senate And House of Representatives:

In assuming the duties of Chief Executive, it is becoming in me to acknowledge the ample favors which an all-wise Providence has lavished upon us as a people.

Abundant harvests have been gathered, health prevails, and peace reigns throughout our borders.

We are now entering upon an important period of our development as a State. Our infancy as a Territorial Government has passed into history. Our early struggle as a young State of the Union has already turned the point of successful trial, and we now stand in the threshold of coming strength and power.

With a territory ranking among the largest of the sisterhood, with a soil equal to the best, and a climate of a salubrity and healthfulness enjoyed by none other, with resources for the employment of industry of great variety and extent, it would seem difficult to predict for Oregon anything short of a most successful career. In fact, with a creditable management of public affairs, nothing stands in the way of our prosperity.

At this juncture of our advancement, a vital question presents itself for determination. Our State is sparsely peopled. It is capable of supporting a dense population. We are about to reach out and take by the hand thousands who will come and make their homes among us.

Shall we look eastward to the older States and to Europe, or shall we look westward to Asia? Shall the Caucasian or shall the Mongolian be invited to be co-laborers with us in building up the state? Labor has been, and will continue to be, the capital of the immigrant. To European immigration, America has heretofore offered higher wages and more abundant means of support than the home country. Labor, therefore, both skilled and unskilled, has flown to us from Europe, constantly swelling our ranks, and enriching the country with its industry and our ranks,

and enriching the country with its industry and genius. To this source our nation has owed the wonderful impetus of our progress in wealth and numbers.

In receiving this population, we have not ceased to be a homogeneous people; for they have been of the stock whence were derived the first American Colonies. They have been bone of our bone and flesh of our flesh. Their labor has become represent in lands and houses, herds and flocks, orchards and vineyards, mills and merchandise - all with us and of us.

Their property has borne is equal burden of taxation and they have shared our perils and hardships in war, and our responsibilities in peace. They speak our language, and, respecting and cherishing the principles of our Government, they mingle with us congenially in all our institutions; their children are educated with ours, and both are reared together to be one people.

We can, therefore, hail the coming of this class of immigration in common with that from our older States, and welcome them among us with favor and satisfaction as brothers.

But what of the Mongolian?

An acquaintance of twenty years with the Chinese upon the Pacific Coast enables us to define its traits and qualifications with sufficient certainty.

He is unacquainted with our language, or with any language having elements common with ours. He is unaccustomed to our modes of thought, either in a social, moral or religious point of view. He is incapable of assimilating himself to our habits of life, and even his education is a discipline the reverse of our forms of reason and action, both public and private.

He is uninfluenced by our examples and observances; our Courts, even, can administer no oath, which will bind his conscience. He is a Pagan in his religion, and an absolutist in his ideas of government.

He comes with no family, but his associations are with harlots of his own race. While living here he is subject to law inscrutable to us, and when dead his body is returned to the land from whence he came. He respects neither our Government nor our soil. There is not a single tie of common brotherhood between us and him; although we admit a common humanity, he denies even this.

These features of his character are ingrained in his being, and are established as unchangeable by a history of four thousand years.

His coming among us is not from long or even respect for our institutions - it is solely for gain. But his gains are not that thrift which attaches itself to the country, becoming visible and taxable property, bearing its proportion of the burdens of government, but they are the results of delving in mines or serving for wages, all of which are hoarded and sent away to China. The ruined village and the deserted plain are places where he has wrought the most.

The money, which he as earned is represented nowhere in the fixed property of the country. China has been made richer, and America has been made poorer by his presence.

Can we build up our State based on the immigration of the Asiatic? The common answer is that we cannot. For American and European labor will never consent to contest the field with Chinese labor; and as soon as it is understood that the Mongolian is to be encouraged here, the European will cease to come. Which will we have - the wealth, the intellect, the virtues, the accumulations and the association of our kinsmen, or the vices of the Pagan, and the absorbing and leeching process of his work among us? I need not answer. Recent demonstrations of the people fully respond to these inquiries.

THE BURLINGAME TREATY

A careful observation of the course of the Chinese Government will fully indicate the fact that it is the settled policy of that people to draw upon the resources of all other nations in every available form; and their peculiar control over their own subjects facilitates the accomplishment of their purposes in this respect to a remarkable extent. The last hundred years have witnessed all Europe and America shipping to them their treasure and taking in exchange the peculiar products of China.

Whenever the Chinese have been permitted to go abroad, they seem still to have been under the control of the home government, to the extent at least, that their earnings have been returned to their native land.

To facilitate this policy of the Chinese government, they have lately procured the ratification of a treaty at Washington, by which, as the compact declares, "citizens of the United States visiting or residing in China, shall enjoy the same privileges, immunities, or exceptions in respect to travel or residence as may enjoyed by the citizens or subjects visiting or residing in the United States shall enjoy the same privileges, immunities, or exemptions in respect to travel or residence as may be enjoyed by the citizens or subjects of the most favored nation."

The pretended reciprocity of this treaty is an absurdity. The most favored nation stands on the narrowest limits in China, but in the United States, upon the broadest. By this treaty our people receive no enlargement of rights in China, but the Chinese are admitted freely to our unexhausted wealth, - they are even admitted to our mines without tax or tribute to our government - privilege which no other government ever guaranteed to an alien.

China aggregates a population greater than that of all Europe and the United States combined. She hangs like a portentous cloud over our political horizon. Her people may swarm upon us like locusts. Their coming will unhinge labor; derange industry; demoralize the country; and by claiming and receiving the ballot may overturn our system of government altogether; for the most serious apprehension from the present policy of the general government to enfranchise all inferior and servile races, and to encourage their immigration to the United States, is, that the ballot system may become despicable.

This view alarms those who revere our institutions, and who believe that intelligence, virtue and honor constitute the only safe basis of a free government.

It is said that if we restrain the immigration or importation of Chinese, we abandon the hereditary policy of the government.

This objection is not well taken. Our government in this respect, was framed upon the idea that the States held the right to admit or exclude such persons as they should deem proper, and Congress was prohibited from even excluding any class of persons previous to the year 1808.

(Art. 1, Sec. 9, U.S. Constitution.) Since that date Congress has exercised this right by prohibiting the importation of Africans; and the naval power of the government has been used to enforce the prohibition.

Our government has removed Indians from State to Territories and from One Territory to another, and confined them to limited boundaries. The States have exercised the right to exclude paupers and other classes of persons constantly, from the beginning of our history.

The States now hold the right to admit or exclude such foreign persons as they choose to admit or exclude, subject only to the treaty of making power.

By the 31st section of the Bill of Rights in our Constitution, the Legislature has authority to restrain and regulate the immigration to this State of persons not qualified to become citizens of the United States. Were it not for the existence of this treaty, the State could exercise the power to protect itself against the incursions of such of the Chinese as it should deem detrimental to its wellbeing.

I regard it, therefore, to be of the gravest consequence that the late treaty with China, and the policy on which it is based, receive our earnest and vigorous protest.

Upon the subject of immigration, I herewith submit a communication received from a committee of the Board of Trustees of the Labor Exchange Association of Portland and recommend the same to your favorable consideration, as emanating from a source worthy of high respect.

THE FIFTEENTH AMENDMENT

Since your last meeting, by the promulgation of the so called 15th Amendment to the Constitution of the United State, Oregon has been deprived de facto of the first element of its Constitution, guaranteed by her admission into the Union - the right to regulate suffrage.

In the Farewell Address of Washington, we have the following remarkable and prophetic admonition: "Toward the preservation of your government and the permanency of your present happy state, it is requisite not only tat you speedily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of invasion upon its principles, however specious the pretexts. One method of assault may be to effect, in the forms of the Constitution, alterations which impair the energy of the system, and thus to undermine what cannot be directly overthrown."

The spirit of invasion upon the principles of the Constitution of the United States, of which we have been forewarned, has already been abroad, and it has adopted the very method of assault specifically pointed out.

It has struck at the vital forces of our system and sought to implant therein the essential elements of tyranny. It has attacked the principle of local self-government in the States, which is the chief corner stone of our whole political fabric.

While discountenancing irregular opposition to even assumed authority on the part of the General Government in this respect, I shall not forbear placing on record my settled conviction that the two propositions last promulgated as amendments to the Constitution of the United States, effecting as they do such violence to the inherent and reserved rights of the several States, have never been legally sanctioned; and while we yield to superior force exercised in the

forms of law, let our Constitution stand sustained by the will of her people as a living monument of the former dignity of the States of the Union, and as a land-mark of American liberty.

CONVENTION TO AMEND THE CONSTITUTION OF U.S.

In order to cure the numerous complications and inconsistencies into which the late distracted condition of the country has thrown our fundamental laws, both State and National, at the proper time I would recommend that Oregon join with her sister States in proposing a call for a convention of all the States to frame amendments to the Constitution of the United States, to which when fairly ratified by the Legislatures or Conventions of three-fourths of the States, elected upon the issues submitted, all the State would cheerfully acquiesce and conform their local Constitutions thereto.

This course will probably become necessary in order that the co-ordinate branches of the General Government be better entrenched in their rights, and that the rights of the States be re-defined and acknowledged.

PUBLIC BUILDINGS

The State is in want of public buildings, while every succeeding year shows that the necessity for their erection is growing more and more imperative. Prudence, indeed, would dictate that we proceed slowly with these works, but nevertheless we should be making some progress in this direction. I would therefore suggest that provision be made during the present session for the gradual erection of some one of the public buildings most needed.

STATE UNIVERSITY AND AGRICULTURAL COLLEGE

By the 10th Section of the Act of Congress of 27th September, 1850, making donations of public lands in Oregon, the quantity of two Townships of land were donated to aid in the establishment of a University of Oregon. Also, by the 11th Section of the same Act there were granted for the same purpose parts of what was known as the "Oregon City Claim." By the 4th Section of the Act of Congress of Feb. 14th, 1859, admitting the State of Oregon into the Union, it was provided "that seventy-two sections of land shall be set apart and reserved for the use and support of a State University, to be selected by the Governor of said State, to be appropriated and applied in such manner as the Legislature of said State may prescribe for the purpose aforesaid, but for no other purpose."

These lands have been located and many of them sold, and the funds arising from the sales have been invested to use of the University Fund, but in what amounts I have not now the means of stating.

These funds, however, have, by the terms of the Constitution, been inhibited from expenditure until the period of ten years from the adoption of the Constitution, "unless the same should be otherwise disposed of by the consent of Congress, for common school purposes." The period of ten years limitation from the adoption of the Constitution has elapsed, and Congress has not only not consented to these funds being otherwise disposed of, but has specifically enjoined by act subsequent to the framing of our Constitution, that as to the seventy-two sections of land, they should be applied for the use and support of a University, "but for no other purpose." These funds therefore are subject to being marshaled now, and of being devoted to the establishment of a State University.

Allied to these provisions of Congress for a State University, is the Act of the second of July, 1862, making a grant of 90,000 acres of public lands for the establishment of an Agricultural College.

This grant has been accepted by the State, and provision for the location of the lands have been duly made, and the lands have been selected, and of excellent quality and location. For the purpose of establishing the Agricultural College within the time required by the act making the grant, the Legislature at its last session designated Corvallis College as the Agricultural College of the State, but this designation was limited to the term for two years. It would appear that to meet the purposes of the grant steps for a permanent location of this institution should be taken.

The report of the chief officers of Corvallis College, touching the connection of that institution with the Agricultural College, submitted to me, is herewith accompanying. The report shows that the College has performed this duty assigned it by every available means, and I commend the suggestions therein to your favorable notice.

Competency of support is as necessary to success in institutions of learning as in other undertakings. If the University funds and the fund arising from the Agricultural College grant, could be united and properly administered, they would constitute a solid foundation for a State institution of high order, - one that would assist greatly to hold up the standard of education in the State.

PENITENTIARY

Our Penitentiary has always been a serious charge upon the State. This has resulted from the want of the appliances and the discipline necessary to engage the convicts in a well-adapted system of continuous industry.

Constant systematic employment is probably one of the most humane, and at the same time one of the most valued means of reform used in public prison. There is ample water power within the prison grounds now belonging to the State, available for all ordinary mechanical uses; also, a liberal amount of land adapted to prison use; so that it will be only a matter of organization and discipline with a moderate outlay of money in the initiation of the work, to enable this institution to become not only self-sustaining but possibly to render a revenue to the State. If the Assembly should consider that further legislation is necessary to enable the superintendent to place the Penitentiary on a self-sustaining basis, I respectfully ask your attention thereto.

FINANCES

At the last biennial session of the Legislature no appropriations were made for the support of the State Government during the following two years. The result has been that two annual collections of revenue have accumulated in the Treasury, and the public debts and liabilities have been outstanding and drawing interest against the State.

I urge early action of your body upon this important subject, in order that justice be done the public creditor and that the further accumulation of interest be stopped.

It is apprehended that on account of absence of means to defray the State expenses certain warrants, though issued for necessary contingencies, have been without legal authority, and will demand legislation beyond mere appropriation to secure their payment by the Treasurer. It

would be just in these cases that warrants issued for fixed salaries and allowances be legalized and paid in full. But where a greater amount has been allowed to any claimant than would have been demanded, had the State not been in distress for want of appropriation, I think the law authorizing payment should provide for an equitable adjustment.

INTERNAL IMPROVEMENTS

The 4th section of the Act of Congress of February 14th, 1859, provides "that five per cent of the net proceeds of sales of all public lands lying within said State, which shall be sold by congress after the admission of said State into the Union, after deducting all expenses incident to the same, shall be paid to said State for the purpose of making public road and internal improvements, as the Legislature shall direct."

The amount of this fund should now be considerable, and there are several works of great importance and commanding necessity, which the State should push forward, or encourage by every constitutional means.

The State also entitled to the proceeds of the sales of five hundred thousand acres of land, under the Act of September 4, 1841, on her admission into the Union. This grant was specifically made for the purpose of internal improvements; but by Article 8th, Section 2d, of our Constitution, this fund is enumerated as a part of the provision for common schools, if Congress shall consent to such appropriation.

The consent of Congress has never been given to this diversion. I recommend that specific application be made to Congress for its consent to the use of this fund for common schools, according to the provision of our Constitution. In case this consent is withheld, the fund may then be treated as available for internal improvements.

Specific grants of lands in liberal amounts have been made by congress for railroads and wagon roads within the State, and I am happy to note the fact that, stimulated by this assistance, good wagon roads have been made, opening up communication to every part of the interior. And railroads have been projected to connect Oregon and California, and with the East by way of the North Pacific line, while shorter lines are to connect us with other leading points of communication.

Fifty miles of the Oregon and California railroad, connection Salem, the Capital with Portland, the metropolis, have already been completed, and we now feel the impulse of more rapid communication. These public works should be fostered, and as far as the State has power or influence, should be made to inure to the benefit of all parts of the State equally.

TAX ON INSURANCE COMPANIES

Foreign insurance companies are carrying on an extensive business within our State. They receive the protection of our laws and derive profits from their business here, without being subject to any proportionate contribution to support our Government.

It is customary in other States to tax such corporations upon some proper basis; for instance, a percentage upon their gross receipts within the State - and I am informed that such assessments are regarded by the parties interested as but just, and are cheerfully paid.

The revenue inuring to the State from this source, under a well devised law for that purpose providing the usual rates of taxation, would approximate the sum of ten thousand dollars annually.

As these insurance companies do business throughout the State, I would recommend that the present law requiring them to deposit securities with the County Treasurers in the county where they hold their principal office, be so amended as to require the same to be deposited with the State Treasurer, as more appropriate and better suited to public convenience.

PAY OF OFFICERS

The important duties and the growing responsibilities which are cast upon the Executive office of Private Secretary will be one of labor and constant attention to business. As no other clerical force is allowed, it appears to me that such pay should be provided for this officer as would at least secure the services of a competent book-keeper in an ordinary mercantile house. The sum of six hundred dollars per annum, now allowed by law, is entirely inadequate. The same remark is applicable to the salary of the assistant Secretary of State, which is four hundred dollars per annum. These two offices require competent, capable and responsible men, exclusively devoted to their several duties; such cannot be secured without fair compensation.

SUPREME COURT

In the organization of our Judiciary the framers of the Constitution provided that a single class of Judges should hold both the Supreme Court and Circuit Courts, but that when the population of the State should amount to two hundred thousand, the Legislative Assembly might provide for the election of Supreme and Circuit Judges in distinct classes.

It was evidently anticipated that at first the labor of the Courts would not be excessive, while the condition of the State dictated economy in all departments.

While I do not think we have reached the amount of population required by the Constitution to entitle us to a separate Supreme court, an act, properly framed, providing for such Court and the election of Judges at our next biennial election, would meet with the Executive sanction, as I believe by that time the limit of population will have been substantially reached, that the welfare of the State requires separate Courts, and that, by the present organization, the labor devolved upon the Judges is excessive.

INSANE ASYLUM

The Asylum for the Insane is the foster child of the State. In the provision for the unfortunate, the best humanities of a people are exhibited. I need not ask you to extend a kind hand to this institution.

The deaf and dumb and the blind must ere long be provided for also.

Our State needs much well considered legislative labor at your hands, of which, as your body is composed of men of large experience, you will be the better judges. I will however, further suggest that there should be a thorough revision of our Common School system, so that it shall be organized upon the idea of efficiency in every department.

The management and disposal of the State lands constitutes an important public trust, and good faith to the occupants and purchasers requires that there should be provided such official

service, in respect to tenure and disposal, as will place titles beyond chance of falling into confusion.

In conclusion, gentlemen, allow me to congratulate you upon the promptness and harmony which have signalized your organization. It will be taken as an earnest of your devotion to duty, and as a promise to the country of an industrious and successful session.

And now, in the presence of all the Department of our proud young State, assembled here by your invitation, permit me the expression: - In our laws, let us have wisdom; in their adjudication by the Courts, justice; and in their administration and final execution, faithfulness and firmness. In this sentiment I promise you the performance of my part.

L.F. GROVER

Lighthouse Communication, 1870

Source: Appendix to Inaugural Address of Gov. LaFayette Grover to the Legislative Assembly August 23, 1870, Salem, Oregon, T. Patterson, State Printer, 1870.

Portland, Oregon,

Sept. 7, 1870

TO HIS EXCELLENCY,

THE GOVERNOR OF THE STATE OF OREGON.

SIR: - I have the honor to inform you that I am directed by the Honorable Secretary of the Treasury, through the Light House Board, and the Honorable Secretary of War, through the Chief of Engineers of the United States Army, to request that the two enclosed drafts of Acts, the one entitled "An Act to provide for the relinquishment to the United States, in certain cases, to title in lands for sites of Light Houses, and other purposes, on the Coasts and Waters of the State;" and the other, "An Act giving the consent of the Legislature of the State of Oregon to the purchase by the United States of land within this State, for Light House, Military or Naval purposes," may be submitted, through you, and with your favorable recommendation, to the Senate and Assembly of this State, with the hope that they may become laws of the State.

The drafts of the Acts submitted to you are intended to show your Excellency what is the nature of the Acts which it is desirable should become laws of the State; but any other phraseology may be adopted, provided the objects desired are arrived at. They are similar to laws, which have been in force in California for many years, and are so drafted as to refer only to LightHouse, Military and Naval purposes.

The necessity for the passage of the first-mentioned Act is apparent. Without its passage, an individual owning a piece of land can positively refuse to sell it, no matter how much the public service may require that it should become the property of the United State; or, if not positively refusing, the owner may place such an exorbitant price upon it, that the United States would decline to purchase, rather than set so mischievous a precedent as to pay an exorbitant price for land of comparatively little value.

The necessity of passage of the other Act above mentioned is also apparent. The Government of the United States may secure a title, by purchase or otherwise, to a piece of land intended to be used as a site for a LightHouse or Fort. The 17th clause of the 8th section of the 1st article of the Constitution of the United States give exclusive legislation "over all places purchased, by the consent of the Legislature of the State in which the same shall be, for the erection of Forts, Magazines, Arsenals, Dockyards and other needful buildings." It is therefore necessary that the consent of the State must be obtained before a LightHouse or Fort can be built on land purchased by the United States. To ask for and obtain the passage of a special Act whenever a Light House is to be built, particularly when the Legislature meets but once in two years, would be difficult, and often detrimental to the public service.

There is but one LightHouse on the coast of Oregon; and it will not be long before several will be required.

The whole difficulty would be obviated by the passage of an Act, a draft of which is respectfully submitted to your Excellency.

If, in their wisdom, the Legislature of Oregon should deem it advisable not to make such general laws as I have indicated, then I am directed to request that special laws be passed by the Legislature of Oregon, ceding jurisdiction over forty three and three-tenths (43:3-10) acres of land purchased by the United States at Cape Blanco for Light House purposes, 20 acres of land at Cape Foulweather, which has been reserved by the President of the United States for Light House purposes, and such lands as the United States may purchase at Yaquina Bay, where \$20,000 have been appropriated for two range lights.

I have the honor to be,
Very Respectfully,
Your Obedient Servant,
R.S. WILLIAMSON,
Maj. U.S. Engineers,
L.H. Engineer.

Labor Exchange Communication, 1870

Source: Appendix to Inaugural Address of Gov. LaFayette Grover to the Legislative Assembly August 23, 1870, Salem, Oregon, T. Patterson, State Printer, 1870.

LABOR EXCHANGE, OF PORTLAND

Portland, Oregon, August 23, 1870

Hon. L.F. Grover, Governor of Oregon - Sir:

The undersigned, a Committee of the board of Trustees of the Labor Exchange Association of Portland, beg leave to offer for your consideration, and that of the Legislature of this State at its approaching session, some suggestions of the subject of immigration; and also, to invite your attention to the propriety of the State rendering pecuniary aid, by some measure not involving extravagant expenditure, to the association we represent.

We do not deem it necessary to enter into any lengthy argument to illustrate the benefits to accrue to the State from large immigrations; a few facts will be sufficient. Oregon ranks with the

largest of the States in point of territorial area, and among the smallest in population. Its natural resources in everything that contributes to build up large and prosperous communities, are equal to the finest portions of the United States. The climate has no equal for salubrity and healthfulness. The soil is remarkably fertile; and there are many millions of acres of land in our mountains and valleys, on the coast and in the interior, open to purchase and settlement at moderate prices. For the ordinary branches of agriculture, no climate or country can possess more favorable conditions. Possessed of mines of iron and coal, of great extent and value, together with the most extensive forests of timber, with mill streams and water power in abundance, I is capable of being developed into a manufacturing State of no small importance.

That great benefits are to be derived by the people of such a State, from the immigration in large numbers of industrial people from other States, and from European countries, is a proposition which, we take for granted, will not be disputed.

We need population - not of traders, professional men, or mere laborers, for a large influx of those classes, without a corresponding accession of producers, would be a positive detriment - but we want a farming population, especially of that class that require land in small tracts for permanent homes, an devotes itself to the cultivation of a variety of products; for our country and climate are adapted to their pursuits. A very large proportion of the immigration landed at Castle Garden during the past few years is of that class. They are not the dregs of European society, as many people have been misled to believe, but families whose industrious habits have enabled them to accumulate sufficient means to emigrate to America, and settle themselves on the cheap lands of the West.

A report published by the Department of State at Washington, March 31, 1870, puts the total number of immigrants which arrived in the United States during the year 1869 at 345,652; of these, 266,569 arrived at the port of New York. The report of the Department of Agriculture for 1868, in a chapter on immigration received from foreign countries during the period of our natural existence, has been received in the past nine years - that is, from 1860 to 1868 inclusive. This influx of population amounted during those nine years to 2,131,403 souls.

Some statistics have been published, which go to show the final destination of all these people. The Superintendent at Castle Garden, in his published report, says that in one week, in June 1870, there arrived at that place 11,822 immigrants; 8,000 of these started immediately for the West. During the year ending May, 31, 1870, over 316, 000 immigrants arrived at Castle Garden, of whom about one-twentieth were Scandinavians. Of these latter, two thirds have gone West. They brought with them nearly \$500,000 in money. Of 50, 000 immigrants who arrived in the month of May, New York got 14, 000; Illinois, 6,000; Pennsylvania, 6,000; New Jersey, 1,500; New England States, 3,000; Southern States, 1,700; the remainder, amounting to nearly 18, 000, went West. The value of immigrants has been variously estimated. The Louisville Commercial Convention set the mark at \$1,500. Probably a safer estimate is to be had from Mr. Frederick Kapp, one of the Commissioners of Immigration in New York city. He reckons an immigrant worth just as much to this country as it cost to produce a native born laborer of the same average ability. This cost, he estimates, is \$1,500 in the case of a male, and half as much for a female. Averaging the ages and sexes of the immigrants, he estimates each worth \$1,125. He estimates further, that immigrants bring with them an average of \$150 each, in money and personal property, making the total accession of value from such immigrants, \$1,275.

An examination of the foregoing figures will furnish a clue to the remarkable prosperity enjoyed by some of the Western States the past few years. The fact is, those States have been build up within a few years from mere outlying territories into great States, by immigration alone. This is particularly so in the case of Minnesota and Kansas. The population of Minnesota in 1860 was 172, 022; in 1865, about 250, 000; and at the close of the year 1868; it was stated in the annual message of the Governor to be 445,000.

Kansas has increased its population from 107,110 in 1860 to somewhere in the neighborhood of 550,000 in 1870. Both States have thoroughly efficient immigrant organizations, supported by the State. The Board of Immigration of the State of Missouri estimate the additional revenue to the State, derived from immigration by the taxation of the property of immigrants, and the increased value of other property consequent upon the settlement of that immigration in the State, to more than double the appropriations made annually in aid of their immigration scheme. So that Missouri is not only increasing her wealth and population permanently by this means, but makes the operation pay as it goes. These States have gone into the immigration business with energy and enterprise. Their associations have their agents in New York and the principle seaport towns in Europe. Their circulars, maps and emigrant guides are distributed in the language and to the people of all nationalities. Their agents put themselves in communication with, and become the representative agents in Europe and the Atlantic States for ocean steamship and railway lines, and by educating the emigrant to start from his home for their States as his objective point create business for those lines and offer an inducement by which cheaper transportation is secured. At his place of destination the emigrant is received by a local agent who is supplied with maps and price lists of lands in his neighborhood, and authorized to make sales; he acts, also, as the agent for manufacturers of portable houses and other supplies, which he furnishes to the immigrants at original cost. Thus the emigrant secures cheap transportation, attention while en route, cheap lands, and cheap supplies to start with. These people readily adapt themselves to their new surroundings, become contented and prosperous in their new homes, and write back to the old country for their friends to follow them. These organizations draw their emigrating land-buyers from the educated and Christian communities of Central and Northern Europe - a class which brings with it habits of industry and economy.

The President of the Kansas organization, J.S. Loomis, Esp., in a letter on the subject of European Immigration, says: "There are twenty millions of people in European countries who are thinking of emigrating to America as a possible fact, and there are half that number who will come here as soon as circumstances become favorable."

The importance of an energetic effort being made to get a share of this flow of population, and also of the emigrating classes of the Atlantic States, is felt by all who are interested in the material development of Oregon. It is a question of plain matter of fact business which Oregon can not afford to neglect.

No State can afford to remain inert and passive in this matter while neighboring States are exerting themselves to reap the benefits to arise from this Eastern immigration.

The difficulty now will be for Oregon to maker her claims heard among other contestants. Those who have been isolated here for ten or fifteen years do not realize how little is known of this State in the East, and still less in Europe. But even if we were as well known s our sister State, California, still we should stand at such a disadvantage in some other respects as to need special efforts to enable us to meet with any degree of success.

The Labor Exchange Association has directed its efforts mainly to overcome that want of information existing abroad, by the distribution of pamphlets and other printed matter. In this enterprise of advertising the State, the Association has met with good success, considering the means at command. The plan of organization is similar to that of a private corporation. It is managed by a Board of ten Trustees, who elect from their number a President, Vice President, Treasurer, and an Executive Committee. A Secretary is appointed by the Board, who has the power, also, to employ such other persons to carry out the objects of the Association as they may deem advisable and to fix the compensation of the same. The by-laws define the duties of the different officers, and provide for the annual and other meetings of the Association and of the Board of Trustees. The by-laws define the duties of the different officers, and provide for the annual and other meetings of the Association and of the Board of Trustees. The revenues are derived from private subscription. Any person who pays into the treasury ten dollars or more in any one year becomes a member for that year, and is entitled to cast one vote at the annual and other meetings for every ten dollars so paid in. No charges are made at the office for any business transacted there.

The plan of operations contemplated by the by-laws is to collect statistics of the agricultural and other resources of the State, and as occasion may require, publish and distribute them through the Eastern States and Europe; or in other words, to advertise the State - not by the publication of exaggerated statements, but of simple facts - and thereby let the people of other countries know what Oregon has to offer them. Information is obtained of vacant Government lands, and of private lands for sale or rent, of the opportunities for business or employment in different sections of the state, whereby immigrants on their arrival are enabled to save themselves time and money, as it becomes a general intelligence office for their benefit. Orders are received for help of all kinds and from all parts of the State, and the immigrant and other assisted in procuring employment.

The Association was an experiment, to begin with. Its success in bringing Oregon into notice, and in advertising the just claims held by our State upon the attention of the emigrating classes, has been great enough to justify us in making an earnest effort for its continuance. The Association was organized in the latter part of August, 1869, and the office opened for business about the 1st of October following.

Up to the 1st of August, 1870, a period of about ten months, about ten thousand copies of various publications relating to the resources of Oregon have been distributed in the Atlantic States, including a few sent to Europe. The pamphlets prepared in the office, and published under the direction of the Board of Trustees, comprise the bulk of those publications. They contain every kind of information that would be interesting to people who contemplate emigration. The last edition, published in April last, is very full and complete in statistical and other information. It is generally conceded to be the best adapted to the purpose for which it is intended, of any publication we have had in Oregon. By placing it in the hands of the leading newspaper throughout the country east of the Rocky Mountains, and in the hands of prominent men, commercial organizations, agricultural and horticultural societies, it has been the means of scattering information far and wide, and of attracting toward Oregon the attention necessary to be aroused before we can expect any very considerable amount of immigration.

Up to August 1st, there were received at the office from the States east of the Rocky Mountains, over six hundred applications, by letter, for information concerning Oregon. Nearly all of them

were received since the 1st of March - the first few months of the Society's existence having been consumed in making itself known abroad.

Hundreds of the Society's publications have been obtained at the office by private parties from all parts of the State, and sent to their friends in the older States.

It may not be amiss to cite one or two cases to illustrate the workings of such a method of advertising. A German resident of Portland having obtained a copy of the first pamphlet issued, last December, sent it to some friends in Stephenson county, Illinois. It fell into the hands of a rich German farmer of that county, Mr. Paul Ohling, who made up his mind from the description therein given, that we would go and take a look at Oregon. He arrived at Portland in June last, looked through the Willamette Valley, and finally bought a farm in Linn county for which he paid \$13,000. He has gone back to Illinois after his family, and proposes to bring with him a small colony of his German neighbors who wait for his return for further information. Another instance is that of a Mr. Chalmers, a Scottish farmer, who came to California last Spring for the purpose of buying land and making his home there. While in San Francisco, he accidentally got hold of one of our pamphlets and was induced to make a visit to Oregon, the result of which was, that he bought a farm in Washington county, for which he paid \$12, 000. He was returned to Scotland after his family, and to inform his friends and neighbors of all the advantages existing in Oregon.

During ten months ending the first of August, 398 persons obtained employment through the office. Of these, all but ninety-two were recent arrivals in Oregon at the time of their engagements. It is usually the case that on the arrival of the steamer from San Francisco, numbers of new comers apply at the office for information relative to advantages and opportunities in different sections for business or labor. The office is provided with the means of furnishing all such with the information they need, except that our finances have not been in condition to enable us to procure proper maps of the public surveys.

The expenditures of the Association for ten months have been as follows:

For Books, Printing, Postage, Stationary, And the circulation of printed mater.....	\$1,066 03
For Office rent, and Fuel.....	277 50
For Furniture and Fixtures.....	79 00
For Salary and Secretary.....	1,395 00
Total.....	\$ 2,817 53

Funds to meet these expenses were obtained almost entirely from the business men of Portland - only two subscribers having been obtained out of the city. The present financial basis of the Association, is a monthly subscription list, embracing 117 subscribers, in sums, ranging from one dollar up to five dollars, payable monthly, and amounting in the aggregate t \$264 00 per month. This arrangement is to cease the 1st of January, 1871, by the terms of the subscription; and unless aid an be obtained from the State, the office will have to be closed then, as the burden of sustaining it thus far has been quite heavy, particularly so on some individuals. And again, voluntary subscription is a resource too precarious to carry on an enterprise of the kind. On one occasion it became necessary for the Trustees to pledge their private credit to get their pamphlets published.

Now, if aid can be obtained from the State, it is proposed to continue the plan of operations already commenced. First - by publishing from time to time, in pamphlet form, descriptions of Oregon, its soil, climate, and agricultural and other resources, together with such other information as would be valuable to emigrants, and contribute to bring Oregon into prominent notice, and the distribution of these amongst the classes of people for whom they are intended. Second - to employ an agent in New York city, to represent the claims of Oregon amongst the immigrants that land her, to furnish them information and arrange for their transportation. Third - to keep open an office in Portland, with a competent person to attend to the business of the Association, collect statistics, prepare its publications, etc., etc., and to keep the office furnished with suitable maps of public lands, whereby immigrants who may be strangers to our land system, and learn how and where lands are to be obtained for settlement; and where information of all kinds interesting to strangers to our land system, can learn how and where lands are to be obtained for settlement; and where information of all kinds interesting to strangers in a new country can be obtained free of cost. Fourth - to procure employment for immigrants and other as far as practicable.

We think the State should bear the expense of this, as the State at large is to be benefitted by it. It is not just that a few persons should be taxed, even with their own consent, for that which benefits all alike.

We do not propose to suggest large expenditures of money to carry out our plans. Our expenses for ten months have been a fraction over \$2,800, but the Trustees have not had the means to make their work near as successful as it might be made; and they have not been able to provide for an agent in New York. The quantity of printed matter issued from the office has been very small, considering the extent of country and number of people we desire to reach.

We have not been able to publish them in any language but the English. In short, the operations of the society have been cramped in many ways by want of means.

Finally, we submit the question for your earnest consideration, believing that it will receive the attention that its importance demands.

Very Respectfully,
H.C. LEONARD
C.H. LEWIS
DONALD MACLEAY,
Committee.

Agricultural College Communication, 1870

Source: Appendix to Inaugural Address of Gov. LaFayette Grover to the Legislative Assembly August 31, 1870, Salem, Oregon, T. Patterson, State Printer, 1870.

STATE AGRICULTURAL COLLEGE

August 31, 1870

To His Excellency, L.F. GROVER, Governor of Oregon:

In behalf of the Board of Trustees of Corvallis College, designated by the Legislative Assembly of Oregon at its last session as the State College of Agriculture, I submit to you the following Annual Report for the year ending June 30, 1870.

The establishment of the Agricultural College of Oregon is due to the bounty of the General Government. On the second day of July, 1862, Congress passed an Act granting public lands to the several States and Territories which might provide Colleges for the benefit of Agriculture and the Mechanic Arts. Under this Act the share of the State of Oregon was 90,000 acres. The Institution was obliged by the terms of the original Act, to be in operation at a period not later than the year 1867. But a subsequent Act, approved on the 23d day of July, 1866, extended the time within which the Industrial Colleges might be established, by another period of five years. The Legislature availed itself of this privilege to the extent of one year, when the Agricultural College of Oregon was established by formal enactment, Oct. 27th, 1869.

The Act of the Legislative Assembly of Oregon, designating Corvallis College as the Agricultural College of the State, is entitled "an Act to secure the location of the lands donated by Congress to the State for an Agricultural College, and to establish such College."

The Trustees of the College met on the 31st day of October, A. D. 1868, and adopted a resolution accepting the terms and conditions prescribed in said Act of the Legislative Assembly.

In accordance with the above mentioned Act of the Legislature, the College was entitled to receive twenty-two students to be appointed by the State Senators, one student from each Senatorial District. Of this number seventeen presented certificates of appointment, and were assigned their respective places in the College classes during the first year. The Act to which allusion has been made, together with the vote of acceptance on the part of the Trustees of Corvallis College, also the names of Agricultural College Students, and course of study may be found in the Catalogue for 1868 and '69 accompanying this Report.

At the beginning of the year 1869-70 five new students were appointed to fill the vacancies, when the number was twenty -two as provided by the Legislature.

These students were faithfully instructed in all the arts, sciences and other studies, in accordance with the requirements of the Act of Congress, so far as it was possible.

It will be remembered that not one dollar was appropriated by the Legislature to inaugurate the Agricultural College. This we think is an anomaly in the history of Colleges. And as the Act of Legislature designating Corvallis College as the Agricultural College of Oregon did not make it permanent, but liable to removal by any future Legislature, even without the consent of the Trustees - for the reasons above mentioned the Board did not deem it proper to make that large expenditure of means necessary, in order to fully carry out the requirements of the Act of Congress. Nevertheless, at the commencement of the last Collegiate year the Trustees did purchase a splendid Philosophical and Chemical Apparatus, costing in the aggregate \$1,200 for the use of the College.

This has greatly facilitated the labors of the Professors in the Agricultural Department. The students have not been instructed in Military Tactics, as this would have involved the employment of a Professor of Military Science, and the purchase of uniform and arms. Neither have they been instructed in practical Agriculture, as this would have necessitated the purchase (or rent) and the furnishing an Agricultural Farm. Instruction has been given in all the other studies pertaining to the Agricultural Department.

The effort to establish an Agricultural College for Oregon is in its incipiency, and it must be evident, to make it a success, it ought to be permanently located, and that, too, at the earliest practical moment, as any delay in this respect must result in injury to the Institution.

Nor is this all. It must be apparent that in order to inaugurate this Institution successfully, and in accordance with the requirements of the Act of Congress, some further aid of material kind should be granted by the State. An appropriation of a few thousand dollars would enable the Trustees to place the Agricultural College upon a basis of permanent success; and it is believed that no appropriation could be made which would confer more lasting benefits upon the State at large. The utilization of science, the practical application of its truths to Agricultural and Mechanical pursuits, is the grand and beneficent object contemplated by Congress in making the grant in question.

To whatever Institution of Learning the important trust is confided, the fostering care of the Legislative Assembly will doubtless be extended to a degree commensurate with the interests involved.

Respectfully submitted,

A. E. SEARS, Pres.
B. R. BIDDLE, Sec.
By order of the Board,
W. A. FINLEY,
Chairman of Committee

The Treasurer of the College furnishes the following statement of amounts received as Tuition from the State Treasurer:

For the year ending July 8, 1869.....	\$415,121/2
For the year ending June 30, 1870.....	960, 00
Total.....	\$1375,121/2

Respectfully submitted,
A. CAUTHORN,
Treasurer Corvallis College.

Public Lands Correspondence, 1871

Source: Messages and Documents, Executive Correspondence, 1871, Salem, Oregon, Eugene Semple, State Printer, 1872.

EXECUTIVE CORRESPONDENCE.
PUBLIC LANDS.
DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
WASHINGTON, D.C., May 3d, 1871

His Excellency,
L.F. Grover,
Governor of Oregon:

SIR: I have the honor, herewith, to transmit certified transcript of List No. 2, embracing tracts selected in the Roseburg District, containing in the aggregate 167, 633. 57 acres, as lands "in place," and inuring to the State of Oregon under Acts of Congress approved July 2, 1864, and March 3, 1869, entitled "An Act grating lands to the State of Oregon to aid in the construction of a Military Road from Eugene City to the eastern boundary of said State."

Also, herewith, certified transcript of List No. 3, containing selections within the indemnity limits of six miles of said Military Road, as provided by the Act of Congress approved December 26, 1866, and embracing in the aggregate 23, 475.66 acres.

You will please acknowledge the receipt of said transcripts.

Very respectfully,
Your obedient servant,
WILLIS DRUMMOND,
Commissioner.

DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE
WASHINGTON, D. C. May 15, 1871.

To His Excellency,
L.F. Grover,
Governor of Oregon:

SIR: Herewith I have the honor to transmit certified transcript of List No. 1, embracing tracts selected in the Oregon City and Roseburg Districts, and containing in the aggregate 46,814.45 acres, as lands inuring to the State of Oregon under the Act of Congress approved July 5, 1866, as amended by Act of July 15, 1870, "to aid in the construction of a Military Road from Albany, Oregon, to the eastern boundary of said State," known as the Willamette Valley and Cascade Mountain Military Wagon Road.

You will please acknowledge the receipt of said transcript.

Very respectfully,
Your obedient servant,
W.W. CURTIS,
Acting Commissioner.

STATE OF OREGON,
EXECUTIVE OFFICE,
SALEM, May 8, 1871.

Hon. Columbus Delano,
Secretary of the Interior,
Washington City:

SIR: There are several Acts of Congress heretofore passed making grants of land to the State of Oregon, to aid in the construction of military wagon roads. The Act of July 2, 1864, entitled "an Act granting Lands to the State of Oregon to aid in the construction of a Military Road from Eugene City to the eastern boundary of said State," may be taken as an example.

You will observe that the granting clause is in the following words: "That there be and hereby is granted to the State of Oregon," &c. I am desirous of being informed what is the decision or practice of the Land Department of the United States under land grants of this character, with reference to the issuance of patents.

May the State of Oregon Expect to receive patents for lands to which she is entitled under these grants, upon a showing of facts constituting her right? Or, do these Acts of Congress constitute such grants as are considered to pass the lands without patents?

An indication of the view taken by your office will facilitate the adjustment of questions of title under these grants, and greatly oblige,

Your obedient servant,
L. F. GROVER,
Governor of Oregon.

DEPARTMENT OF THE INTERIOR,
WASHINGTON, D. C., May 23, 1871.

SIR: I have received your letter of the 8th instant, inquiring as to what is the decision or practice of the Department under land grants of the character of those made to Oregon for certain wagon roads, with reference to the issue of patents for the granted lands.

In reply, I have the honor to state that the act to vest in the several States and Territories the title in fee of the lands which have been or may be certified to them, approved 3d August, 1854, provides, that where the law making the grant "does not convey the fee simple title of such lands, or require patents to be issued therefor, the lists of such lands which have been, or may hereafter be certified by the Commissioner of the General Land Office, under the seal of said office, either as originals, or copies of the originals or records, shall be regarded as conveying the fee simple of all the lands embraced in such lists that are of the character contemplated by such act of Congress, and intended to be granted thereby."

The act of July 1st, 1864, to regulate the compensation of Registers and Receivers in the location of lands by States and corporations under grants from Congress, provides that those officers shall be entitled to receive a fee on the final location of each 160 acres, to be paid by the State or corporation making such location, which fees are to be accounted for to the United States.

The State is therefore required to file in the proper local land office, through her authorized agents, lists of the lands granted for the purpose of aiding in the construction of wagon roads, and pay the fees of the Register and Receiver due thereon. Those officers are then required to certify and forward such lists to the Commissioner of the General Land Office. On the receipt of the lists at the General Land Office, the lands described therein, if found correct, are approved,

and certified copies of the approved lists vesting the title in the State are forwarded to the Governor.

The circular approved by this Department on the 24th January, 1867, copy herewith, prescribes the form of selecting and certifying the granted lands.

I am, Sir,
Very respectfully,
Your obedient servant,
C. DELANO,
Secretary.
His Excellency, L. F. Grover, Governor of Oregon, Salem, Oregon.

STATE OF OREGON
EXECUTIVE OFFICE,
SALEM, May 12, 1871

Hon. Columbus Delano,
Secretary of the Interior,
Washington City, D. C.:

SIR: On the 30th of November, 1868, lists of indemnity school lands in the Oregon City District (from one to seven, inclusive), embracing 13,383.53 acres; on the 31st day of December, 1868, lists (from eight to thirteen, inclusive), embracing 17,637.52 acres; and on the 27th day of February, 1869, lists (from fifteen to eighteen, inclusive), embracing 11,007.16 acres, were forwarded from that office to the General Land Office at Washington City for the action of the Commissioner. Nothing has been received at this office showing any action on them by him. As a great many of these indemnity lands have been sold by the State, under the impression that their selection had been already approved by the Commissioner of the General Land Office; and as immigrants to this State are pressing their applications to purchase these lands, I would most respectfully ask you to give the matter your early consideration.

I have the honor to be,
Very respectfully,
Your obedient servant,
L. F. GROVER,
Governor of Oregon.

DEPARTMENT OF THE INTERIOR
WASHINGTON, D. C.,
MAY 29, 1871.

SIR: I have the honor to acknowledge the receipt of your letter of the 12th instant, concerning certain lists of indemnity school lands, and to inform you that the same has been referred to the Commissioner of the General Land Office "for early attention."

Very respectfully,
Your obedient servant,

C. DELANO,
Secretary.
His Excellency, L. F. Grover, Governor of Oregon, Salem.

DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE
WASHINGTON, D. C., June 1, 1871.

His Excellency
L. F. Grover,
Governor of Oregon:

SIR: Your letter of the 12th ult., addressed to the Hon. Secretary of the Interior, relative to indemnity school selections in the Oregon City Land District, Oregon, under the Acts of Congress of February 14, 1859, and February 26, 1859, (as per lists, from No. 1 to No. 18, inclusive), has been referred to this office.

In reply I have the honor to state that the lists referred to, which are now on file in this office, will be taken up without delay, all selection therein found to be free from legal objection will be included in a clear list which will be made up and submitted to the Hon. Secretary of the Interior for his approval, of which, when approved, you will be furnished with a certified copy; and regarding any of the selections to which legal objection may appear, the same will be promptly communicated to the Register and Receiver of the District Land Office.

Very respectfully,
Your obedient servant,
WILLIS DRUMMOND,
Commissioner

STATE OF OREGON
EXECUTIVE OFFICE,
SALEM, May 17, 1871

Hon. Willis Drummond,
Commissioner of the General Land Office,
Washington City, D. C.:

SIR: On the 1st day of March last, lists of University Land selections, from one to seven inclusive, embracing 35,959 99-100 acres of old selections, and List No. Eight, of 4, 080 78-100 acres of new selections, made by me under Act of Congress of February 14, 1859, admitting Oregon into the Union, were forwarded from the Oregon City Land Office to you for your action; and on the 12th inst., List No. Two, of 200 47-100 acres of new selections, made by me under authority referred to in relation to List No. Eight above, were forwarded to you from Roseburg Land Office. Those on the old lists were made several years ago under authority of the Territorial Legislature, and were approved by the Surveyor General. (See Act of Congress of September 27, 1850, relating to Public Lands in Oregon.) But as the Surveyor General did not have the selections properly platted on the township maps, and the lists not being in a very clear condition, conflicts arose on a great many of them, and those in conflict were abandoned by the

State. The lists sent you are free from conflict of any kind. A great many of these lands have been disposed of under the conviction that the Territorial and State authorities had a right to dispose of them a fee simple grant; and in order to prevent future conflicts and delay to settlers, and expense and trouble on the part of the State, I respectfully urge early and final action of your office upon these selections by way of confirmation.

I have the honor to be,
Very respectfully,
Your obedient servant,
L.F. GROVER,
Governor.

STATE OF OREGON
EXECUTIVE OFFICE,
SALEM, June 12TH, 1871.

Hon. Willis Drummond,
Commissioner General Land Office,
Washington, D. C.:

SIR: By reference to copies of certified approved lists of lands selected under the provisions of the 8th section of the Act of Congress, entitled "An Act to appropriate the proceeds of the sales of the public lands, and to grant preemption rights," approved September 4, 1841, sent to this office by the Commissioner of the General Land Office, I find that 431, 576.42 acres of the lands granted this State of the 500,000 acre grant, have been approved by the Secretary of the Interior. On the 1st of last March lists from 36 - 47, inclusive, embracing 16, 177.21 acres, under the last mentioned Act, were forwarded to your office from the Oregon City Land office, for your action, and on the 12th ult., lists Nos. 2, 44, and 50, embracing 121,23.74 acres, were forwarded from the latter office about two years ago, but no action has yet been taken on them to the knowledge of this office.

You will observe by summing up the several selections forwarded, there is selected an excess of 67, 136.20 acres over and above the allowance of the grant. That amount, therefore, will necessarily be rejected by your office in making final approvals.

Owing to a misapprehension on the part of the authorities of this State, and on the part of settlers who have entered upon lands selected by the State under this grant, certain portions of these lands which yet remain unapproved, have been occupied and purchased under State authority by bona fide settlers, believing that the lands so purchased and occupied had been already approved by your office.

You will perceive, therefore, if for any reason the occupied lands should be disapproved at this time, and thereby become lands of the United States, it will seriously embarrass both the State of Oregon and these settlers, many of whom have made extensive and valuable improvements upon the lands. I will, therefore, take the liberty of suggesting those lands which have been disposed of and have become occupied and improved in the manner stated, and of making request that the same to be first examined and approved by your office, as follows to-wit: Land suggested to be approved. Lists from 36 to 47, inclusive, of Oregon City Land District, embracing 16, 177.21 acres; lists Nos. 2, 44, 49, 50 and 51, and sections 6 and 7, T. 40 S., R.8

E.; sections 6,7,13,18,19,24, 28, 29, 31, 32, 33, and 34, T. 38 S., R. 9 E.; sections 31 and 32, T. 39 S., R. 8 E; sections 3, 5, 8, 9, 17, 18, 20, 21, and 28, T. 39 S., R. 9 E.; and sections 22, 27, 28 and 34, T. 39 S. R. 10 E., of lists 1, 2, and 3, sent from Roseburg Land Office - the latter list, No. 2, having been forwarded some two years ago.

As to balance to complete the complement of the 500,000 acre grant, the records of your office will furnish sufficient indication. When the approved list of the above mentioned lands shall have been received at this office, I will forward an additional list to make the complement of the 500,000 acres granted by said Act, from the lists already in your possession. I will also transmit at that time in abandonment of all other lands of such selections, in case the course here suggested will meet your approval.

I have the honor to be,
Very respectfully,
Your obedient servant,
L. F. GROVER
Governor of Oregon.

DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE
WASHINGTON, D. C., August 23, 1871.

His Excellency,
The Governor of Oregon,
Salem, Oregon:

SIR: Referring to your letter of the 12th June last, enclosing list of selections by the State of Oregon under Act of September 4, 1841, and requesting that the same be taken up and certified over to the State at as early a day as practicable, I have the honor to state that the selections described in said list will be taken up an early day and, upon examination, should the same be found clear, a list will at once be prepared of these selections and submitted for approval. When the list shall have been approved, copies of the same will be transmitted to your Excellency, and to the local offices.

I am, Sir,
Very respectfully
Your obedient servant,
WILLIS DRUMMOND
Commissioner.

EXECUTIVE OFFICE
SALEM, August 22, 1871.

Hon. Wm. H. Odell,
Surveyor General,
Eugene City:

SIR: I desire to be informed whether, at any time since the admission of the State of Oregon as a State of the Union, instructions have been received at the Surveyor General's Office from the Land Department at Washington, recognizing the lands on the sea coast of this state, lying

between the ebb and flow of the tide, as vested in the State by right of her sovereignty over the same, and whether the public surveys under charge of your office have been directed to be limited upon the line of high tide at the sea coast and upon the inner line of salt marshes made such by the tide; and I also desire to know if instructions have at any time been received since 12th of March, 1860, being the date of the Act of Congress extending the right to hold the swamp lands embraced within the limits of this State, directing your office to recognize that right and to ascertain by the public surveys the extent and location of such swamp lands. If instruction have not been received, definitely referring to the points herein mentioned, will you be kind enough to inform me if instructions have been received on any of these subjects, and to what effect? I desire this information to enable me to correspond intelligently with the Secretary of the Interior relative to these rights of the State.

I have the honor to be,
Very respectfully,
Your obedient servant,
L. F. GROVER,
Governor.

U. S. SURVEYOR GENERAL'S OFFICE, OREGON,
EUGENE CITY, September 4, 1871.
Hon. L. F. Grover,
Governor of the State of Oregon,
Executive Office, Salem, Oregon:

SIR: Your letter of the 22d ult. is received, and contents noted. In answer, I have to state that I have examined the letter files from 1858 to the present, and find nothing relating to the swamp or tide lands in this State; hence I conclude that no correspondence has ever been had between General Land Office and this office upon the subject.

Very respectfully,
Your obedient servant,
W. H. ODELL,
Surveyor General, Oregon.

STATE OF OREGON
EXECUTIVE OFFICE,
SALEM, October 25, 1871.

To the Commissioner of the General Land Office,
Washington City, D. C.:

SIR: I herewith transmit a certified copy of the approval by the Surveyor General of Oregon of lands selected under authority of the Legislative Assembly of the Territory of Oregon, in the county of Benton, under and by virtue of the tenth section of the Act of Congress of September 27, 1850, entitled "An Act to create the office of Surveyor General of public lands in Oregon, and to provide for the survey and to make donations to settlers of said public lands." You will observe that the last clause of this section provides as follows: "the selection to be approved by the Surveyor General." The list forwarded is a selection approved by the surveyor general. Question: Can we treat these lands as finally approved under said Act?

Very respectfully,
Your obedient servant,
L. F. GROVER,
Governor of Oregon.

DEPARTMENT OF THE INTERIOR.
GENERAL LAND OFFICE,
WASHINGTON, D. C., December 6, 1871.

His Excellency,
The Governor of Oregon,
Salem, Oregon:

SIR: Referring to your letter of the 25th ult. (October 25), I have to state that no selection by the State can be considered as finally approved, until the same has been submitted to the Secretary of the Interior, and by him approved.

The list of selections transmitted by you will be taken up and examined at as early a day as practicable, and if found correct and free from conflict, the same will be submitted for approval. I have, also, to acknowledge the receipt of list No. 50, of Internal Improvement selections in the Roseburg District, transmitted with your letter of October 20th, last.

The selections under the several Acts of Congress, in Oregon, will receive the earliest possible attention from this office, consistent with the rights of other States, and will be listed with as great a degree of rapidity as is possible.

I am, Sir,
Very Respectfully,
Your obedient servant,
WILLIS DRUMMOND,
Commissioner.

STATE OF OREGON
EXECUTIVE OFFICE,
SALEM, November 1, 1871.

Hon. Willis Drummond,
Commissioner General Land Office,
Washington City:

SIR: A letter has been referred to this office, communicated by you to Quincy A. Brooks, of Ashland, Oregon, under date of September 7, 1871, in which you state that the records of the General Land Office do not show that the State of Oregon ever made any selections under the act of Sept. 4, 1841, in T. 38 S., R. 9 East.

The records of the Roseburg Land Office show that selections in this township, among others in the same part of the State, were made by my predecessor, and that the fees required by the United States of the State of Oregon for the approval of these selections, have been paid out of

the State Treasury of Oregon, and that the same have been duly reported through said office to the proper office at Washington, over two years ago.

What further defects and embarrassments may be met with before securing the full investment of these lands in the State of Oregon, I am unable to appreciate in the absence of any action by the General Land Office on the subject of my communication of June 12 last, to which I most respectfully but urgently again call your attention, for the reason that every days delay tends to complicate the title to these lands and to embarrass both those claiming under the State and under the United States, and tending to retard the settlement of the country.

Very respectfully,
Your most obedient servant,
L. F. GROVER,
Governor.

DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE,
WASHINGTON, D. C. Dec. 7, 1871.

His Excellency,
L. F. Grover,
Governor of Oregon:

SIR: Referring to your letter of the 1st ult., in reply to ours of September 27, 1871, to Quincy A. Brooks, Esq., in reference to selections by the State of Oregon, under the act of 4th September, 1841, in Township 38 S., Range 9 E. I have again to state that no selections of any kind in the above named township have ever been reported to this office. If there is no mistake as to the township and the lists were transmitted as you state, the same must have been lost in the transmission. I have therefore the honor to request that you will cause duplicate lists to be made of the selections in that town ship and also of any others supposed to have been embraced in the lists referred to and transmit the same to this office at your earliest convenience.

I am, Sir,
Very respectfully,
Your obedient servant,
WILLIS DRUMMOND
Commissioner.

STATE OF OREGON,
EXECUTIVE OFFICE,
SALEM, November 9, 1871.

To the Secretary of the Interior:

SIR: I beg leave to call your attention to the right of this State to hold the swamp and overflowed lands within her borders, not disposed of by the United States before March 12, 1860. By the act of Congress, approved September 28, 1850, it was provided "That to enable the State of Arkansas to construct the necessary levees and drains to reclaim the swamp and overflowed

lands therein, the whole of those swamp and overflowed lands made unfit thereby for cultivation, which shall remain unsold at the passage of this act shall be and the same are hereby granted to said State. That it shall be the duty of the Secretary of the Interior, as soon as may be practicable after the passage of this act to make out an accurate list and plats of the lands described as aforesaid, and transmit the same to the Governor of the State of Arkansas," and at the request of said Governor cause a patent to be issued to the State therefor. By they act of Congress, approved March 12, 1860, the provisions of the last named act were extended to Oregon. The second section of this act provides "that the selection to be made from lands already surveyed in each of the States, including Minnesota and Oregon, under the authority of the act aforesaid, and of the act to aid the State of Louisiana in draining the swamp lands therein, approved March 2, 1849, shall be made within two year from the adjournment of the Legislature of each state at its next session after the date of this act; and as to all lands hereafter to be surveyed, within two years from such adjournment at the next session after notice by the Secretary of the Interior to the Governor of the State that the surveys have been completed and confirmed."

You will observe that by act of September 28, 1850, the first step vital to the complete investing of the title of these lands in the State is to be taken by the Secretary of the Interior. He is "to make out an accurate list and plats of the lands described as aforesaid, and transmit the same to the Governor of the State" interested in the grant, "as soon as it may be practicable after the passage of this act," and at the request of said Governor cause a patent to be issued to the State therefor.

It is also provided by the act of March 12, 1860, that the selections of these lands in districts then surveyed should be made "within two years from the adjournment of the Legislature of each State at its next session after the date of this Act; and as to all lands hereafter to be surveyed, within two years from such adjournment at the next session after notice by the Secretary of the Interior to the Governor of the State that the surveys have been completed and confirmed."

Although more than eleven years have elapsed since this State has been entitled to a segregation of the swamp and overflowed lands within her borders, currently as the surveys have progressed, yet nothing has been done, to the knowledge of this office, by the United States Land Department to that end. It is true that a letter was addressed to the Governor of Oregon, bearing date May 21st, 1860, by Commissioner Joseph S. Wilson, of the General Land Office, notifying him of the swamp land grant, and asking: "First, whether in the even of non-acceptance of these notes as a basis, the State would furnish evidence that any lands are of the character embraced by the grant."

This letter seemed merely to be preliminary to action by the Secretary of the Interior in his work of preparing a "list and plats of the lands described," to be forwarded to the Governor, as required by the law. But no list and plats have ever been received by the Governor, nor has any notice ever been given to the Executive of this State, that the surveys embracing the swamp and overflowed lands have been completed and confirmed.

For the purpose of information as to what action, if any, had been taken by the Land Department toward a segregation of these lands, according to the provisions of the acts of Congress recited herein, I addressed a letter to the Surveyor General of Oregon, asking what instructions if any, his office had received in relation to the surveys of swamp and overflowed lands in this State. His answer, a copy of which is hereto appended, indicates that "no

correspondence has ever been had between the General Land Office and this (Surveyor General's) office upon the subject."

You will observe that by the second section of the act of March, 1860, the selections of swamp lands from the districts then surveyed were limited to the period of two year from the adjournment of he Legislature of this State at its next session after the date of that act, which period elapsed without action on the part of the Secretary of the Interior as directed by the law, and consequently without action on the part of this State. But as to all swamp and overflowed lands within surveys made since March 12th, 1860, they can now be selected because no limit is placed against selections of this class except that they must be selected "within two years from such adjournment (of the Legislature), at the next session after notice by the Secretary of the Interior to the Governor of the State, that the surveys have been completed and confirmed," which notice has never yet been given, nor have any lists and plats been received at the Executive Office, and consequently the time of the limit has not yet begun to run.

I, therefore, respectfully urge that as to all swamp and overflowed lands within the surveys of this State approved since March 12, 1860, the Department of the Interior cause to be made a "list and plats of the lands described aforesaid," and to be transmitted to the Governor of this State, as provided in section 2d, of act of September 28, 1850; and that notice be given that "the surveys have been completed and confirmed," as provided in section 2d, of Act of March 12, 1860, in order that the selections of said lands to be made by this State may be properly recognized and patented.

In relation to all the swamp and overflowed lands in Oregon not "reserved, sold or disposed of," by the United States on March 12, 1860, the position of this State is, that by virtue of the Acts of Congress recited, a complete grant and indefeasibly title were vested in the State "of the whole of those swamp and overflowed lands;" the consideration of the grant being that the proceeds of the lands should be applied to their reclamation as far as is necessary to make them arable. That the nature of the land is notice to all the world of what is granted; and that the subject of the grant is definite and certain; as in law, that is certain which can be rendered certain by measurement or calculation; that non-action or mistaken action on the art of the United States, or of this State, cannot defeat this title; that while, by reason of the lapse of the two years limit affecting Department action on selections made from surveys approved prior to 12th March, 1860, no patent can issue for the same without action by Congress extending said limit, yet the right to the land still rests in this State by virtue of the grant, and cannot be impaired by act or omission of the United States.

Pursuant to these views and in default of any action or part of the United States tending to facilitate further recognition of the right of this State to these lands, the Legislature, at its last session, passed "An Act providing for the selection and sale of the swamp and overflowed land belonging to the State of Oregon." (Laws of Oregon, 1870, p. 54, a coy of which I have had the honor to transmit to your office). By authority of this Act the agents of these State are now in the field making selections of these lands.

You will, therefore, appreciate the propriety of my soliciting that you cause instructions to be issued to the several Land Offices in Oregon requiring of them to take no action which will involve adverse occupancy has been allowed by them since the date of said Act of the Legislature of October 26, 1870, until this subject shall have been concluded between this State and the United States.

And I respectfully ask your attention to be given to that class of these lands falling within surveys approved since March 12, 1860, that the selections by the State may be recognized, and that patents issue to the State therefor, in order that Oregon may be placed on the same footing with the other States entitled to the benefit of said Acts of Congress.

Very respectfully,
Your obedient servant,
L. F. GROVER,
Governor of Oregon.

DEPARTMENT OF THE INTERIOR,
WASHINGTON, D. C.,
11TH Dec., 1871.

SIR: Your letter of the 9th ultimo in relation to swamp lands in Oregon was received and referred to the Commissioner of the General Land Office. I have the honor to inclose herewith a copy of his report on the subject, under date of the 5th instant, with the accompanying papers.

I am, Sir,
Very respectfully,
Your obedient servant,
C. DELANO
Secretary.
His Excellency, L. F. Grover, Governor of Oregon, Salem, Oregon.

DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE
WASHINGTON, D. C., Dec. 5, 1871.

Hon. C. Delano,
Secretary of the Interior:

SIR: The letter of the Governor of Oregon, of 9th ultimo, in reference to swamp lands in that State, referred by you to this office for report, has been received. As preliminary to a statement of the facts in regard to the claim of the State of Oregon for swamp lands, a brief statement of the practice of the Department, under the swamp grant, may aid in a better understanding of the case. The Act of September 28, 1850, required the Secretary of the Interior to make out lists, etc.; this duty could be performed only through the subordinates of the Secretary, to wit: the officers connected with the General Land Office. Soon after the passage of said Act, to wit: November 21, 1850, a circular was issued by this office, directed to the Surveyors General of the several States; also sent to the Governors of those State in which public lands were situated (a copy of which circular is herewith enclosed marked "A"), from which it will be seen that two distinct systems were adopted by the Department of selecting land and establishing its swampy character; thus giving the States the choice of adopting the field notes of surveys as the basis of the lists, and by that means avoid the trouble and expense of examining the lands by agents of the State; or in case the State authorities were not willing to adopt that mode, they might furnish evidence which would satisfy the Surveyor General, and on review thereof, this office and the Department, that the land was of the character embraced by the grant. One or the other of these systems was adopted by all the States in existence at the passage of the Act of September 28, 1850, and the selections were made in all except Michigan and Wisconsin, by agents in the

field, and reported through the State officers to the Surveyor General, and if the evidence was satisfactory to that officer, lists were made out by him and returned to this office, and when approved by the secretary of the interior, copies were transmitted to the State Executive, followed on request of the Governor by patent.

The Act of March 12, 1860, extending the benefits of this grant to Oregon and Minnesota, indicates that there would be something to do by the State authorities. If no action were needed by the State, why make the limitation of time within which selections should be made two years from the adjournment of the Legislature at its next session after the date of the Act? Or in a case of land afterwards to be surveyed, within two years from the adjournment of the next session after notice by the Secretary of the Interior to the Governor that the surveys had been completed?

On the 21st May, 1860, this office addressed a letter to the Governor of Oregon (copy inclosed marked "B,") in which the privilege of accepting either manner of selecting lands was offered; also, enclosing copy of the Act of September 28, 1850, and that of March 12, 1860. This letter was acknowledged by the Governor February 22, 1861, (copy of acknowledgement inclosed marked "C,") and information given that he had submitted the letter of this office, with inclosures, to the Legislature, which convened on the second Monday of September, 1860 but that the Legislature had failed to determine which of the two propositions should be accepted. No information has since been received from the State authorities signifying that any action had been taken in reference to the said propositions.

The attention of this office has been called to the subject by the Senators and Representatives in Congress from time to time, as follows: By Hon. J. R. McBride, Dec. 9, 1865; by Hon. G. H. Williams, Feb. 9, 1871; and each was promptly answered that the State authorities had been notified, as stated (21st May, 1860,) and had taken no action of which this office had been advised.

The Governor, in his letter of 9th ult., seems to consider the letter from this office of May 21, 1860, as merely preliminary to action by the Secretary of the Interior in his work of preparing lists, etc., when in fact it is apparent from the tenor of the letter that its object and design was to settle the preliminary question of the manner in which the State chose to have her lands selected and their swampy character determined.

If the State had at once chosen, as advised by the Commissioner, to abide by the field notes, the lists would have been made at once by the Surveyor General, and copies sent to the Governor after approval, followed, on his request, by patents. If the State had chosen the other way of selecting, by her own agents, and presenting satisfactory evidence to the Surveyor General of the swampy character of the lands, the first work would have devolved on the State, and when its lists were presented to the surveyor General, the work of approval or rejection would have been performed by that officer, subject to revision by this office and the Secretary of the Interior. Although, as the Governor says, more than eleven years have elapsed since Oregon has been entitled to a segregation of her swamp lands, nothing has been done except to give the State authorities notice, and to ask them to choose in what way they will have the claim adjusted, and this office has waited until now, without having been informed that the State had made her selection.

I return, herewith, the Governor's letter, and inclosure, together with wrapper, as requested.

Very Respectfully,
Your obedient servant,
WILLIS DRUMMOND,
Commissioner.

Formula of Instructions issued to the Surveyors General of the several States interested in the swamp land grant of 1850, in execution thereof, and inclosed to the Governor of Oregon in the foregoing letter:

GENERAL LAND OFFICE
November 21, 1850.

SIR: By the Act of Congress entitled "An Act to enable the State of Arkansas and other States to reclaim the 'swamp lands' within their limits," approved September 28, 1850, it is directed "that to enable the State of Arkansas to construct the necessary levees and drains to reclaim the swamp and overflowed lands therein, the whole of those swamp and overflowed lands made thereby unfit for cultivation which shall remain unsold at the passage of this Act, shall be and the same are hereby granted to said State."

1st. By the fourth section of this Act it is directed that the provisions of it shall be extended to, and their benefits conferred upon, each of the other States of the Union in which such swamp and overflowed lands may be situated.

2d. And "that in making out a list and plats of the lands aforesaid, all legal subdivisions, the greater part of which is 'wet and unfit for cultivation,' shall be included in said lists and plats; but when the greater part of a subdivision is not of that character, the whole of it shall be excluded therefrom."

This act clearly and unequivocally grants to the several States those lands which, from being swampy or subject to overflow, are unfit for cultivation. In this class is included also all lands which, through dry part of the year are subject to inundation at the planting, growing or harvesting season, so as to destroy the crop, and therefore are unfit for cultivation, taking the average of the seasons, for a reasonable number of years, as a rule of determination.

You will please make out a list of all the lands thus granted to the State, designating those which have been sold or otherwise disposed of since the passage of the law, and the price paid for them when purchased.

The only reliable data in your possession from which these lists can be made out, are the ----- notes of the surveys on file in your office; and if the authorities of the State are willing to adopt these as the basis of those lists, you will so regard them; if not, and those authorities furnish you satisfactory evidence that any lands are of the character embrace by the grant, you will so report them.

The following general principles will govern you, in making up these lists, to wit:
Where the field notes are the basis, and the intersections of the lines of swamp or overflow with those of the public surveys alone are given, those intersections may be connected by straight line; and all legal subdivisions, the greater part of which are shown by these lines to be within the swamp or overflow, will be certified to the State; the balance will remain the property of the Government.

Where the State authorities may conclude to have the surveys made to determine the boundaries of the swamp or overflowed lands, those boundaries alone should be surveyed, taking connections with the nearest section or township corners; or,

Where the swamp or overflowed lands are on the borders of a stream or lake, the stream or lake could be meandered ordinates surveyed at suitable intervals, from the borders of the stream or lake to the margin of the swamp or overflowed lands, and by connecting the ends of those ordinates next to that margin by straight lines, the boundaries of the swamp or overflowed lands can be ascertained with sufficient accuracy. In no case, however, should any such boundaries or ordinates be marked in the field, as they may produce difficulty in determining the lines and corners of the public surveys hereafter, and thus lead to litigation. The selections in all these cases will be made as before directed. Where satisfactory evidence is produced that the whole of a township, or of any particular or specified part of a township, or the whole of a tract of country bounded by specified surveyed or natural boundaries, is of the character embraced by the grant, you will so report it. The adjacent subdivisions however, to be subject to the regulations above given; and in every case under each rule or principle herein prescribed, forty-acre lots or quarter-quarter sections will be regarded as the legal subdivisions contemplated by the law.

The affidavits of the County Surveyors and other respectable persons that they understand and have examined the lines, and that the lands bounded by lines thus examined and particularly designated in affidavit, are of the character embraced by the law, should be sufficient. The line or boundary of the overflow, that renders the land unfit for regular cultivation, may be adopted as that which regulates the grant.

You will make out lists of these lands as early as practicable, according to the following form, one copy of which you will transmit to the land officers and another to this office. The lands selected should be reserved from sale, and after those selections are approved by the Secretary of the Interior, the Register should enter all lands so selected in his tract-book as "granted to the State by Act of 28th September, 1850, being swamp or overflowed lands," and on the plats enter on each tract "State Act of 28th September, 1850." Copies of the approved lists will be sent to the Registers for this purpose. Your early attention is requested in this matter, that the grant may be disposed of as speedily as possible.

Very respectfully,
Your obedient servant,

Commissioner.

Biennial Message, 1872

Source: Messages and Documents, Biennial Message of Gov. LaFayette Grover to the Legislative Assembly, September 1872, Salem, Oregon, Eugene Semple, State Printer, 1872.

To the Legislative Assembly of Oregon
1872

To the Senate and House of Representatives Of the State of Oregon:

Gentlemen-

On the recurrence of each succeeding biennial session of your honorable body, it is interesting to not the evidences of our development as a State, and of our progress as community. Never have the assurances of our coming strength and stability been more marked than at the present time. Acknowledging the leading hand of Providence in all our advancement, let us endeavor to subordinate the struggles of political parties and of persons to the ever commanding interests of the people, and so to conduct our publication as always to keep in view the chief public good. Gathered here from widely-separated fields of action, and from diversified pursuits of life, and representing the various interests of the State, it is your high privilege to deepen and strengthen the foundations of our institutions, and o give new impulse to the current of our prosperity.

Since you last meeting our people have been blessed with general health; abundance has crowned our harvests, and success has followed most of our enterprises. Alive to the importance of our present position, and realizing the advantages with which nature has endowed us as a State, let us emulate each other in the high endeavor to place our youthful commonwealth on the solid pathway to future eminence among her sisters of the Union.

In exercising my constitutional duty to give to the Legislature information touching the condition of the State, I lay before you the following accounts and suggestions concerning the various important matters affecting the administration of public affairs during the past two years:

FINANCES

On examination of the reports from the accounting Department of the State for the biennial period beginning September 6, 1870, and ending September 6, 1872, the following statement is submitted:

RECEIPTS

Balance in Treasury September 6, 1870.....	\$267,939 48
Received since - General Fund, coin.....	405,825 76
" " General Fund, currency.....	670 00
" " Common School Fund, coin.....	82,170 58
" " Common School Fund, currency	32,258 09
" " University Fund, coin.....	31,973 39
" " University Fund, currency.....	3,710 03
" " State Land Fund, coin.....	67,395 24
" " State Land Fund, currency.....	532 14
" " Escheat Fund, coin.....	846 20
" " Escheat Fund, currency.....	532 14
" " Five per cent. U.S. Land	
Sale Fund, Currency.....	13,306 08
Total.....	\$942,570 51

DISBURSEMENTS

Paid on current liabilities existing	
Before Sept. 6, 1870.....	\$281,773 14
Paid Soldiers' Bounty and Relief Bonds.....	32,950 28
Paid tug boat subsidy.....	12,841 95
Paid Common School and University	
Loans, distributions, etc.....	143,767 67
Paid support of Penitentiary.....	45,475 33
Paid Penitentiary Building.....	49,337 53
Paid Insane and Idiotic.....	65,871 95
Paid Legislative, Executive, Judicial,	

Public Printing, Conveyance of
 Convicts and insane, etc..... 137,955 25
 Total.....\$769,973 10

FUNDS IN TREASURY SEPTEMBER 6, 1872

General Fund, coin..... \$5,533 91
 " " currency..... 979 00
 Common School Fund, coin..... 2,464 69
 " " " currency..... 1,759 09
 University Fund, coin..... 68 55
 " " currency..... 251 14
 State Land Fund, coin..... 25,557 16
 " " " currency 35,813 06
 Soldiers' Bounty and Relief Fund..... 83,466 44
 Escheat Fund, coin..... 1,612 92
 " " currency..... 1,785 37
 Five Per Cent. Fund, Currency..... 13,306 08 - \$172,597 41
 Total..... \$ 942,570 51

LIABILITIES OF THE STATE

This State has no funded debt.

Bonds issued for construction of Canal and Locks at the Falls of Willamette river, \$ 200,000 00.

This sum is to be paid out of funds arising on sale of State lands held under internal improvement grant of 1841, and the five per cent of net proceeds of sales of public lands in Oregon.

SOLDIERS' BOUNTY AND RELIEF BONDS

Bounty bonds..... \$44,450 00
 Relief bonds..... 46,027 00
 Total..... \$90, 477 00
 Outstanding Treasury warrants, \$76,833 69.

To these must be added the deficiencies not audited, chiefly arising from accounts for conveying and keeping the insane, and for the construction of the new Penitentiary building.

It will be observed that the Military fund in the Treasury is nearly sufficient to pay off the Soldiers' Bounty and Relief Bonds. A majority of these bonds have been advertised for redemption, and might be liquidated in full within the next two years.

There are funds, also, in the Treasury sufficient to pay one - quarter of the canal and lock bonds. But a considerable portion of these funds are in currency, while the bonds are payable in gold. Authority to convert the currency into good will be requisite before the currency funds can be applied to the liquidation of the bonds. It is probably that one-half of the canal and lock bonds, or the amount of one hundred thousand dollars thereof, could be canceled by payment within the next two years if the Legislature should so direct by appropriation, and the holders of the bonds should present them for payment.

These bonds run ten years from the date of their issue unless a voluntary redemption of them occurs before their maturity. In case provision be not made for early redemption, an act should be passed giving the Treasurer authority to loan the moneys accumulating in the Internal Improvement Fund. The bonds bear interest at seven per cent., and the moneys can be loaned at ten percent per annum. A revenue of three per cent., per annum, can be made on all moneys of this fund, by holding and loaning them until the bonds are due. But, I think it the best policy to

liquidate all these liabilities at the earliest practical day, and to exhibit a State free from obligations of any kind.

THE FIVE PER CENT. FUND

It will be observed that, in the statement of balances in the Treasury, the amount derived from the five per cent. Of the net proceeds of sales of the public lands within the State is given at \$13,306 06. Of this sum, \$1,55 92 was received during the administration of Governor Gibbs, and \$11,760 16 during the present administration, making the full amount now in the treasury. But during the term of office of my immediate predecessor, there was received from the United States Treasury, on account of this fund, the sum of \$5,424 25, which was embezzled by the officer receiving the same. The whole amount paid to this State on account of the Five Per Cent. Fund has been \$18,730 33.

The correspondence with the Treasury Department and the General Land Office concerning this fund, is herewith communicated. It will be observed that the sum received by Governor Gibbs, having been paid into the School Fund without separate report of the same to the Legislature, it did not at first appear that any of this fund had been paid to the State at the time this correspondence was undertaken.

STATE TAXATION

There is now a manifest inequality in the assessments of the several counties in this State, returned upon the same classes of property of equal value. There also exists in several counties a gross undervaluation of all classes of property. While this condition of things would make but little difference with the county finances, it greatly diminishes the funds which should come into the State treasury; being based upon a percentage of the assessments, and not upon a fixed proportion to be raised by each county.

There is another defect in our taxing system, which works, perhaps, a greater inequality and injustice than those named. In assessing property, under the present law, the party assessed is permitted to deduct his indebtedness from the valuation of his property. In counties where property is assessed at one-third its real value, as is the case in most counties, a person being in debt one thousand dollars would pay no tax; for his property, worth three thousand dollars would pay no tax; for his property, worth three thousand dollars would pay no tax; for hi property, worth three thousand dollars, would be valued at one thousand by the assessor, which would be balanced by his indebtedness of one thousand dollars. But a prudent neighbor, worth two thousand dollars or any other sum, and not in debt, would be required to pay taxes on the full amount of his assessment. It will thus be seen, that every dollar of indebtedness, under our present mode of assessment, may balance real value of property to the amount of three dollars. And if the indebtedness of our citizen, taken collectively, amounts to ten million dollars, the amount of property untaxed, on this account, is thirty millions. Again, there is a gross undervaluation of the property of the whole State, produced by our present vicious mode over and above liabilities, to the amount of one hundred and twenty millions. Our last State assessment was thirty-four millions. During the last ten years we have doubled our population and increased the value of our property fourfold, but our assessment rolls show an increase of property valuation of less than thirty-five per cent.

With five times as many insane to support, and four times as many State prisoners to keep as we had ten years ago, with other expenses incidentally greater, as we increase in population, how can the State be kept out of debt, even on account of current expenditures, without sound assessments according to the increase of property?

Our State is organized upon the most economical basis; and if there is one sentiment in our Constitution more prominent than another, it is the mandate to keep free from debt. It will be proper in this connection to call your special attention to a clause of that instrument which has hertofore been passed with little heed, but which, if observed, will have almost salutary effect upon our public finances. I refer to Article IX., Sec. 6, which reads as follow: "Whenever the expenses of any fiscal year shall exceed the income, the Legislative Assembly shall provide for levying a tax for the ensuing fiscal year, sufficient, with other sources of income, to pay the deficiency, as well as the estimated expense of the ensuing fiscal year."

No legislation under this requirement will be necessary, nor need there be any increase of the rates of taxation if our assessment law be modified in the proper manner, and a State Board of Equalization be created, which I recommend.

Upon the question of deductions on account of liabilities, it may be remarked that it has become the settled policy in States having the soundest financial systems to make no deductions from their valuations of real estate on account of personal liabilities; and as real estate is the basis of all property, it is a question among writers on political economy whether real estate alone should not constitute the basis of taxation.

PUBLIC LANDS OF THE STATE

On the accession to office of the present State Administration, none of the public lands to which the State was entitled under the various acts of Congress, requiring selection by the state authorities, and approval by the land Department of the United States had been secured to the State, except a part of the Internal Improvement grant of 500, 000 acres.

Selections, indeed, from time to time, had been made of the University lands and the indemnity school lands, by different officers,, under several different acts of the Legislature; but no work in this respect had received approval at the local land offices in Oregon, and no proper presentation of them had been made to the General Land Office of the United States; so that no lands of these classes had become vested in the State. To secure title to all the public lands belonging to the State, has been a leading object of the present Executive. The efforts made in this behalf have been attended with a good degree of success.

THE UNIVERSITY LANDS

The grant of Congress for the support of a State University, consists of forty-six thousand and eighty acres of land. Efforts at locating these lands began as early as 1853, but owing to irregularities of the work, and misapprehension of its condition, the locations remained totally unrecognized by the United States, and consequently open for pre-emption or homestead settlement. From these facts, many of the lands first selected under this grant have been lost to the State, and others of necessarily a poorer quality, had to be located to fill the grant. In listing the University lands for final approval, great care was taken to cover all of the former listings of lands which were occupied by settlers under the right of the State, and especially to secure all former listings which could be held free from conflict with rights of settlers under any other claim of title. This entire grant, with the exception of a small part held in suspense by the United States, for adjustment of abandoned donation rights and other incidental, apparent, but not real conflicts, have been fully listed, approved by the local land offices, and by the General Land Office, and the Secretary of the Interior, constituting perfect title in the State.

INDEMNITY SCHOOL LANDS

The lands to which the State was entitled, to be taken in lieu of those portions of the sixteenth and thirty-sixth sections in each township, for common school purposes, which were occupied by settlers in advance of the surveys, were found in the same condition as the University lands. None

of them had become vested in the State, and nothing had been done in relation thereto which had been recognized by the General Land Office of the United States. The work of listing and securing the full approval of the indemnity school lands, as far as the public surveys had extended last year, has been accomplished, with the exception of a portion of those lying east of the Cascade Mountains; and in relation to these latter, they have been properly listed by the state and approved by the La Grande Land Office, but yet await final action at Washington. The amount of indemnity school lands which have been selected and vested in the state within the past two years, is one hundred and seven thousand eight hundred and thirty-seven acres. This work will be required to be constantly followed up as the public surveys progress, from year to year, until the public surveys shall embrace the whole State.

AGRICULTURAL COLLEGE LANDS

The act of Congress of July 2d, 1862, donating public lands to the several States which may provide colleges for the benefit of agricultural and mechanic arts, provided that the lands selected by any State within its borders under said act should be taken from such as were subject to private entry. But the commission appointed by the Legislature four years ago to select the ninety thousand acres to which this State is entitled under this grant, not being able to find any considerable body of public lands within the State is entitled under this grant, not being able to find any considerable body of public lands within the State subject to private entry, located the entire quantity of these agricultural selection in the Klamath Lake basin, in Southern Oregon, on surveyed public land of the United States of good quality, but not technically subject to private entry. Basing objection on the ground that these selections were not lands subject to private entry, the Land Office at Roseburg, within which district the lands lie, refused to approve the selections.

This was the condition of this class of lands two years ago. It was found necessary that an act of Congress should be passed to enable the State either to hold these selections or to make new ones in accordance with the act of 1862. On presentation of the matter to our delegation in Congress, the procured, at the last session, the passage of an act which provides "that the lands granted to the State of Oregon for the establishment of an agricultural college by act of Congress of July 2, 1862, and acts amendatory thereto, may be selected by said State from any lands within said State subject to homestead or pre-emption entry under the laws of the United States; and in any case where land is selected in the State, the price of which, if fixed by law at the double minimum of two dollars and fifty cents per acre, such land shall be counted as double the quantity toward satisfying the grant; that any such selections already made by said State, and the lists duly filed in the proper district land office, be ad the same are hereby confirmed, except so far as they may conflict with any adverse legal right existing at the passage of this act."

The act also provides that "said lands shall not be sold by the State for less than two dollars and fifty cents per acre; and when settlement is made upon the same, preference in all cases shall be given to actual settlers, a the price at which said lands shall be offered."

The lists of the Agricultural College selections are now awaiting action of the new land office at Linkton, under the foregoing provision of the late act of Congress, and will doubtless be shortly approved. It is understood that none of these lands which have been selected fall within reach of any railroad grant, so that the State will probably secure the full amount of the ninety thousand acres at first selected. As these lands will, within a short period, be fully vested in the State, legislation providing for their sale will be proper. Indeed, to facilitate the settlement of the southern portion of the State, it is important that this legislation be had at the present session. In making provision for the disposal of these lands, I would suggest that the general policy of the State, hertofore adopted, in disposing of all her arable lands in limited quantities, an favoring actual settlers, be still adhered to.

INTERNAL IMPROVEMENT GRANT

Of the grand of five hundred thousand acres to the State for internal improvements, by Act of Congress of Sept. 4, 1841, four hundred and fifty-six thousand seven hundred and eighty-nine acres, are now finally approved and fully vested in the State, and the balance being duly listed and approved by the local land offices, will be within a short time certified as approved by the General Land Office; the principle on which these latter lists were suspended, having been already settled in favor of the State selections.

SWAMP LANDS

By the Act of Congress approved September 28th, 1850, it was provided "that to enable the State of Arkansas to construct the necessary levees and drains to reclaim the swamp and overflowed lands therein, the whole of those swamp and overflowed lands made unfit thereby for cultivation, which shall remain unsold at the passage of this Act, shall be, and the same are hereby granted, to said State." The provisions of this Act were extended to Oregon by Act of Congress approved March 12, 1860.

The policy of the General Government conveying the swamp lands lying within the borders of the several States to the respective States in which they are found, is a well settled one. To the States interested, it is important, as it gives them the control of extensive portions of the common domain, which, if not so granted, might lie waste and become sources of disease, breeding malarious distempers. It is also important to the States interested, that these lands should be reclaimed so as to become fit for agricultural occupancy, and consequently subject to taxation.

But little notice was taken of this important grant by the public authorities of this State until the session of the last Legislature, at which an Act was passed bearing date October 26, 1870, entitled "An Act providing for the selection and sale of the swamp and overflowed lands belonging to the State of Oregon." This Act provided that the Board of School Land Commissioners should appoint deputies to proceed as soon as practicable, to select in the field of all the lands rendered unfit for cultivation by inundation or overflow within this State, and to make return of the same to said Commissioners.

Pursuant to this authority, deputies have been appointed who have proceeded to the field and made selections in their several districts of such land as they deemed to fall within the description of said Acts of Congress, omitting under instructions from the Board, all such swamp lands as are claimed and occupied by bona fide settlers, under whatever right they claim. The amount of swamp and overflowed lands so selected, free from conflict, and reported to the Board up to the present time is 174,219.97 acres, lists of which have been duplicated and duly forwarded for filing in the office of the Surveyor General of Oregon.

In examining the title of the State to these lands, and the condition of the grant, I found that there had been a practical omission on the part of the Department of the Interior to execute the laws of Congress making this grant, as far as the same related to Oregon. The usual special instructions sent to Surveyors General of other States, holding under the same acts of Congress, directing a segregation of the swamp lands, had not been transmitted to the Surveyor General of this State. Deputy United States Surveyors in the field had generally made no note of the swamp lands, but had returned all this class of lands as arable, and the several local land offices had been accustomed to dispose of them without reference to the title of the State, as public lands of the United States, subject to homestead and pre-emption settlement. By this means considerable portions of the swamp lands owned by the State, and which are still vested in the State, had been disposed of as the lands of the United States.

A letter was addressed by me to the Secretary of the Interior, bearing date November 9th, 1971, calling his attention to the acts of Congress under which we hold these lands, and to the omission of the Land Department of the United States to execute these laws. The correspondence upon this subject is herewith accompanying. In this correspondence I have urged the General Land Department to execute the swamp land laws of Congress in favor of Oregon, as they have been executed in favor of other States, under the same laws, and to suspend all action of our local land offices involving adverse possession of these lands, until the question of title could be adjusted between the State and the United States. On the part of the Secretary of the Interior and the Commissioner of the General Land Office, a willingness has been indicated to enter upon the segregation of they swamp lands, but no work has been done in that direction by them, and no instructions have been issued, to the knowledge of the Executive, in answer to the requests contained in the correspondence. I can state, therefore, as the present conditions of this important interest, that the acts of Congress making the swamp land grant to Oregon remain practically unexecuted by the Land Department of the United States. In the meantime, lands unquestionably of a swampy character are being disposed of by the local land offices, thus absorbing the property of the State and complicating the title to the swamp and overflowed lands within her borders.

The leading adverse interest militating against the right of the State to the swamp land is the claim of railroad corporations to hold alternate sections of the public lands for a distance of thirty miles on either side of the lines of their railroads. The swamp lands, being more valuable than adjacent mountain lands which would have to be selected in lieu of the wet lands within the railroad belt, are preferred by the railroad corporation.

In relation to the right of the state to hold these lands, even without any action of the United States Land Department, and without patent, I have not the slightest doubt. In the words of the Commissioner of the General Land Office, in his instructions to the Surveyors General of the several States interested in the swamp land act of 1850, "this act clearly and unequivocally grants to the several States those lands which, from being swamp, or subject to overflow, are unfit for cultivation."

In the opinion of Attorney-General Black, to the Secretary of the Interior, of November 10, 1858, in relation to the same act of Congress under which we hold: "The act of Congress was itself a present grant, wanting nothing but a definition of boundaries to make it perfect; and to attain this object, the Secretary of the Interior was directed to make out an accurate list of plats of the lands and cause a patent to be issued therefor. But when a party is authorized to demand a patent for land, his title is vested as much as if he had the patent itself, which is but evidence of his title. The authority given to the Legislature to dispose of the land upon the patent, does not make the grantee less the exclusive owner of them than she would be if those words were omitted. * * * The subsequent grant by congress to the State for the use of the railroad, could not have been intended to take away from the State the rights previously vested in her for other purposes. * * * There are cases in which grants are made under descriptions so vague and indefinite, that neither the grantee nor any other person can tell their location or boundaries, until the grantee does some act which locates and defines them. In such case, if any other right which is strictly defined, intervenes, the first grantee may lose what he would have been entitled to if his own grant had been descriptive or definite. But that principle does not apply here, because the general description of all swamp and overflowed lands within the limits of Arkansas is definite enough for the purposes of notice."

In another opinion of the Attorney-General to the Secretary of the Interior, dated June 7, 1857, in relation to another act of Congress, he says: "when congress says that a certain portion of the public domain of the United States is 'hereby granted' to a State, what need can there be of any

further assurance in order to give the State a perfect title in fee. * * The point is firmly settled if the highest judicial authority can settle anything."

These views of the Attorney General are sustained by leading decisions of the Courts, both State and National and have heretofore controlled the action of the General Government in administering this class of grants.

The official report of the Secretary of the Interior for 1871-2 gives the following table of the total swamp lands segregated to the several States, under acts of Congress approved March 2, 1949, September 28, 1850, and March 12, 1860, up to and ending September 30, 1871:

Acres.	
Ohio.....	54,438
Indiana.....	1,354,732
Illinois.....	3,267,470
Missouri.....	4,604,448
Alabama.....	479,514
Mississippi.....	3,070,645
Louisiana, Act of 1849.....	774,978
Louisiana, Act of 1850.....	543,339
Michigan.....	7,273,824
Arkansas.....	8,652,432
Florida.....	11,790,637
Wisconsin.....	4,333,082
Iowa.....	2,583,509
California.....	1,115,626
Oregon.....	
Minnesota.....	1,129,774

That the Land Department of the United States has done nothing to assist in segregating the swamp lands, can in no manner defeat the title of the State; for I know of no rule of law whereby a grantor under covenants of diligence will be permitted to defeat his own grant by his own neglect.

The title of the State to the swamp and overflowed lands within her borders became vested on 12th day of March, 1860, and subject to the rightful legislation of the State.

In order to save innocent parties settling on the lands of the State before the State took possession and before it was publicly known what the title of the State was, the Board of School Land Commissioners has caused such settlers' claims to be omitted from the selections of swamp lands. As to these, I recommend the passage of an act granting to such settlers the right of the State thereto, without cost to them-the State looking to the United States for indemnity for involving this title subsequently to the grant to the State by the action of her local land offices. This legislation is necessary to quiet titles and to prevent future litigation and disastrous losses.

TIDE LANDS

Upon the seacoast of this State, it is estimated that we have a half million acres of lands lying between the ebb and flow of the tide. These lands belong to the State by virtue of its sovereignty, or the right of eminent domain, independent of any title from the General Government. The public surveys of the United States should have been limited to the line of ordinary high tide of the ocean. But owing to inattention to the rights of this state, on the part of those having in charge the work of extending these surveys, the United States government lines have been extended upon the salt marshes, and these surveys have been from time to time approved by the General Land Office, and the tide lands so embraced have been, in many cases, disposed of to donation, homestead

and pre-emption claimants, as public lands of the United States. These transactions give no title as against the right of this State. The right to the lands lying between the ebb and low of the tide has been asserted and maintained in all the States bordering on the sea, and in such cases where, by inadvertency, or by claim of right, they have been disposed of by the United States, such lands have been recovered by those claiming by right of the State title after the same have been patented by the United States, and even after such patents have been confirmed by special Acts of Congress. It is no favor to settlers for the local land offices, or anybody else to induce them to take lands under claim of property in the United States, which belong to the State of Oregon. The greatest effort and care on the part of Executive officers may not save them harmless.

It is the part of wisdom in us to see to it that the primary disposal of all our public lands be properly made. No greater public service can be rendered at this period of the development of our State, than to assure to the people sound titles to their lands. I have called the attention of the Commissioner of the General Land Office to this subject, and I now recommend that an Act be passed providing to the State. In framing such legislation, I will suggest that the rights of all settlers who are in possession of any portion of these lands, claiming under the United States, be protected, and that all the tide flats be held for sale in limited quantities to adjacent settlers at a certain price, for a fixed period, after which those remaining unsold might be disposed of at public auction to the highest bidders.

PENITENTIARY BUILDING

The act of the Legislative Assembly, approved October 21, 1864, providing for the location of suitable grounds for a Penitentiary and Insane Asylum and for building a Penitentiary, created a Board of Commissioners, who were required "to have constructed, as soon as convenient, suitable wooden buildings wherein to confine the State convicts, preparatory to the erection of permanent buildings for a Penitentiary; to obtain plans and specifications for such permanent buildings; to purchase material for the same, and to transact all business, by themselves or their authorized agents, necessary for the erection of such portion of such permanent buildings as to them may seem necessary." Specific directions are also given in this act to the Commissioners, how to proceed in the work, and in what manner to incur liabilities and how to adjust them.

Commissioners were elected, who constructed the temporary wooden prison, but proceeded no further. At the session of the Legislature of 1870, Commissioners were elected to fill the vacancies in the Building Board created by the act of 1864, who have proceeded according to the terms of that act and have erected such portion of such permanent buildings as to them seemed necessary for the safe keeping of prisoners. The Assembly, at its last session, also facilitated this work, by an appropriation of fifty thousand dollars.

The temporary wooden structure had become absolutely useless as a prison. It had been condemned as such by two Grand Juries, by the former building Commissioners, and by the report of the last Superintendent; and the duty of the Commissioners to build a permanent Penitentiary was absolute.

I state with certain confidence, that the work is well and economically done. The plan and style of the buildings are after the most improved models; and for safety and sanitary arrangements, the structure is quite complete. The prison is also planned with reference to future enlargements, and with reference to the grading of prisoners according to the improved methods of discipline. The labors of the Commissioners have been laborious and faithful, and the results have had my approval. I call your attention to the report of the building Commissioners, herewith submitted, and recommend an early appropriation to cover the contracts made by them, as I consider them most economically made. Provision should also be made for painting the buildings outside and for ceiling on the inside. The amount of convict labor represented in the new Penitentiary and works, is

three millions of brick, and 9,325 days' labor on the buildings. This prison will hold our State prisoners until we reach the number of four hundred, by simply adding iron cells for their keeping.

The buildings, as they now stand, have cost the State \$159,000, represented as follows: \$50,000 cash appropriated; \$58,000, convict labor and proceeds of convict labor; \$51,000, now outstanding in vouchers, issued under the provisions of the act of 1864.

A limited appropriation should be made to assist convict labor in the erection of permanent walls around the prison, and to help the completion of workshops for the employment of convicts. Provision should also be made for utilizing the water power belonging to the State within the prison grounds, which is of first-class character.

These things done, and Oregon may boast one of the most complete Penitentiaries in the whole country.

MANAGEMENT OF THE PENITENTIARY

I call your special attention to the report of the Superintendent of the Penitentiary herewith transmitted. There has been a marked improvement in the control of this institution. More than double the relative amount of labor has been done than ever before, while expenses have been reduced. The discipline, health and moral conduct of the prisoners has been managed in a manner to reflect credit upon the Superintendent and upon the State. A progressive system of improved discipline is entered upon. A library is provided by the liberality of the citizens of Salem, instruction is given to those who are uneducated, and an earnest effort is being made to make the prison a school of reformation as well as a place of punishment for crime.

In the religious services which are held regularly at the Penitentiary, several of the clergy, resident at the Capital, have manifested great interest and freely devoted much time and labor to assist and instruct the unfortunate inmates. The report of the Rev. A. F. Waller and the Rev. I.D. Driver, who have acted as voluntary chaplains, is herewith accompanying.

I recommend that authority be given by law for leasing the convicts as practiced in other States, and for their continued employment under such a system.

It will be noticed by the prison accounts, that the earnings of convicts have reached the sum of their expenses during the last biennial period, within \$11,000. As soon as the permanent walls are constructed and work-shops completed, the Penitentiary, under the present mode of management, will be self-sustaining.

PARDONS

In accordance with the provisions of our statute, a report of the pardons granted by me during the past two years, giving the reasons why said pardons were granted, is herewith accompanying. There is no subject within the duties of the Executive more delicate, or one requiring more solicitous attention and well balanced judgment, than the exercise of the power of pardon. Petitions and personal urgency for Executive clemency, toward those who have been so unfortunate as to fall beneath the ban of the law, are almost constant. To examine and weigh all cases presented, has been with me a matter of conscientious labor, in the performance of which, I have reached such conclusions as the facts presented seemed to warrant at the time.

The number of persons who have been pardoned during the present Executive term, out of two hundred and eighty-six different persons who have been confined in the Penitentiary, is seventeen - of which number six have been released on physician's certificates, showing that they were suffering from incurable diseases, rendering longer imprisonment improper without hospital

conveniences, with which the State was not provided at the time of these pardons. It has been held in these cases that further imprisonment would extend punishment beyond the sentence of the law, and inflict such harsh and cruel penalties as are forbidden by our Constitution. One pardon- that of an Indian- was granted on the ground of mistaken identity made clearly to appear; and one for the reason that no conviction could have been had unless the entire jury before whom the case was tried agreed to a recommendation to Executive clemency placed in the record of their verdict, which was done. This pardon was granted after nearly five months' imprisonment. The remaining nine pardons were granted on the usual grounds of clemency stated in the report. In addition to the list of the pardons issued by me, I have given a list of the names of five convicts pardoned by my predecessor on the day before the close of his official term, not reported by him to the last Legislature, and the reasons of the pardons not being assigned.

RAILROAD SUBSIDIES

Subsequent to the adjournment of the last Legislature the bill passed at that session known as the Portland Subsidy Bill was refused Executive approval, and, as directed by the Constitution, the same was filed in the office of the Secretary of State, with the objections thereto. This bill, with said objections, will be laid before you by the Secretary of State, to be treated "in like manner as if it had been returned by the Governor." After much further reflection on the question of taxing the people to aid private railroad corporations, involved in said veto, I have been unable to arrive at any other conclusions than those stated; and the subject is now submitted to the final action of your honorable body.

BOARD OF SCHOOL LAND COMMISSIONERS

The duties of the Board of School Land Commissioners have been arduous and have been promptly and successfully performed. During the past two years they have deeded and bonded 98,740 acres of Common School lands; 10,935 acres of University lands; 149,189 acres of State or Internal improvement lands.

The entire quantity of these lands disposed of prior to September, 1870, on account of the want of record, cannot now be stated.

The Board have heard and determined all conflicts of title, and have kept complete records of all their work. They have also preserved in bound volumes a duplicate original of every deed executed by them. In connection with the work of the Board, I call your attention to Sec. 9 of the Act of October 26, 1868, creating the La Grande Land Office, which provides that upon the failure of purchases to make prompt payment for lands mortgaged to the State for part of the purchase money, the purchaser shall forfeit all right and title to the land, and the land be sold to another purchaser forthwith. This is a harsh and crude provision, and, if enforced, would have done infinite injustice.

This provision should be modified with a saving clause against all summary forfeitures under it.

The efficient work of this Board is swelling the amount of educational funds to such importance that more complete provision should be made for the custody and control of funds in the hands of local agents; and particularly in reference to the collection and return of interest for distribution to the schools. Local agents should be required to give bonds to the Board for the safe custody of the moneys in their hands, and for the faithful performance of their official trusts.

COMMON SCHOOL FUND

The irreducible Common School Fund arising from sales of the sixteenth and thirty-sixth sections in each township of the public lands in Oregon, and those taken in lieu thereof, has now reached the amount of \$450,000, in round numbers.

The grant of two sections of land in each township throughout the State for common school purposes will give to public education over 3,000,000 acres, yielding one-third of this amount for mountain lands, not now available; and we have two million acres which may be gradually sold and the proceeds of the sales of the Internal improvement lands and the revenue from the Canal and Locks at Oregon City, and it will be readily seen that our Common School Fund may easily reach three million dollars within a reasonable time.

There was distributed last March, to the several counties, as interest collected on the invested school fund, the sum of \$39,453 71. This is the first assistance which our schools have ever receive from the common school grant. A considerably larger sum will be distributed next year, and the work will be followed up by a progressive increase of the distributions from year to year.

SUPERINTENDENT OF PUBLIC INSTRUCTION

I recommend that there be provision of law for the election of a Superintendent of Public Instruction. The Constitution provides that the Governor shall perform the duties of this office, but that the Legislature, after the term of five years from the adoption of the Constitution, may provide for a separate officer, fix his compensation and prescribe his powers and duties. It has been fourteen years since the adoption of the Constitution, while the growing importance of the subject of common schools requires that the entire time of an energetic and competent officer be devoted to its development and control.

As to amendments to the common school law, there are several which may well be adopted, but they can better be explained to a committee of your honorable body than to be discussed in general message.

AGRICULTURAL COLLEGE

I recommend the passage of an act providing for the more efficient organization and support of the State Agricultural College. The State, in receiving the grant made by Congress for this institution, places itself under obligations to maintain a school of agriculture and the mechanic arts. The number of students provided to be appointed to this institution by the State ought to be doubled, and the funds to arise from the sale of the land belonging to the College should be marshaled and made available. In all respects we have fallen far behind our sister States in the management of our Agricultural College grant and the organizing of the institution.

The report of the President of the Agricultural College, also the report of the Board of Commissioners appointed by the last Legislature to devise rules, regulations and by-laws and a course of study for said institution, are herewith submitted.

STATE UNIVERSITY

Of the 46,080 acres of land constituting the University grant, about 30,000 acres remain yet unsold. The fund accumulated from sales and interest, is nearly \$42,000 00. As the lands yet to be disposed of are not as favorably located as those first sold, the whole fund to be realized from this grant will hardly exceed one hundred thousand dollars.

I will suggest that, in organizing this institution, if this fund be not added to the Agricultural College Fund, as suggested by me two years ago, that the University be located in the country, appropriately situated, which will donate the most valuable site, and erect the best buildings, free from charge to the fund, so that the public fund may be kept invested, on interest, for the current support of the University.

SCHOOL FOR MUTES AND THE BLIND

The School for Mutes, provided for two years ago by resolution, appropriating \$2,000 per annum for its support, has proved a striking success, and under the tuition of a most competent instructor, the pupils have made good progress. With this small beginning as an example, a permanent State Institution for Mutes may be organized with no misgivings as to the mode of undertaking the same or as to the problem of successful progress in learning by this unfortunate class in a school of our own.

I recommend that a further appropriation be made for the support of the School for Mutes, and also that appropriation be made for the establishment of an Institution for the Blind. We will be unable to establish such large and expensive endowments for these purposes as are witnessed in older States, but economical provisions for a beginning in the proper way, what humanity and the best interests of the State demand, should be made now.

The report of the Rev. P.S. Knight to the Board of Education, concerning giving views obtained by a late visit to institutions for the deaf and dumb of the State of California, also the report of the Board of Education on this subject, will be found accompanying the report of the Secretary of State.

APPORTIONMENT

As this is the first session of the Legislative Assembly after the official publication of the United States census of 1870, it will be proper to make a new apportionment of the members of the Senate and House of Representatives, based on said census, according to the provisions of our State Constitution. I will suggest, that in apportioning the Senate, every county having a sufficient number of population is entitled to one Senator and cannot constitutionally be districted with another county except on account of fractions of the number of population making the amount required for one Senator.

CANAL AND LOCKS AT WILLAMETTE FALLS

This work of constructing a canal and locks for the passage of steamboats and other water craft, over the falls of the Willamette River at Oregon City, provided for at the last session of the Legislature, has been prosecuted by the company, who undertook the same, with vigor and success, although the construction of these works will prove a much more expensive enterprise than was at first estimated; yet the dispositions of the company are such as give warrant to state that the undertaking will be completed within the time required by law, and in the most substantial and durable manner. The importance of this project cannot now be estimated.

WAGON ROADS

The coast range of mountains is twice crossed by military wagon roads. The Cascade range is also crossed at two different points by wagon roads from the Willamette Valley to Eastern Oregon. There yet remain two important points of the Cascade range demanding wagon roads. A road should be constructed from the Rogue River Valley to the Klamath Lake Basin, and another from Portland to the Dalles, along the left bank of the Columbia River.

The Meacham toll-road over the Blue Mountains should be purchased by the State and made free, on condition that the neighboring counties shall keep it in repair. The toll road running through the canyon of the Umpqua Mountains, in Douglas county, should also be purchased by the State, and made free on the same conditions.

The expenditure on account of all these projects need not exceed \$200,000, and the funds might be provided from moneys arising from sales of swamp and tide lands.

In case provision should be made for constructing these wagon roads, the act should provide that they be built under contract with the State directly, and that the roads, when built, should be free from toll.

INSANE ASYLUM

I lay before you, also, the official report of Dr. J. C. Hawthorne, physician in charge of the insane. Ever appealing to the best sympathies of our nature for aid and protection, this unfortunate class of our citizens have not been left without assistance. Our State Asylum still maintains its former high reputation for good management, sanitary arrangements, and successful treatment of its inmates. Nearly forty-three per cent. Of those sent to the Hospital have been cured. Those permanently insane are humanely kept, and all their ills alleviated to such extent as can be accomplished in institutions of this class.

The buildings of the Asylum have been greatly enlarged and improved, to meet the wants of the constantly increasing number of inmates.

I call your attention to that portion of this report referring to the appropriations to cover former deficiencies, and to sufficient future appropriations to cover all contract allowances for keeping the insane. It is but just to the contractor to make his contract rate equal to cash when negotiated on a cash basis. I concur in the suggestions of the report upon this subject; also, with those made relative to an allowance for the purpose of assisting indigent patients, discharged as cured, in reaching home, or their friends.

I further lay before you the report of Dr. A. D. Ellis, Visiting Physician to the Asylum, which is interesting in its reference to sanitary suggestions.

STATE CAPITOL

We have reached the time when we may properly enter upon the construction of Capitol buildings. The increasing membership of our Legislative Assembly, the growing importance of our public offices, and the general facilities required for all our extending public interests demand larger and more appropriate accommodations than we now possess. But economy and prudence should still characterize our undertakings in this respect. A reasonable appropriation to begin the structure of a State House would be commendable.

STATE GEOLOGIST

It may safely be stated that no State in the Union surpasses Oregon in undeveloped mineral resources. Her geology is bold, peculiar and interesting. Her wealth in the useful and precious metals is undoubted. But we do not know what are our hidden treasures. It is probably that no money could be expended more usefully to our future development, than reasonable sum appropriated to sustain a State Geologist.

IMMIGRATION

It is customary in the younger States to offer public inducements for the immigration of new settlers within their borders. Much interest is felt by many of our citizens upon this subject, and many inquiries are made relative to it by those in other American States and in foreign countries, who are contemplating removal to Oregon. This subject is worthy of your careful consideration.

SECRETARY AND TREASURER OF STATE

The reports of these officers submitted to your Honorable body will be found complete and instructive, giving all the detailed workings of the accounting departments of the State. These officers have been most diligent and faithful in the execution of their several official duties, and I trust their accounts will meet with full approval.

CLERICAL FORCE

The clerical force allowed the several departments is greatly disproportionate to the work required to be done. The Private Secretary of the Executive office, after performing all the ordinary duties of his office, has performed all the clerical labors of listing in triplicate all the public lands of the State, which have been selected and approved within the past two years. He has recorded the minutes of the Board of School Land Commissioners, kept the accounts of the Mute School, purchased supplies for the same, and performed an immense amount of general clerical labor not belonging strictly to his official duty, while his proper duties in the Executive office have been exacting and laborious.

The Agent of the Board of School Land Commissioners has written all the correspondence relative to the disposal of lands and the conflicts of titles in western Oregon, which has been voluminous and tedious, in addition to his duties touching the lands themselves.

A clerk of swamp lands has been employed in assisting to execute the swamp land act of October 26, 1870, and one also to conduct the correspondence with the Land Office at La Grande, and to keep the accounts of that office.

The services of all these gentlemen have been unremitting, and their work is well exhibited in the permanent records of the State.

CONCLUSION

In conclusion, I will assure you of my cordial co-operation in all measures calculated to secure the best interests of the State, and to promote the general welfare; and I express the hope that the results of our deliberations and actions may be satisfactory to your constituents, and a lasting blessing to the whole people.

EXECUTIVE DEPARTMENT,
Salem, Sept. 1872. L.F. GROVER

Report of Pardons, 1872

Source: Messages and Documents, Report of Pardons, September 1872, Salem, Oregon, Eugene Semple, State Printer, 1872.

REPORT OF PARDONS

The following is the report of pardons granted during the two years ending September 9th, 1872, respectfully submitted for the information of the Legislature:

1. JOHN T. MILLER. Wasco county. Assault with a dangerous weapon. Sentenced November 2, 1868. Received at the prison December 25th, 1868. Term of service, two years in the Penitentiary. Pardoned September 23, 1870, on petition. Reasons: His term of service had nearly expired on account of merit marks, and was especially entitled to consideration for good behavior.

2. WILLIAM BURCHDORFF. Jackson County. Assault with intent to Kill. Sentenced February 21, 1868. Received at the Penitentiary March 2, 1868. Term of service, four years in the Penitentiary. Pardoned October 10, 1870. Recommended by the Judge of the Circuit Court, before whom the trial was had, and other prominent citizens of Southern Oregon. Reason: Statement of Prison Physician showing that Burchdorff was suffering from an aggravated and dangerous form of heart disease, believed to be incurable, and that the disease might be modified and rendered less painful by release from prison, and that further imprisonment would be a cruel and unusual punishment.

3. CHINAMAN TOM. Douglas county. Larceny. Sentenced October 14, 1868, for six years in the Penitentiary, received October 20, 1868. Pardoned December 6, 1870. Reason: Certified statement of Prison Physician that Tom had a complication of diseases pronounced incurable, and being wholly unable to labor was a useless burden to the State. Further incarceration was deemed improper under the law.

4. INDIAN JOHN SMITH. Douglas County. Larceny of a hat. Sentenced November 22, 1872, for one year and three months to hard labor in the Penitentiary. Received December 3, 1870. Pardoned March 24, 1871. Recommended by petition of prominent citizens of the Dalles and six of the jury before whom said Smith was convicted. The Judge of the court, before whom the case was tried, made a statement recommending Executive clemency. Captain John Smith, Indian Agent at Warm Springs, also recommended the pardon.

5. JAMES KELLEY. Multnomah county. Burglary. Sentenced March 14, 1868, for five years in the Penitentiary. Received March 16, 1868. Pardoned March 31, 1871. Reason: The Prison Physician certified that said Kelley was incurable from an aneurism of the descending aorta, and recommended that he be discharged from further confinement as a humane measure.

6. BENJAMIN BUTTERFIELD. Grant county. Arson. Sentenced October 16, 1865, for seven years in the Penitentiary. Received November 2, 1865. Pardoned April 20, 1871. Reason: The physician at the prison certified that said Butterfield had become diseased in mind and body, and unfit for labor, either mentally or physically; and that longer confinement would but aggravate the disease and render his punishment inhuman and severe, and might produce death or permanent insanity. His term of service had nearly expired and he had been sufficiently punished for the crime.

7. DICK COLLINS. Jackson county. Murder in the second degree. Sentenced February 8, 1864, for life in the Penitentiary. Received March 4, 1864. Pardoned June 23, 1871. Recommended by petition of prominent citizens of Jackson county, and the Judge of the Court before whom the case was tried. The physician at the prison certified that said Collins was suffering from a pulmonary disease that was incurable.

8. THOMAS GREENWOOD. Marion county. Assault with intent to kill. Sentenced for ten years in the Penitentiary November 30, 1868. Received same day. Pardoned July 4, 1871. Recommended by petition of citizens. Reason: The physician at the prison certified that said Greenwood was suffering from chronic and incurable diseases, known as nephritis and scirrhus liver, rendering further imprisonment dangerous to life.

9. CHARLES BLAKELY (colored.) Marion county. Assault with intent to kill. Sentenced January 14, 1871, for one year in the Penitentiary. Received same day. Pardoned July 4, 1871. Recommended by petition for citizens. Reason: Evidence discovered, after conviction, showing that the assault for which he was convicted was justifiable self-defence.

10. ALFRED RUSHTON. Multnomah county. Assault with a dangerous weapon. Sentenced June 28, 1871, for six months in the Penitentiary. Received July 1, 1871. Pardoned August 21, 1871. Recommended by petition of prominent citizens of Multnomah county. Reasons: A majority of the jury before whom the case was tried and the District Attorney who tried the cause recommended Executive clemency. It also appeared from all the circumstances of the case that said Rushton acted in self-defense, but that the case was not plainly made out before the jury.

11. ELI MASON. Benton county. Manslaughter. Sentenced May 2, 1871, for the term of one year in the Penitentiary. Received May 8, 1871. Pardoned September 1, 1871. Recommended by over four hundred of the most respectable citizens of said Benton county, the judge before whom the

cause was tried, a majority of the grand and trial jurors in the case, and the Sheriff and Clerk of the Court where conviction was had.

12. CHARLES BURCH. Multnomah county. Burglary. Sentenced December 20, 1870, for two and one-half years in the Penitentiary. Received December 24, 1870. Pardoned November 3, 1871. Recommended by large number of citizens of Multnomah county, and by the Judge of the Court before whom the case was tried, and by the Prosecuting Attorney, representing that Burch was a minor, convicted of burglary but not actually engaged therein, but was convicted of complicity in the same that he was led into it by older persons; that he assisted the prosecution in obtaining evidence in the case and that he give strong evidence of reform.

13. GEORGE W. BARTLETT. Douglas county. Larceny. Sentenced Oct. 26, 1871, for one year in the Penitentiary. Received November 2, 1871. Pardoned Nov. 4, 1871. Recommended by petition numerously signed by influential citizens of Douglas county, representing Bartlett to be a young man of previous good moral character; that he was entrapped, while intoxicated, into the sale of a horse not his own, by a band of circus riders; that he had been imprisoned in the county jail of Douglas county for five months awaiting trial, and that said imprisonment was sufficient punishment for the offenses.

14. ZADOCK WILSON. Multnomah county. Murder in the second degree. Sentenced to the Penitentiary for life, July 17, 1871. Received the same day. Pardoned Nov. 30, 1871. Recommended by prominent citizens of Multnomah county. Reasons: The jury by whom said Wilson was convicted, in their recorded verdict, unanimously recommended him to Executive clemency. And it appearing by statement of jurors who tried the case, that conviction could not have been had unless it had been understood by several of the jurors, that their recommendation of pardon would have effected the release of the accused within a short time.

15. JACOB RIPLEY. Multnomah county. Larceny. Sentenced Nov. 24, 1869, for three years in the Penitentiary. Received Dec. 2, 1869. Pardoned February 17, 1872. Recommended by petition of prominent citizens of Multnomah county. Reasons: Ripley had served out his term of imprisonment excepting six months. His conduct had been the most exemplary character while in prison, and he showed undoubted evidence of reformation, and had been sufficiently punished.

16. SANTIAM PETE (Indian). Benton county. Burglary. Sentenced August -, 1861, for three years in the Penitentiary. Received August 24, 1861. Escaped March 3, 1862. Recaptured May 3, 1871. Pardoned March 14, 1872. Recommended by Hon. A. B. Meacham, Superintendent of Indian Affairs. Reason: A satisfactory showing was made that said Pete was convicted of a crime committed by another Indian, and that he was innocent of the same.

17. SANGAREE MARSHELLS (Indian). Lane county. Murder in the Second Degree. Sentenced November 26th, 1870, for life in the Penitentiary. Received November 29, 1870. Pardoned March 14, 1872. Recommended by citizens of Lane county and Hon. A. B. Meacham, Superintendent of Indian Affairs. Reasons: Statement of facts not adduced before the Court on the trial of said Marsells, showing grave doubts whether he was guilty of the crime with which he was charged, and that he was convicted on evidence that would not have convicted a white man.

REPORT OF REMISSIONS

The following is the report of remissions granted during the two years ending September 9, 1872, respectfully submitted for the information of the Legislature.

1. SOLOMON BEARY. Yamhill county. Selling intoxicating liquor to a minor. Committed to county jail on failure to pay a fine of one hundred dollars. Fine remitted November 23, 1870.

Recommended by prominent citizens of said Yamhill county, who were acquainted with all the circumstances of said conviction and commitment. Reason: A statement of facts proved on the trial, signed by the Prosecuting Attorney of the Third Judicial District, including Yamhill county, was filed with the Executive, recommending clemency in the premises.

2. Remission of forfeiture under penal bond. In the case of the State of Oregon vs. Chas. Wilson, deceased. James B. Stephens, H. F. Bloch, W.H. Bennett, E.W. Tracy, S. N. Arrigoni and Thomas Witherel as sureties upon an undertaking for the appearance of one Chas. Wilson, who was charged with the crime of assulting one Chas. Warren of the county of Multnomah. Remitted -- -- 1872. This forfeiture was remitted on the ground that the sureties having shown due diligence to procure the said Wilson's presence before trial in the case; that the accused has been long since dead. The sworn statement filed in this application for remission render it extremely doubtful if any conviction could have been had if the trial had taken place. And further, because proceedings in this matter had been delayed for nearly ten years.

REPORT OF PARDONS

Issued by Governor George L. Woods on September 12, 1870, the day before the close of his official term, and not reported by him to the last Legislature.

1. MICHAEL O'LAUGHLIN. Marion county. Assault with intent to kill. Sentenced July 9, 1870, for three years in the Penitentiary. Received same day, and pardoned September 12, 1870.

2. GEORGE W. BALLARD. Benton county. Manslaughter. Sentenced November 17, 1868, for five years in the Penitentiary. Received November 18, 1868, and pardoned September 12, 1870.

3. JOHN LATHAM. Marion county. Burglary. Sentenced November 29, 1867, for six years in the Penitentiary. Received November 30, 1867, and pardoned September 12, 1870.

4. NELSON HAUXHAUST. Marion county. Manslaughter. Sentenced June 30, 1868, for ten years in the Penitentiary. Received June 30, 1866, and pardoned September 12, 1870.

5. ED MARSHALL. Union county. Larceny. Sentenced November 18, 1867, for four years in the Penitentiary under one indictment, and three years under another. Received November 23, 1867, and pardoned September 12, 1870.

Biennial Message, 1874

Source: Messages and Documents, Biennial Message of Gov. LaFayette Grover to the Legislative Assembly, September 1874, Salem, Oregon, Mart. V. Brown, State Printer, 1874.

BIENNIAL MESSAGE

LEGISLATIVE ASSEMBLY

EIGHT REGULAR SESSION ---1874

Gentlemen of the Legislative Assembly:

In entering upon a second term as Chief Executive of the State I congratulate you, as the representatives of the people, upon the noticeable progress in our affairs and the marked development of our resources which have distinguished the last four years of our history. No State should be more heartily thankful for abounding natural resources, at the hand of an all-wise Providence. Since your last meeting the blessings of good order, health generous harvest and general prosperity have prevailed.

You assemble here under happy auspices to consult for the continued prosperity and, be judicious legislation, to promote the common good of our vigorous and proud young commonwealth.

It becomes my duty to tender to you such information of the present state of public affairs as may appear appropriate to the occasion, and to make such recommendations as may be pertinent.

A detailed statement of the condition of the Chief Departments will be laid before you, by their respective heads, to which I respectfully refer you for full accounts of their workings. I here present a condensed statement of the financial condition of the State.

FINANCES

The balances in the treasury at the close of the financial year, September 6, 1872, were \$172,597 41.

To the credit of the several funds, as follows:

General Fund (including \$4,811 38 for advertised warrants), coin.....	\$ 5,533 91
General Fund, currency.....	979 00
Common School Fund {Principal, \$1,256 59} coin.....	2,464 69
{Interest, 1,208 10}	
Common School Fund {Principal, \$ 683 13} currency.....	1,759 09
{Interest,.....1,075 96}	
University Fund, coin.....	68 55
University Fund, currency.....	251 14
State Land Fund, coin.....	25,557 16
State Land Fund, currency.....	35,813 06
Five Per Cent. U. S. Land Sale Fund, currency.....	13,306 08
Escheat Fund, coin.....	1,612 92
Escheat Fund, currency.....	1,785 37
Soldier's Bounty Fund, coin.....	69,095 48
Soldier's Relief Fund, coin.....	14,370 96
Total.....	\$698, 775 01

RECEIPTS

Received since, into the treasury, the sum of \$628, 775 01 to the credit of the following funds:

General Fund (including one and one-half mills Relief and Bounty tax), coin.....	\$460,695 22
General Fund, currency.....	486 00
Common School Fund Principal, coin.....	19,812 10
" " " currency.....	6,938 20
" " Interest, coin.....	40,806 68
" " " currency.....	14,046 67
University Fund, coin.....	16,616 51
University Fund, currency.....	2,893 69
Escheat Fund, coin.....	5,810 35
State Land Fund, currency.....	19,199 92
State Land Fund, coin.....	25,940 56
Five Per Cent. U. S. Land Sale Fund, currency.....	5, 226 36
Agricultural College Fund, currency.....	964 50
Swamp Land Fund, coin.....	5,607 50
State Capitol Building Land Fund, coin.....	705 00
Tide Land Fund, coin.....	3, 025 75
Total.....	\$628, 775 01

DISBURSEMENTS

Paid since, out of all the funds, the sum of \$663, 193 45 to the debit of the following funds:

General Fund, coin.....	\$ 47,260 76
General Fund, currency.....	459 00
Legislative Fund, coin.....	24,011 96
Penitentiary Fund, coin.....	48,791 51
Judicial Fund, coin.....	36, 758 34
Executive Fund, coin.....	14,892 11
Insane Fund, coin.....	61,814 86
Convict Fund, coin.....	4,546 68
Printing Fund, coin.....	19,838 73
Incidental Fund, coin.....	21,200 85
Penitentiary Building Fund, coin.....	61,960 78
State House Building Fund, coin.....	99,990 00
Fugitive Fund, coin.....	3,817 77
Indigent Fund, coin.....	2,517 43
Agricultural College Fund, coin.....	773 15
Common School Fund Loans, coin.....	16,986 74
Common School Fund Loans, currency.....	5,035 70
Common School Fund Interest (distributions and expenses), coin...	41,452 95
Common School Fund Interest (distributions), currency.....	13, 395 78
University Fund Loans, coin.....	16, 685 06
University Fund Loans, currency.....	1,000 00
Soldiers' Bounty Fund (exclusive of State House building transfer), coin...	25,146 85
Soldiers' Relief Fun, coin.....	32,148 77
State Land Fund, currency.....	67 00
State Land Fund (for Lock Bond Interest and expenses).....	35,647 25
Five Per Cent. U. S. Land Sale Fund, currency.....	18,526 86
Swamp Land Fund, coin.....	5,556 32
State Capitol Building Land Fund, coin.....	56 00
Tide Land Fund, coin.....	2,854 24
Total.....	\$663,193 45

Leaving funds in the Treasury, September 14, 1874, \$138, 178 97, to the credit of the several funds, as follows:

General Fund, coin.....	\$1,546 19
General Fund, currency.....	1,006 00
Common School Fund Principal, coin.....	4,081 95
" " " currency.....	2,585 63
" " Interest, coin.....	561 83
" " " currency.....	1,726 85
University Fund, currency.....	2,144 83
Escheat Fund, coin.....	7,423 27
Escheat Fund, currency.....	1,785 37
Bounty Fund, coin.....	21,613 97
Relief Fund, coin.....	21,054 86
State House Building Fund, coin.....	10 00
State Land Fund, coin.....	15,850 47
State Land Fund, currency.....	54,945 98
Five Per Cent. U. S. Land Sale Fund, currency.....	5 58
Agricultural College Land Fund, currency.....	964 50

Swamp Land Fund, coin.....	51 18
State Capitol Building Land Fund, coin.....	649 00
Tide Land Fund, coin.....	171 51
Total.....	\$138,178 97

LIABILITIES OF THE STATE

Bonds

Outstanding Soldiers' Bounty.....	\$26,500 00
Outstanding Soldiers' Relief.....	20,747 00
	\$47,247 00

Lock Bonds

Payable out of Internal Improvement Land Fund.....	\$200,000 00
--	--------------

Wagon Road Warrants

Payable out of Swamp and Tide Land and Five Per Cent. U. S. Land Sale Funds.....	\$31,550 00
---	-------------

State Warrants

Outstanding, on all accounts, payable out of State Revenue.....	\$287,459 00
---	--------------

It will be observed that the accumulations in the Soldiers' Bounty and Relief Bonds, and that the Lock Bonds and the Wagon Road Warrants stand against resources in hand sufficient when available, to liquidate this class of liabilities, so that the only liabilities payable out of the revenue of the State are the outstanding State warrant.

There has been an apparent large increase of outstanding warrants since my last biennial message. This is owing to the fact that nearly all the warrants drawn on the Treasury from 1868 to 1870 were suspended for the reason that they were drawn without an appropriation having first been made for their payment, the Legislature of 1868 having adjourned without making the general appropriations. The assembly of 1870 provided for the payment of a part only of these warrants while the balance were carried forward to be provided for by the last appropriation bill. In addition to the payment of the face of these warrants an addition of thirty per cent. Average increase upon their face has had to be paid for interest on account of the suspense.

Again, no building tax was levied for the construction of the new Penitentiary, and the entire cost, except proceeds of convict labor, was paid by warrants on the General Fund, which was sufficient only for the current general expense, and the devotion of convict labor to this work swelled the appropriations for the support of the prison.

There were several appropriations made by the last Legislature which need not be, and should not be, repeated. Our State Constitution limits the indebtedness of the State to fifty thousand dollars. The provision is as follows: Article 10, Section 7. "The Legislative Assembly shall not loan the credit of the State, nor in any manner create any debts or liabilities which shall singly, or in the aggregate with previous debts or liabilities, exceed the sum of fifty thousand dollars, except in case of war," etc. It is contended by some that this provision refers to funded debts only, and not to the margin of outstanding warrants issued for current expenses. But it appears to me that the form of the liability does not vary the binding force of this restriction. The aggregate of all indebtedness against the State should be within fifty thousand dollars. In fact, it was the evident intention of the framers of our State Constitution that the State should be absolutely free from debt.

Article 9 Section 2, provides that: "The Legislative Assembly shall provide for raising revenue sufficient to defray the expenses of the State for each fiscal year, and also a sufficient sum to pay the interest on the State debt, if there be any." Section 6, of the same article, provides that:

"Whenever the expenses of any fiscal year shall exceed the income, the Legislative Assembly shall provide for levying a tax for the ensuing fiscal year, sufficient, with other sources of income, to pay the deficiency, as well as the estimated expense of the ensuing fiscal year." These are positive mandates of our fundamental law. The Legislative Assembly is made responsible that the State be free from debt.

I desire to co-operate with you to enforce these requirements literally. The sole reason why Executive sanction was refused to the emigration bills of two years ago, was that no means were provided to meet the expenditure proposed, and that the general appropriations already made exceeded the revenue, while the General Appropriation Bill could not be modified by Executive action without vetoing the whole bill at the heel of the session, and disorganizing the State government. You will therefore appreciate the correlative duties of the Legislative and Executive Departments upon this subject.

The levy for current general revenue, by Act of October 22, 1864, is five mills on a dollar. The military tax is a mill and a half on a dollar. But, owing to a general misapprehension of the law, four mill only for general State purposes have been collected during the last four years and for some time previously.

One mill of the military tax can now be dispensed with, as the Military Fund is now nearly sufficient to pay off the balance of outstanding Military Bonds. Reducing the military tax one mill, it might be well to institute a half-mill building tax, to stand until all public buildings are completed, and to restrict, absolutely, all appropriations for building purposes to the resources of the Building Fund. Let the State tax be reduced to four mills, and confine the current general expenditures to the revenue arising therefrom, and let the other half-mill, taken from the Military Fund, be transferred to create a Sinking Fund with which to liquidate the excess of outstanding warrants.

A more simple, and perhaps in the end, a more satisfactory plan would be to let the general taxes stand as they are for the present. Collect the five mill State tax, but confine current expenditure within a four mill revenue, until there shall be no outstanding State Warrants, then reduce the State tax one mill. Draw upon the surplus military fund, for State House expenditures, as heretofore, until the Capitol can be occupied. Liquidate all military warrants, then repeal the military tax altogether.

LOCK BONDS

The accumulating funds from the Internal Improvement Grant should be placed at interest, and authority be given for their payment increase. As the faith of the State is pledged for the administration of the Internal Improvement Fund so as to meet these obligations, prompt and sufficient appropriations to meet the maturing coupons are imperative.

PUBLIC LAND OF THE STATE

By the act of the Legislative Assembly of October 15, 1862, the Governor was empowered and directed to locate all the lands to which the State was entitled, under the several acts of Congress, making grants to the State.

The condition of our public land interests, at the time of my entrance upon the duties of the Gubernatorial office, four years ago, was fully set forth in my last biennial message. Since that period the work of securing the interests of the State, in these public grants, has steadily progressed.

INTERNAL IMPROVEMENT GRANT

The full amount of the Internal Improvement Grant of five hundred thousand acres, held under act of Congress of September 4, 1841, has been selected and finally approved to the state by the

Secretary of the Interior - the exact quantity so vested being 500, 006.99 acres, as per final statement of the Commissioner of the General Land Office, bearing date February 6, 1874

UNIVERSITY LANDS

By act of Congress of February 14, 1859, admitting the State of Oregon into the Union, seventy-two sections, amounting to forty-six thousand and eighty acres of land, were set apart and reserved for the use and support of a State University. These lands have been fully selected and the quantity of 44,366.81 acres have been finally approved by the Department of the Interior. The limited balance will be approved in the due course of official business.

INDEMNITY COMMON SCHOOL LANDS

The lands taken in lieu of the sixteenth and thirty-sixth sections in each township, held for common school purposes, under authority of the act of Congress of January 7, 1853, have been selected as fast as the surveys have been completed in regions where the settlements have preceded the surveys.

In all cases where the settlements have not reached newly surveyed lands, at the time of the surveys, the sixteenth and thirty-sixth sections become vested in the State without listing, by force of the original grant for common school purposes. The amount of the Indemnity Common School Lands, so far selected and approved by the General Land Office, is on hundred and nine thousand, seven hundred and nine acres. The amount selected and awaiting examination for approval is five hundred and eighty acres. These selections cannot be finally completed until all the public land of the State shall have been surveyed by the General Government.

AGRICULTURAL COLLEGE LANDS

The condition of the land granted by Congress by Act of July 2, 1862, providing for the establishment of Colleges in the several States for the benefit of Agricultural and Mechanic Arts, was fully stated in my last biennial message. On account of obstacles therein set forth, the lands selected under this grant had not been approved, although they had been selected by a Commission created and authorized by the Legislative Assembly at its regular session in 1868. The special Act of Congress touching this subject, approved June 4th, 1872, provided, in section second thereof, "that any such selections already made by said State (Oregon) and the lists duly filed in the proper district land office, be and the same are hereby confirmed, except so far as they may conflict with any adverse legal right existing at the passage of this Act." On examination of the lists of these lands for final approval by the Commissioner of the General Land Office they were found to conflict with the Klamath Indian Reservation, and that the quantity of 10,092 acres of the same lay within said reservation. The boundaries of the reservation were not definitely known to the commission charged with the duty of selecting these lands, hence the conflict. The amount of 79,235.17 acres of this grant is now finally approved, and the lands have been offered for sale pursuant to the provisions of the Legislative Act for that purpose approved October 28, 1872.

The amount to be selected anew, after all rejections for conflict, is 10, 764.83 acres. The selection of this balance has not been hastened, for the reason that lands of a greater value than now obtainable can be listed after the public surveys have been further extended.

These lands have not been disposed of as rapidly as was expected when first offered for sale. It is thought by some who are well acquainted with the premises that the limitations of the statute providing for their disposal requiring sales to be made to actual settlers only and in quantities of not more than three hundred and twenty acres to each settler, are obstructions in the way of sale.

It is asserted that the lands selected are better adapted to grazing purposes than to general agriculture, and that more than a half section is necessary for a profitable stock ranch, while those

who already own three hundred and twenty acres of land are debarred by the statute from purchasing any of the Agricultural College selections.

It is certainly a good public policy to divide the public lands of the State into as many homesteads as is compatible with successful settlement, but the early disposal of these lands, in order that the funds arising therefrom may be made available for the support of the Agricultural College, would seem desirable. The minimum price is fixed by the act of Congress making the grant, at two dollars and fifty cents per acre. I call our attention to this subject and suggest an inquiry whether, for the purpose of facilitating sales, a change in the conditions of sale prescribed by the act of October 28, 1872, might not be advisable.

PUBLIC BUILDING LANDS

The quantity of ten sections, or six thousand four hundred acres of public lands, were granted to the State of Oregon by the act of Congress of February 14, 1859, before referred to, which, in the words of the Act, were "to be selected by the Governor of said State, in legal subdivisions, for the purpose of completing the public buildings, or for the erection of others at the seat of government, under the direction of the Legislature thereof." Since your last session these lands have been selected and approved by the local land offices within whose jurisdiction the locations have been made, but final approval by the Department of the Interior has not yet been had.

SALT SPRINGS

The Act of Congress last before mentioned also contains the following provision: "That all salt springs within said State, not exceeding twelve in number, with six sections of land adjoining, or as contiguous as may be to each, shall be granted to said State for its use, the same to be selected by the Governor thereof within one year after the admission of said State, and when so selected to be used or disposed of on such terms, conditions and regulations as the Legislature shall direct. Provided, that no salt spring or land, the right whereof is now vested in any individual or individuals, shall by this article be granted to said State."

No selections of springs or lands having been made under this authority within the stated limit of time, on the 17th day of December, 1860, Congress passed "An Act to amend the fourth section of the Act for the admission of Oregon into the Union, so as to extend the time for selecting the Salt Springs and contiguous lands according to the provisions of the fourth section of the Act entitled 'An Act for the admission of Oregon into the Union', approved February 14, 1859, be extended to any time within three years from the passage of this Act, anything in said section to the contrary notwithstanding." The extended time expired December 17, 1863, without selections of Salt Springs and lands adjacent thereto having been made. The right to these springs and to the lands mentioned in this grant therefore lapsed at that period.

There are several Salt Springs within this State of superior character and of great future value, already known, and I doubt not there are many others yet undiscovered which might be secured to the State if the time for selection could again be extended. The entire quantity of public lands which would enure to the State if the springs could be acquired, would be forty-six thousand and eighty acres. This is a grant customary to be made to the new states upon their admission into the Union, and is of such importance that I suggest that you memorialize Congress to pass an act again extending the limit for selecting the Salt Springs and contiguous lands.

SWAMP LANDS

The right of this State to the swamp and overflowed lands within her borders, unequivocally granted by Act of Congress, of March 12, 1860, extending to Oregon the provisions of the Swamp Land Act of September 28, 1850, has not yet been fully acknowledged by the General Land Office.

In my last biennial message the following remarks were made upon the condition of this class of lands as existing at that time:

"But little notice was taken of this important grant by the public authorities of this State until the session of the last Legislature, at which an Act was passed bearing date October 26, 1870, entitled 'An Act providing for the selection and sale of the swamp and overflowed lands belonging to the State of Oregon.' This Act provided that the Board of School Land Commissioners should appoint deputies to proceed as soon as practicable, to select in the field all the lands rendered unfit for cultivation by inundation or overflow within this State, and to make return of the same to said Commissioners.

"Pursuant to this authority, deputies have been appointed who have proceeded to the field and made selections in their several districts of such land as they deemed to fall within the description of said Acts of Congress, omitting under instructions from the Board, all such swamp lands as are claimed and occupied by bona fide settlers, under whatever right they claim. The amount of swamp and overflowed lands so selected, free from conflict, and reported to the Board up to the present time is 174,219 97-100 acres, lists of which have been duplicated and duly forwarded for filing in the office of the Surveyor General of Oregon.

"In examining the title of the state to these lands, and the condition of the grant, found that there had been a practical omission on the part of the Department of the Interior to execute the laws of Congress making this grant, as far as the same related to Oregon. The usual special instructions sent to Surveyors General of other States, holding under the same acts of Congress, directing a segregation of the swamp lands, had not been transmitted to the Surveyor General of this State. Deputy United States Surveyors in the field had generally made no note of the swamp lands, but had returned all this class of lands as arable, and the several local land offices had been accustomed to dispose of them without reference to the title of the State, as public lands of the United States, subject to homestead and pre-emption settlement. By this means considerable portions of the swamp lands owned by the state, and which are still vested in the State, had been disposed of as the lands of the United States.

"A letter was addressed by me to the Secretary of the Interior, bearing date November 9, 1871, calling his attention to the acts of Congress under which we hold these lands, and to the omission of the Land Department of the United States to execute the laws. The correspondence upon this subject is herewith accompanying. In this correspondence I have urged the General Land Department to execute the Swamp Land laws of Congress in favor of Oregon, as they have been executed in favor of other States under the same laws, and to suspend all action of our local land offices involving adverse possession of these lands until the question of title could be adjusted between the State and the United States. On the part of the Secretary of the Interior and the Commissioner of the General Land Office a willingness has been indicated to enter upon the segregation of the Swamp Lands, but no work has been done in that direction by them, and no instructions have been issued, to the knowledge of the Executive, in answer to the requests contained in the correspondence. I can state, therefore, as the present condition of this important interest, that the acts of Congress making the swamp land grant to Oregon remain practically unexecuted by the Land Department of the United States. In the meantime, lands unquestionably of a swampy character are being disposed of by the local land offices, thus absorbing the property of the State and complicating the title to the swamp and overflowed lands within her borders. * * * In relation to the right of the State to old these lands, even without any action of the United States Land Department, and without patent, I have not the slightest doubt."

Since the last session of your body a leading decision has been made by the Supreme Court of this State, in the case of Joseph Gaston vs. Frank L Stott, involving the possession of that tract of

swamp and overflowed land known as Wappatoo Lake, in Yamhill and Washington counties. The court, Justice McArthur delivering the opinion, unanimously held that the acts of Congress recited, created a grant in presenti and passed a fee simple title to the state of all the swamp and overflowed lands within her borders; and that the State has a right to make selections and to dispose of the lands acquired under this grant before the issuing of the patent by the general government.

This position has been held by the highest tribunals of all the States, entitled to this class of land under the acts of Congress from which we derive title, and also by the Supreme Court of the United States. In the case of Railroad Company vs. Smith, 9 Wallace, U. S. Supreme Court Reports, page 99, the Supreme Court of the United States in passing upon the effect of the omission of the Secretary of the Interior to segregate swamp lands in Missouri, as directed by the act of Congress of September 28, 1850, uses the following pointed language:

"Must the State lose the land, though clearly swamp land, because that officer has neglected to do this? The right of the State did not depend on his action, but on the Act of Congress, and though the state might be embarrassed in the assertion of this right by the delay or failure of the Secretary to ascertain and make out lists of these lands, the right of the States to them could not be defeated by that delay."

The condition of the swamp lands within the State is the same as stated in my message of two years ago, except that progress has been made in segregation by State agents acting under authority of the Board of School Land Commissioners, as directed by statute. The total amount of swamp lands which have been surveyed and selected by the several deputy swamp land commissioners under authority of the act of the Legislative Assembly of October 26, 1870, is 266,600.42 acres.

No instructions of any character have been received at the office of the Surveyor General of this State, customary to be issued to that office in all states entitled under the swamp land acts of Congress.

The refusal of the General Land Office to act in the premises is now reduced to a mere technicality. The Act of Congress of September 28, 1850, the provisions of which were extended to this state by the act of March 12, 1860, provides, "That it shall be the duty of the Secretary of the Interior, as soon as may be practicable after the passage of this Act, to make out an accurate list and plats of the lands described as aforesaid (the swamp and overflowed lands), and transmit the same to the Governor of the State; * * * and, at the request of the Governor, cause a patent to be issued to the state therefor." On the 21st day of May, 1860, the Commissioner of the General Land Office addressed a letter to the Governor of Oregon, proposing the adoption of one or the other of two systems in segregating these lands, in the following words:

"1. Whether the State would be willing to abide by the field notes of the surveys, as designating the lands, or

"2. Whether, in the event of the non-acceptance of these notes as he basis, the State would furnish evidence that any lands are of the character embraced by the grant.

"This is important to the State also, as, by the second section of the Act, the selections in townships, where the surveys have been completed, are required to be made within two years after the adjournment of the first Legislature convened after the passage of the Act; and, where the surveys are yet to be made or completed, within two years from the adjournment of the next session, after notice to the state that the surveys are completed and confirmed."

The Commissioner of the General Land Office, in a communication to the Governor of Oregon, dated April 26, 1873, referring to this subject says: "This letter was acknowledged by the Governor February 22, 1861, and information given that he had submitted the proposition, with the inclosures, to the Legislature which convened second Monday in September, 1860, but that the Legislature had failed to determine which of the two propositions submitted from this office should be accepted." On the 3d day of January, 1872, in reply to the objection, raised for the first time in a letter of the Commissioner to me, bearing date November 10, 1871, that the State had not elected which of these methods would be more agreeable; that, by the provisions of the Act of our Legislative Assembly, of October 26, 1870, providing for the selection and sale of the swamp and overflowed lands, "the State of Oregon has elected to make selections of swamp and overflowed lands within her borders, by agents appointed by the State, and to furnish evidence that all lands claimed by her are of the character embraced by the grant referred to."

But the General Land Office still refuses to proceed because the legislative act did not declare, in so many words, that the State did elect to select the lands by its own agents, and does not provide for furnishing the General Land Office with any testimony whatever. I have not lately discussed this matter with the Department of the Interior, because I deemed further discussion of no value to the State. The acts of Congress under which we hold the swamp lands do not require any election on the part of the State as to what method shall be adopted in the segregation. The proposition of the Commissioner of the General Land Office, contained in his letter of May 21, 1860, to the Governor of Oregon, asking the state to elect between two proposed methods, which had before that time been practiced in other states in segregating swamp lands, seems to have been made out of deference to the dignity and interests of the State to facilitate just and satisfactory action in the premises, rather than to clog and successful prosecution of the work. As to the Legislature of this State prescribing the manner of furnishing evidence to the Department of the Interior upon this subject, I do not deem it competent for a State to make rules and regulations for transacting any public business with the Departments of the United States.

Our legislative act, of 1870, most certainly made election to select the swamp lands by agents of the State, because it provided directly that these lands should be selected in that manner, and such agents have been at work in the field performing this duty, from time to time, for four years. To say that the State has not so elected is to deny that a statute is the expressed will of the Legislature.

The reason which induced the Legislature to provide for making these selections by agents of the State was that this important grant might be wholly lost if left to the accidents of the general surveys.

To avoid further controversy, and to meet the views of the General Land Office, I recommend that a joint resolution be passed specifically electing to select the swamp and overflowed lands by agents of the State, and instructing the Board of School Land Commissioners to furnish such evidence, and in such manner, of the character of these lands as the Department of the Interior shall prescribe.

All the swamp and overflowed lands have been listed in duplicate, and reported in that form to the Surveyor General of Oregon, authenticated in manner as prescribed by that office. One of these lists has been by him forwarded to the General Land Office. The magnitude of this interest is greater than at first supposed. The southeast quarter of the State, not yet surveyed, and but very little explored, appears, by latest information, to be occupied between its mountain ranges by a succession of ridges, hills, lakes and marshes, all productive and valuable. The securing of these lands is the more important for the reason that the residue of their proceeds after paying the

Wagon Road warrants is devoted to one of the most important public projects which has attracted notice in this State. I refer to the construction of the Portland, Dalles, and Salt Lake Railroad.

TIDE LANDS

The title of the State to the tide lands upon the sea coast and rivers was first brought to public attention in this state in my last biennial message. I then stated that "these lands belong to the State by virtue of its sovereignty, or the right of eminent domain, independent of any title from the General Government." But in the public mind these lands are confounded with the swamp lands. The titles of the two classes of property are essentially distinct and different. The former does not depend on a grant by Congress; the latter does. The title to lands between the ebb and flow of the tide has been in controversy in other States, and final adjudications by the highest tribunals have determined the right to be originally in the States. In the case of Pollard et al. vs. Hagan, reported in 3d Howard, 212, the plaintiff's held a tract of tide land in Alabama by patent from the United States, which, after controversy, was specially confirmed by two several Acts of Congress. The defendant held under a deed from the State, and proved that the premises were covered by water at common high tide. The case was a leading one, and was ably argued and fully considered. The Supreme Court of the United States held:

"First. The shores of navigable waters and the soils under them were not granted by the Constitution to the United States, but were reserved to the States respectively.

"Secondly. The new states have the same rights, sovereignty, and jurisdiction over this subject as the original States.

"Thirdly. The right of the United States to the public lands, and the power of Congress to make all needful rules and regulations for the sale and disposition thereof, conferred no power to grant to the plaintiffs the land in controversy."

In this case a United States patent was set aside, and two acts of Congress touching the title to the premises were declared void, and the right of the State to the tide lands by virtue of her sovereignty, was sustained.

This doctrine was recognized and enforced by the Supreme Court of California in the case of Farish vs. Coon, 40 California Reports, 33. In this case salt marshes had been selected and approved to the State as a part of the five hundred thousand acres granted by Congress Act of September 4, 1841, for Internal Improvements. The lands had been sold by the State to private parties, and had been improved at great expense, and had been held in private possession nearly twenty years. But the court set all the conflicting rights aside, and awarded the property to the custody and disposal of the Board of Tide Land Commissioners as lands held by the State by the original title of sovereignty.

I have thus suggested the tenure by which the State holds the tide lands, in order to give a clear idea of the power of the Legislature over them, and of the propriety of distinct and complete enactments for their disposal.

The Tide Land Act passed two years ago is very defective. Its force is limited to land abutting or fronting upon or bounded by the shore of any bay, harbor, or inlet on the sea coast of this State. This limit should be extended to all lands within this State abutting or fronting upon the Pacific ocean and upon all waters confluent thereto, and lying between the ebb and flow of the tide.

The body of the act also requires careful revision, embodying more explicit authority for the Board of School Land Commissioners to make disposal of these lands.

THE FIVE PER CENT FUND

The total amount derived from the five per cent of the net proceeds of sales of the public lands within the State, enuring under provisions of the Act of Congress of February 14, 1859, admitting Oregon into the Union, is \$23,956 69.

In my last biennial message it was stated that the sum \$5,424 25, belonging to this fund, had been withdrawn by the former Secretary of State. Suit has been instituted, on the part of the State, against the late Secretary and sureties, on his official bonds, to recover all moneys on account of which that officer was in default. A final judgment has been recovered in the premises amounting to the sum of \$10,558 94 for which execution is now out against said sureties. It is probable that the whole amount will be paid into the State Treasury. This will include the said Five Per Cent. Fund default of \$5,424 25 and will restore and fund complete. The accumulations into this fund will continue until sales of the public lands within the State shall cease.

Thus far the account of this fund rendered to the State, by the Department of the Interior, has included the sales only made for cash. It has been urged by several States, interested in like manner as our own, that a percentage of all lands disposed of for a consideration should be included in the account of sales. The State of Iowa has made a special effort before the Commissioner of the General Land Office to secure a ruling to this effect upon existing law, but thus far without success. It would appear but just, after having pledged to the several new States five per cent of the net proceeds of sales of all the public lands within their borders, for the purpose of Internal Improvements, that in all cases where the public lands mentioned have been disposed of for a consideration to the United States, not immediately beneficial to the State, as in case of Soldiers' Bounty Lands, Agricultural College Land scrip from other States, permanent Indian Reservations and like permanent disposals of the public domain, the five per centum allowance should be made to the State on their minimum value.

A proper presentation of this subject, by memorial of the Legislature to Congress might facilitate the passage of An Act recognizing the just right of this State to be allowed five per centum of the net proceeds of all public lands disposed of within her borders wherein the State was not interested.

COMMON SCHOOL FUND

The Irreducible Common School Fund arising from the sales of the sixteenth and thirty-sixth sections in each township of the public lands, and from those taken in lieu thereof, had reached two years ago, the sum of \$450,000. The sales of the public lands of the State have been slow during the last two years, owing to the stringency of the money market during that period. But a fair progress has been had in these sales, indicating a healthy growth of the State, and steady increase in the Common School Fund. The whole fund now in the hands of the Board of School Land Commissioners and of the local agents of the Board in the several counties, amounts to the sum of \$504,216 46.

In relation to the management of this fund, I repeat my recommendation of two years ago, which was as follows:

"The efficient work of the Board is swelling the amount of educational funds to such importance that more complete provision should be made for the custody and control of funds in the hands of local agents, and particularly in reference to the collection and return of interest for distribution to the schools. Local agents should be required to give bonds to the Board for the safe custody of the moneys in their hands, and for the faithful performance of their official trusts."

UNIVERSITY FUND

The total grant of public lands to the State for the support of a University is 46,080 acres. Of this amount there have been sold by deed and bond, 19,905 55-100 acres. There consequently remain unsold, 26, 174 45-100 acres.

AGRICULTURAL COLLEGE FUND

This fund has but just begun to accumulate for the reason that it has been but a short time since the lands belonging to this fund were approved at the General Land Office. There have been but 257 92-100 acres deeded and 480 acres bonded. The fund arising therefrom is \$1,844 80.

LITIGANT LAW

The enactment of the law for the protection of litigants, by the Legislative Assembly of 1870, has given rise to much discussion as to the necessity and propriety of the Act. There are manifest good reasons why there should be some specified journals authorized to publish all legal advertisements, and that the rates of publication should be fixed by law. Two years ago a bill was passed repealing this Act, but the repealing bill was vetoed on the ground that the original Act, requiring a specific undertaking to do the litigant publishing; and, upon the filing of such undertaking, the statute declared that the publisher should hold the privilege during the term of the appointing power. Deeming that this created a vested franchise for the term named, I declined to approve the bill. But the term specified in the Act having expired, the Act is now subject to repeal.

PORTLAND POLICE LAW

The best method of governing American cities is an unsolved problem. Great abuses have been suffered, both in general management and in the administration of Police Departments. To meet an evident necessity, four years ago a law was passed by the Legislature reorganizing the Police Department of the city of Portland. In the new system the Governor of the State is required to appoint three Police Commissioners, who have full control of the subordinate organization and working of the Police force. This is in contravention of the general principle of local self-government, and should be changed as soon as practicable. I think the time has arrived when the change can safely be made. Peace and good order have been maintained in Portland since the adoption of the present system. No change should be made without making the Police force responsible to some controlling authority, otherwise it will be ineffective and injurious to the city. Governor Hoffman, of New York, who had great opportunities of observation, remarking upon the government of the city of New York, said in his annual message of 1872: "No good government can be secured to any great city unless it shall have one responsible head, in whom shall be vested all executive power, and to whom, as the elected representative of the people, all departments charged with executive duties shall be directly and summarily responsible and accountable."

I recommend that the Portland Police Law be so amended as to make the Mayor the responsible head of the Police system of the city.

THE CODE

It is customary in other States, and has been the practice in this State to provide by law for a compilation of the statutes, at least once in ten years. Such a compilation has been made in pursuance of the Act of last Assembly providing "for collecting, compiling and printing the laws of Oregon," approved October 22, 1872. Upon the completion of the work by the Commissioners, and after its examination by the Governor and the Secretary of the State, and its acceptance by the Governor as required by the statute, the State Printer appeared and demanded the manuscript compilation for printing. The Act referred to required the Governor to advertise the work of printing and binding and to let the same to the lowest bidder and to contract with such for the doing of the work.

The State Printer insisted that he was entitled to do the printing, notwithstanding this provision of law, on the ground that by the 1st Section of Article 12, of our State Constitution, it is provided that the State Printer "shall perform all the public printing for the State, which may be provided by law."

Deeming it my province to execute the laws as I find them upon the statute book, I declined to deliver the manuscript to the Public Printer, but proposed to advertise for the printing, as by said Act directed. At this juncture a proceeding of mandamus was instituted by the State Printer before Associate Justice (now Chief Justice) Bonham, asking an order that the Governor deliver said copy to him, the State Printer, to be printed.

The Governor accepted service, and agreed to a stipulation of facts, and that the court should determine the law. On full consideration of the subject, on the 26th day of January last, the following conclusion was reached and made of record in the case:

"The court finds that the act of the Legislative Assembly, approved October 12, 1872, entitled an act for collecting, compiling and printing the laws of Oregon, so far as the same requires the Governor to let the printing of the laws therein provided for to the lowest bidder, is in contravention of Section one of Article twelve of the Constitution of this State, and so much thereof is void. Therefore it is ordered and adjudged by the court that the plaintiff herein is lawfully entitled to the possession of the manuscript or an authenticated copy thereof, of such compiled laws for the purpose of printing the same as required by the Constitution of this State."

Upon this adjudication, which was consonant with the views of the compiling commissioners, the manuscript was delivered to the State Printer to be printed.

The binding was advertised and let to be done by the lowest bidder, at one dollar and fifteen cents per volume; a price much lower than any public work of the kind has ever been before done in this State.

The three thousand volumes required by the Act to be printed have been completed and bound, forming a compact volume of 922 pages. The work was carefully executed under the personal supervision of Judge Matthew P. Deady, one of the Commissioners, and is of intrinsic value to the State and to the legal profession.

The State Printer has not allowed the publishing of any copies of this Code, except the number authorized by law, so that the State can derive the full benefit of the sale of the work.

The cost of Code printing by the State Printer will, I am informed, be about eighteen thousand dollars. The rates of sale of this work should be fixed by law at a price which will reimburse the State for the expenditure.

An impression has prevailed to some extent that the decision of the court pronouncing one clause of the recited Act to be void, annuls the whole Act. This is an error. The body of the Act is as valid, and as operative, as though the condemned clause had never been inserted therein.

BOARD OF SCHOOL LAND COMMISSIONERS

The labors of the Board of School Land Commissioners have been continued with efficiency. This Board is constituted directly by provision of the State Constitution and is composed of the Governor, Secretary of State, and State Treasurer, and charged with the duty of selling the School and University Lands and investing the funds arising therefrom. By section six of the act of October 28, 1868, regulating the sale of these lands and providing for the management of these funds, it is enacted "that the Board of the School Land Commissioners shall pay over all moneys now in their hands, or that may arise from the sale of said School and University Lands to the County

Treasurers of the counties in which the lands are located and shall be loaned by said Treasurers," etc., etc.

This section came under the adjudication of the Supreme Court of this State, at its present session, and was held by the court to be void for the reason that it was in direct conflict with section 5, of Article VIII, of the Constitution, which devolves upon the Board of School Land Commissioners solely, the duties here specified to be done by County Treasurers. The Code Commissioners have arrived at the same conclusion and have so stated in a note to the text of the new Code.

Anticipating such a result whenever the question should be raised the Board has uniformly required all transactions by County Treasurers, touching these funds, to be in the name of the Board, so that the State might not suffer for the want of proper and sufficient securities, and yet an effort has been made to carry out the letter and spirit of this unconstitutional section of said Act as near as circumstances would permit.

I would recommend that an act be passed providing for agents in the several counties, to be appointed by the Board, who should act under its direction. Bonds should be required for the faithful performance of duties, and compensation be provided for services.

This interest is too grave a one to be lightly or inconsiderately disposed of. The report of the Board, showing specifically the amount of land sold and bonded, and the name of each purchaser, and minutely all its transactions for the past two years, prepared by the Clerk, Thomas H. Cann, is herewith submitted. The Board has held monthly sessions to hear and determine all conflicts of right between applicants for land, and between settlers claiming the same land. Full records have been kept of all proceedings, as in a court of record, and duplicate originals have been preserved, in bound volumes, of all deeds executed.

As the extra duties of segregating and disposing of the swamp lands, and of the tide lands, as well as other duties have been also devolved upon this Board by statute, in addition to the duties created by the Constitution, it is probably the most laborious organization in the State. The work done by the Board of School Land Commissioners, in Oregon, is done in other States by Surveyor General, State Land Office, Board of Swamp Land Commissioners, in Oregon, is done in other States by Surveyor General, State Land Office, Board of Swamp Land Commissioners, Tide Land Commissioners, and School Fund Commissioners - all separate and distinct officers, having compensation as such.

It has been found necessary to employ a Recording Clerk of this Board, under authority of section twelve of the Act of October 28, 1868, and the special provision of the law of last session making appropriation for that purpose.

Previously to 1868 the members of this Board were compensated for their services at the rate of four hundred dollars per annum. The provision making this allowance was repealed at the session of that year, for the reason that the Board was inoperative. All the arrearages of work have been brought up during the past four years, together with the multiplied duties of that period, in addition to the legitimate duties of the chief offices of the State; and all without compensation as a Board.

SALMON FISHERIES

The salmon fisheries of the Columbia river are assuming such importance that I take occasion to call your attention to the subject. The product of these fisheries was scarcely noticeable four years ago, but last year it approximated one million dollars in export value, and for the season of 1874 exceeds a million and a half.

This river, bearing to the ocean a volume of water hardly less than that of the Mississippi, pure, cool, and generally unobstructed by ice in its lower extent at all seasons, is doubtless the best salmon producing river in the world. We have been accustomed to think that this fish product was inexhaustible. But the river fisheries of all countries, where the laws have not intervened for their preservation, have one uniform history - first decimation, then destruction.

The rivers of the northeast coast of the American continent were at an early date in our history, relatively as well supplied with this imperial food-fish as the rivers of the northwest coast are now. But through want of public attention, by over fishing and unseasonable fishing, and by the obstruction of streams with mill dams, having no fish ladders for the ascent of the fish, the salmon has become almost unknown in all the rivers of New England, and totally gone from many of them.

At one time the salmon frequented all the rivers of Great Britain, but have been driven out of many of them by the turbid, poison waters from the sewers of manufacturing towns. By the construction of fish-ways and by stringent regulations of law limiting fishing to certain seasons of the year, days of the week and hours of the day, in which it shall be lawful to take fish, the run of salmon, once much diminished, has of late years been increased in several of the rivers of Scotland and Ireland.

The sad of the Middle States, a fish which, like the salmon, makes its annual incursions from the sea, has been lost to several rivers once filled with their roving millions. They were destroyed by reckless fishing, and cut off from their spawning grounds by mill dams. A lively interest is now manifested throughout the States bordering on the Atlantic sea-board, seeking by fish culture, not only to recover lost fisheries, but to create new ones, and to introduce species of fish valuable for food, not before known in those waters.

In Oregon we have, in great abundance, two of the best river fishes in the world, the salmon and the trout. To preserve these is worthy of careful legislative enactments.

Salmon fishery constitutes an interest of so much importance that no action should be taken upon it without a complete knowledge of what action is demanded, and a clear conception of the public good in the premises. I therefore recommend the establishment of a fish commission to be composed of prominent and competent citizens, who will be willing to serve without compensation, and who will consider the whole subject and report their views upon it to the next Legislative Assembly.

As the Columbia River forms a common boundary between the State of Oregon and Washington Territory, and is subject to the concurrent jurisdiction of both, the commission should be authorized to correspond with the authorities of the Territory of Washington, in order that whatever legislation may be had on the subject, may become the law of both jurisdictions.

The salmon has seldom frequented the waters of the upper Willamette river, not being able to pass the falls at Oregon City. It was anticipated that the salmon would pass to the upper Willamette through the canal and locks lately constructed at those falls for the purpose of navigation, but it is ascertained that the fish will not follow slack-water channels, and consequently will not present himself at the gates of these locks. Yet the upper Willamette river, on account of its smooth and pure waters, and its milder temperature is thought by the observant to be the best home for young fish of all the tributaries of the Columbia. If the salmon could pass the falls of the Willamette without injury, the result would be great blessing to the people of the Willamette Valley, as well as a great addition to the spawning grounds tributary to the Columbia fisheries.

The salmon readily ascend the fish-way in Scotland and Ireland. I would therefore suggest, that in case the fish commission is authorized, that the Board be charged with the duty of examining

whether or not a fish-way could be constructed at the falls of the Willamette at limited expense, to meet the end referred to.

PILOTAGE AND TOWAGE ON THE COLUMBIA AND WILLAMETTE RIVERS

Your special attention is called to the necessity of more suitable and certain regulations of pilotage and towage on the Columbia and Willamette rivers. It is most important to our rapidly increasing commerce that these regulations should be just, discriminating and efficient.

HARBOR-MASTERS

The number of foreign vessels destined to arrive in ballast, at the ports of Portland and Astoria, for the purpose of transporting the surplus products of this State, suggests the necessity of enactments providing for the regulation of these harbors, and the appointment of harbor-masters. No considerable compensation will be necessary.

REPRESENTATIVE FROM CLATSOP COUNTY

The people of Clatsop County have elected a Representative to the present Assembly without authority of the last General Apportionment Law. It is claimed, in this case, that the County was districted with Tillamook County in the election of a Representative, while she was entitled, under the rates established in the late apportionment law, to a Representative alone. Justice should be done in the premises.

PENITENTIARY

I call your special attention to the interesting and lucid report of the Superintendent of the Penitentiary. All the detailed workings of this institution are set forth with care and faithfulness. Our State Prison, during the past four years, has been brought up to a much higher standard of discipline and productive industry than was at first anticipated. Four years ago the State was without a tenable prison. The prison grounds were unimproved and undrained. Portions of the premises, having been subject to overflow, and remaining at seasons wet, were unhealthy. The prison farm, consisting of one hundred and fifty-seven acres, as been drained, cleared of brush and worthless trees, fenced and reduced to cultivation. A new prison has been built, complete in all appointments, and so substantially constructed that it will stand for centuries.

A water power of immense capacity has been created almost wholly by the employment of prison labor, the value of which in the future employment of mechanical prison industry can hardly be estimated. This water power has been so thoroughly and scientifically constructed that it is not liable to future damage by flood or time. The canal is of earthwork of uniform grade through a clay subsoil. It crosses but one depression requiring a culvert, which is passed upon an arch of masonry, the uniform earth embankments being kept up. The old wooden prison buildings have been utilized as workshops.

The efficient management of the Superintendent, Wm. H. Watkinds, Esq., is worthy of high commendation. The care of the health and morals of the prisoners, the success shown in securing to the State cheerful and productive labor, the evident progress made in reformatory discipline all prove the competent and faithful public officer.

The subject of prison reform has a broader bearing and a wider interest than is generally supposed. Many become interested in its progress and look upon the result with the single view of its effects upon the unfortunate prisoner alone. But the welfare of the State is affected in several aspects of the case. Society must receive to its bosom all discharged convicts. Do they come as persons capable of beginning new lives and of becoming industrious citizens? Or do they come as hardened criminals, to return again to a life of crime? If the former, the State gains a productive member of its body, not to be a public expense, but to assist in bearing the common burden. If the

latter, the released convict again becomes a prey upon society and his road leads back to prison, there to be a tax upon the State.

In leading prisons, in the older States, where special measures of reform have not yet been adopted, the proportion of discharged convicts, who return to prison life, is stated to be from seventy to ninety per cent. During the last four years the proportion of returns has not reached four percent. The exact number of discharged prisoners, during that period, has been one hundred and seventy-nine, and the number who, after discharge, have been convicted of crime and resented has been but six.

The Superintendent reports but one convict now at large, by escape, since his superintendency, and that no escapes have taken place within the last two years. This is remarkable in view of the fact that convict labor has often been employed outside of prison bounds.

To the credit of the women of Oregon I take occasion to remark that during the Executive term of four years, just elapsed, there has been but one female inmate of our State Prison, and that of the one hundred and thirteen convicts now in our Penitentiary, not one is a woman.

I join in the recommendations of the Superintendent's report, and desire to call attention to that portion of he report which refers to leasing convict labor. The time has arrived when action must be had upon this subject. After year of trial in the older States the system now adopted in the best regulated prisons is that of leasing to contractors the labor of the prisoners, in numbers to sit the classes of business in which they are to be employed, at a certain per diem rate, the State furnishing shops for mechanical labor with the power, and the main line of shafting connected with the power, the State reserving its control of the prisoners and their support and discipline. No important manufacturing interest can be established at the Penitentiary by contract for labor unless there is special authority of law for long-time contracts.

The preparation of flax for foreign shipment has been introduced as an experiment, and has proved a success; so much so that the parties engaged in the business desire to engage the labor of a number of convicts on long lease, for the prosecution of this important branch of industry, for the first time introduced into Oregon last year, at the prison. I specially commend this enterprise to your consideration.

Many other branches of manufactures mentioned in the Superintendent's report can at once be introduced in case continued leases of labor to be authorized.

The compensation of the Superintendent is without doubt low, when taking into consideration the valuable and responsible services performed by him.

The reports of the Penitentiary Building Commissioners, showing the accounts of the final completion of he buildings and the expenditure of the appropriation, accompanies the Superintendent's report; also the report of the Prison Chaplain, Dr. C. H. Hall, and of the Prison Librarian, Dr. E. R. Fiske. These gentlemen have labored for the good of prisoners devotedly and without compensation, in the true missionary spirit. The suggestions in their reports are worthy of consideration by the Assembly.

Under the care of the Prison Physician, Dr. A. M. Belt, whose report also accompanies tat of the Superintendent, the health of the prison has been remarkably good. The Physician says: "the prisoners have been nearly exempt from the evil effects of solitary vices that are so common in prisons. This is due largely to the excellent rules of the institution, securing wholesome diet and regularity of labor, exercise and rest."

It is befitting here that I pay a tribute to the memory of one who, from the establishment of the Penitentiary at the seat of government to the time of his death (which occurred since your last meeting), was its voluntary chaplain. The Rev. Alvan F. Waller, one of the earliest missionaries of the Methodist Episcopal Church in Oregon, for more than thirty years witnessed the progress of this new community - first the colony; then the Provisional Government; then the organization of the Territorial form under the United States; and, afterwards, the State. Through all these stages of successive development he has left the impress of a strong mind and a ceaseless energy upon the landmarks of our progress.

He took the greatest interest in, and gave the most valuable assistance to, the later efforts at prison reform. In the words of the Superintendent's report, "He visited the prison through sunshine and storm alike - the prisoners during health and sickness, and followed their remains to their last resting place, giving them the benefits of Christian sepulture without pay or expected earthly reward." He rests well whose work is well done.

HOSPITAL FOR THE INSANE

The report of the Superintendent of the Hospital for the Insane is herewith submitted. Dr. J. C. Hawthorne, the Superintendent, has been connected with the care of the insane in this State ever since the first establishment of a State Asylum, twelve years ago.

The institution during the past two years has been conducted with the same care and humane treatment, and with equal success in the recovery of unfortunate sufferers from insanity. The whole number of patients now in the hospital is one hundred and sixty-three public, and four privates. Of these one hundred and nineteen are males and fifty-eight are females. The report is full and instructive, and is worthy of careful consideration. It is but justice to the Superintendent to say that his management of this institution is a high credit to Oregon. The contract of the last four years has expired, and it will be the duty of the Legislature to make further provision for keeping our insane.

In making new engagements it will hardly be necessary to suggest that a spirit of enlightened humanity should assist in the disposal of the subject.

The report of the Visiting Physician, Dr. Andrew D. Ellis, replete with interesting details, is also submitted.

PARDONS

As required by statute, a report of pardons granted during the biennial period just closed, together with the reasons for such pardons, is herewith furnished for the information of your Honorable Body. A less number have been granted in proportion to the number of prisoners than during any like period heretofore. I have sought to examine and act upon each case presented with impartiality and with an effort to execute the trust which I hold for society, with faithfulness. By a moderate exercise of the pardoning power, and by encouraging prisoners to shorten the term of their imprisonment by merit marks, under the statute, for good conduct and extra work, a better discipline is maintained.

THE MODOC INDIAN WAR

On the first of December, 1872, the country was startled by the news that the Modoc Indians belonging to the Klamath Indian Agency had risen in arms and fallen upon the unprotected and unsuspecting settlements on Lost River, and had, on the 29th and 30th of November, ruthlessly murdered eighteen unoffending citizens, pillaged their property, and committed their dwellings to flames. There were no available United States troops within succoring distance of the scattered and dismayed neighborhoods of the Lake Basin. By telegram the Governor was petitioned for

immediate relief and protection. The duty of the moment seemed imperative, and orders were at once given for the mustering of a company of mounted volunteers in Jackson County, and John E. Ross was commissioned as Brigadier General of the 1st Brigade of the Oregon Militia, and directed to move at once to the scene of distress, to report what force was required, and to do what humanity and the duty of the State demanded. This force reached the field of the massacre eight days before any other military assistance arrived, and engaged itself in burying the dead and in offices of mercy to the survivors.

This was the initiation of the Oregon Volunteer Service in the Modoc Indian war of 1872 and 1873, which, during the checkered fortunes of Indian hostilities in Southern Oregon, during those years, employed five companies in all.

At the request of the Secretary of War I made a full and detailed report of this service with its initiatory history, to Major General J. M. Schofield, commanding the Military Division of the Pacific, under date of February 13, 1874, a copy of which is herewith submitted. I also submit the official reports of Major General John F. Miller and of Brigadier General John E. Ross, of the Oregon State Militia, touching operations in the field during this service.

At the last session of Congress our delegation there procured the passage of an Act virtually assuming the expenses of the State incurred in this service; and, during the month of July last, Inspector General James A. Hardie, of the United States Army, under instructions of the Secretary of War, visited Oregon to examine and report upon the accounts engendered in the support of these volunteer troops.

There are good grounds for expecting that a favorable report will be made. The whole amount of the first and second services, as reported to General Schofield, is \$130, 728 00. I think it but just that those who have mustered into military service at a time of emergency, and have furnished property for such service, should have the guarantee of the State for their compensation.

I desire especially to present the case of the volunteers who were promised, by their officers, and by the Executive the exertion of their influence to secure to them the pay of two dollars per day for their services, This rate of pay has been entered upon the muster-rolls. It is extremely doubtful whether this rate will be allowed by Congress, though most just, under the circumstances. The State should make good the full pay of these volunteers.

All honor is due to the officers and men of this service. In the winter months, in a mountainous district, where storms are severe, they served without tents and often short of blankets and rations, for the reason that on so sudden emergency, such could not be supplied. Their services were valuable to the State and to the United States and tended greatly to assist in closing the war.

It is benefitting that I take this occasion, thus publicly, to acknowledge, on behalf of the State of Oregon, the distinguished services of Brevet Major General Jefferson C. Davis, of the Army of the United States, for his brilliant and decisive conduct in closing the Modoc Indian war. To General Frank Wheaton, and the officers who served under him, our acknowledgements are due for their gallant and soldierly services from the first, and for their generous conduct toward the Oregon Volunteers. A resolution of thanks would not be inappropriate, in the premises, as the peace of our entire eastern frontier was involved in the success of the Modoc campaigns.

As to the Modoc outlaws who committed the massacres of the 29th and 30th of November, 1872, and who now stand indicted for murder in Jackson County, they were taken out of the jurisdiction of this State by force, under the direct order of the President of the United States. They are now fugitives from the justice of this State. As soon as the unlawful detention ceases, they are liable to

be returned on the requisition of the Governor of Oregon, and to be submitted to trial and punishment according to law.

The claims of our citizens in South-eastern Oregon, whose property was destroyed by the savages at the time of the massacre are most just. These settlers have no part in the cause of the hostilities and were all innocent of offense toward the Modocs. A memorial of the Assembly setting forth in a clear light public opinion here on this subject, might assist our representatives in Congress in their efforts for an appropriation to cover these claims.

WALLOWA VALLEY

Joseph's band of Nez Perce Indians, after having joined the general tribe of Nez Percés in the treaty of 1855, disposing of all their lands except a reservation on which they agreed to live, refused last year to abide by the terms of a subsequent stipulation made by the tribe to retire wholly from Oregon. During the Modoc war Joseph's band was on the eve of an outbreak to assert its right to the Wallowa lands formerly released by the tribe. These lands have been surveyed by the United States and opened for settlement. Many of our citizens had settled there. As a peace measure the President of the United States made an executive order setting aside these lands as an Indian reservation. The Indian Department caused the property of the settlers to be assessed with view to their removal. At this juncture I transmitted to the Secretary of the Interior a communication reciting the full history of the treaties in controversy, asserting the right of this State to the jurisdiction of these lands and the rights of our citizens to their farms and property in the Wallowa regions, and gravely protesting against the steps being taken by the General Government, as unauthorized by law. Senator Kelly and the late Representative Wilson had filed their protests in the premises also.

It is now indicated that the executive order of the President will not be enforced, but that the lands will be considered open for settlement. A military force has been lately stationed in the valley to preserve peace with the Indians. This region is one of the most valuable parts of Oregon for grazing purposes. A copy of my communication on this subject to the Secretary of the Interior, bearing date July 21, 1873, is herewith submitted.

STATE PRINTING

The Constitution has the following provision concerning the State Printer: "He shall perform all the public printing for the State which may be provided by law. The rates to be paid to him for such printing shall be fixed by law, and shall neither be increased nor diminished during the term for which he shall have been elected." You will perceive by this that you cannot legislate upon the rates of printing to be done by the present State Printer during his term, but a carefully considered printing Act for the future might be matured and passed. In such an Act distinct provisions should be incorporated defining what work shall be done by a retiring State Printer at the close of his term, and what work shall be done by the new incumbent, as this has become a subject of standing controversy under the present law.

EQUALIZATION

It is a Constitutional provision (Article 9, Section 1) that "the Legislative Assembly shall provide, by law, for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, both real and personal." This undoubtedly contemplates a system of general equalization. There is positive public wrong, as well as unfaithfulness to the Constitution, in allowing a leading class of property like cattle to be assessed in the different counties at widely different rates, varying from \$8 to \$21 per head average, and railroad lines of equal value, from \$3,000 to \$8,000 per mile, as appeared by the tax rolls of last year.

The work of the Board of Equalization, organized under the Equalization Act of 0 years ago, having been affected by a judicial decision, was not enforced. The members of the Board have resigned.

To secure equality and justice in the assessment and collection of taxes has been a troublesome matter in all the States. A satisfactory system is difficult to arrive at. Our present tax laws lack system and should be reformed. The defects in former Acts, pointed out in my last biennial message, were not remedied by the legislation of two years ago.

I herewith lay before you the reports of the Board of Equalization which discuss the whole subject ably and fully.

STATE CAPITOL

In the construction of the State Capitol, of the appropriation of \$100,000 there has been expended the sum of \$99,990. This sum has been paid in cash, as the work progressed, from moneys set aside for that purpose from the Military Fund. There are, in the Commissioners' hands, materials (chiefly iron, tools and necessary articles), paid for, the amount of \$12,298 49.

There have been applied also, in construction of the building, convict labor, brick and other materials from the Penitentiary, the amount of \$22,603 80. The cost of the work now in place is \$110,802 60.

The work done is within the original estimates of cost, which is very unusual in buildings of this kind. The foundation, which is massive, is of basaltic rock, embedded in a substratum of indurated clay, and laid in hydraulic cement. The whole foundation work is subdrained by deeply covered ditches, relieving it entirely from possibility of being affected by our rainy season. The balance of the work is in sight, and will speak for itself, both as to plan and architectural style, which, I think, will challenge your approval. The standing walls should be carried up to an even line this season, and securely covered before winter.

The Commissioners will lay before you, with their report, an estimate prepared by the architects, showing the cost of inclosing the building and finishing so much of it as will furnish convenient room for public occupancy, leaving the main tower, the South wing and the basement story to be completed at a future day, when the State is older and or population larger. Less than the sum already expended will accomplish this. The skill, conscientious diligence and success of the Commissioners deserve commendation. The architects have given special attention to this work, and the structure is sufficient evidence of their architectural accomplishments.

GEOLOGY

The preliminary report of the State Geologist, Professor Thomas Condon, is respectfully submitted to your consideration. An outline of the remarkable features of the geology of Oregon is here presented, showing our State to be a field not only of the deepest interest to general geological science, but one which will probably develop great wealth in gold, silver, iron, lead, coal and lime. It is already becoming apparent that the southeast quarter of Oregon, bordering on Nevada, which is yet unsettled, may prove to be as rich in mines of silver and gold as our sister State. I commend the suggestions made in this report to your favorable notice.

AGRICULTURAL COLLEGE

The Agricultural College has been evidently conducted with great effort to reach the objects of its organization.

The corps of instructors is composed of gentlemen of high attainments in science and of successful experience as educators. I hope the Assembly will provide means for sustaining this valuable institution until the lands granted by Congress for its support can be made available for

that purpose. The reports of the President and Professors of the College are herewith laid before you.

STATE UNIVERSITY

Pursuant to the Act of last session of the Legislative Assembly, locating the State University at Eugene City, a building destined for the occupancy of this institution has been erected and inclosed, but not finished inside. The structure is a substantial brick building, three stories high and well calculated for the purpose designed.

The University endowment accumulating from the Congressional Land grant, will reach one hundred thousand dollars within a few years, and I am informed that there is also a donation of property of the value of twenty-five thousand dollars more from a private citizen, contingent only upon a successful and permanent organization of this institution at Eugene City. I recommend that reasonable further time be given to complete this building, in full compliance with the terms of said Act.

INSTITUTIONS FOR MUTES AND THE BLIND

The schools established for mutes and the blind have been successfully conducted. I lay before you very full and interesting reports of the superintendents and teachers of these institutions, also reports of the Board of School Land Commissioners and the Board of Education, giving full details of the management and fiscal accounts of the same. The Private Secretary of the Governor, Hon. Henry H. Gilfry, has during the last two years, devoted much personal attention to the general interests of these schools, and has made all the purchases of supplies and disbursed all the moneys in detail for their current support, free of charge, in addition to the full performance of his own official duties.

COMMON SCHOOLS

The Superintendent of Public Instruction will lay before you a report of his conduct of that office since its creation.

The duties of the Superintendent have been faithfully discharged, and the difficulties of organization under a new law have been overcome with a good degree of success. The Board of School Land Commissioners should be enabled, with more certainty, to collect the interest on the Irreducible Common School Fund, to be used in the current support of schools.

IMMIGRATION

I have been in receipt of valuable communications and papers touching the subject of immigration. Several plans are proposed for the assisted of emigrants who desire to become citizen of Oregon.

The state of our public finances will not admit of the expenditure of a large sum of money in this interest, however desirable. We need population, but it will be certainly wise to act within our resources of revenue. A commission of emigration, consisting of prominent citizens who would serve without compensation, authorized to correspond with appointed voluntary commissioners abroad, and to advise and direct emigrants arriving here, and to publish authentic information concerning the resources of the State, at limited expense, might be advisable.

The strongest inducements which we can offer for immigration of the best classes will be freedom from debt and low taxes. The communications and papers referred to are herewith respectfully submitted.

FOREIGN ATTORNEYS

Attention has been called to the fact that our statute, providing for the admission of attorneys to practice in the courts of Oregon, permits no one to be admitted except he be a citizen of the United States, and of this State. As our Constitution admits to the privilege of suffrage, all persons of foreign birth over twenty-one years of age, who shall have declared their intention to become citizens of the United States, and shall have resided within this State for one year, it appears but just that such should be admitted to practice as attorneys in our courts, if otherwise qualified. I recommend that privilege be so extended by Legislative enactment.

ADJUTANT GENERAL

Previously to 1870 the Adjutant General was allowed a salary of \$800 per annum. The salary was repealed at the Legislative session of that year. No pay or allowance for actual expenses are now provided by law for that officer. Colonel A. P. Dennison, who has lately resigned the office of Adjutant General, performed important services, at his own personal expense, during the late Modoc Indian hostilities. He petitions before you with the recommendation that this expense be paid.

QUARANTINE

The quarantine laws have been strictly enforced. There can be no doubt that the introduction of contagion by ships from infected ports has been materially lessened. Five vessels have been quarantined, and all suspected vessels boarded and examined, during the last two years. Our pure atmosphere is not apt to communicate contagious diseases readily. With the enforcement of good health regulations our State will be comparatively free from pestilence. I refer you to the accompanying report of the Health officer at Astoria.

CESSION OF LANDS TO UNITED STATES FOR LIGHTHOUSES

A communication from the Secretary of the Treasury has lately been received by me stating that "under the impression that the General Government had jurisdiction over the navigable waters within the United States and the land covered thereby, lighthouses have from time to time been erected on submarine sites within the territorial limits of the States, without procuring the cession of jurisdiction required by the Act of Congress of May 15, 1820. It is now understood that the States may have jurisdiction over lands covered by navigable waters within their territorial limits."

The Secretary requests, in the interest of commerce and navigation, that the Governor will recommend to the Legislature of this State, "The passage of a general law, ceding to the United States, jurisdiction in all cases of sites of lighthouses and other aids to navigation, built on submerged foundations, and where the land under water is owned by the State, providing for the cession to the United States of the land also."

The communication is accompanied with a form of a bill which will be sufficient and satisfactory in the premises. These papers are respectfully submitted with a recommendation to your favorable action.

This request is a recognition of the title of the State to all lands under navigable waters within her boundaries, which is similar in character to the right by which we hold the lands on our sea coast, lying between the ebb and flow of the tide. It is the right of sovereignty or of eminent domain pointed out in my last biennial message. Some of the original thirteen States are just now developing this title after allowing it to lie dormant for a century.

GENERAL FISCAL MANAGEMENT

The general fiscal management of all departments of public affairs has been good. The public work has been accomplished with general faithfulness and success, and in nearly all cases the expenses have been kept within the appropriations. There is a deficiency in the appropriation for

the support of the Penitentiary. This is caused by the fact that the appropriation was less than ever before in proportion to the number of prisoners, while the entire proceeds of prison labor were turned over to the Capitol Building Commission, and a large outlay from the appropriation was required for the purchase of wood and sand, consumed in the manufacture of brick for the construction of the Capitol. There has been also an exceptional increase of inmates in our Penitentiary during the last two years.

No public moneys have been used, unless previously appropriated by the Legislature for the specific purpose to which they have been devoted.

There has not been a default, or the negligent use of the public moneys to the amount of one dollar, by any public officer or employee of the State, during the four years, that I am informed of.

I believe you will find their accounts, on examination, to be full, complete and satisfactory. Throughout the counties, as far as their connections with the State has been concerned, there has been general responsibility. In the construction of all public buildings the contracts have been bona fide, and as much of the work as possible has been directly applied by labor upon the structure.

RETRENCHMENT

The power of retrenchment is solely with the Legislative Assembly. No tax can be levied and no public money can be used without an Act of the Legislature first having specifically authorized the same. No public officer can increase his own pay, nor create perquisites not authorized by the law-making power. To you the people look for such action as may lessen the expenses of government.

In the transportation of convicts to the Penitentiary, and insane patients to the Asylum, and in returning fugitives from justice, a very great saving can be made if the auditing of accounts shall be based upon actual expenditure in performing the service, and a reasonable per diem pay for the officer. No guards should be allowed, except by special order of the proper court.

No retrenchment can properly be made in the Executive Department. In other States a contingent executive fund is customary to be provided, to defray necessary expenses incident upon the performance of the many duties already liable to be devolved upon the Executive, without special allowance to meet them. In this State there is no such fund, while the Governor is constantly called upon to perform Executive duties connected with the administration of the laws, the expense of which he pays out of his own private funds. I need only instance one of this class of expense. The Governor is the Inspector of the Insane Asylum; at each visit he travels fifty miles, and sometimes necessarily spends two days at Portland, at his own personal expense, in performing this duty.

The Corresponding Clerk of the Board of School Land Commissioners specially in charge of the Eastern Oregon land records and correspondence can be dispensed with, not because the double duty cast upon the Board of doing their own work and of bringing forward the undone work of the former Board has now been accomplished, and the Chief Clerk of the Board can now take charge of that duty in addition to his own work.

The rates of pay to subordinates and guards at the Penitentiary might be fixed by law, though I believe general economy has been there practiced in this respect.

As to reductions in fees of county offices, and in effecting general county reforms, being specially familiar with the subjects, the members of the Assembly will be the proper judges of what the people desire to be done. I will take great pleasure in joining you in all the proper measures of retrenchment and reform.

REGISTRY LAW

Something should be done to restrain frauds and corruption at elections. If a Registry Act is passed it should not be too cumbersome or expensive, and should be confined to precincts connected with cities and with railroad stations, whence complaints of abuses of the suffrage arise.

FREE PASSES

The new Constitution of the State of Pennsylvania prohibits railroad corporations from issuing free passes to any public officer. Laws have lately been enacted in several other States to like effect. I think provision of this character in the laws of this State would meet with public approbation.

REGULATION OF RAILROADS

The preservation of the State and the people from the assaults of monopolies is one of the first duties of legislation, and clearly within your constitutional power of action. You create corporations; you can appoint and regulate their functions. Throughout Europe, where railways are not conducted directly by the government, there are the most minute and stringent rules enforced by public authority for their management and limitation. In several of the other States of this Union, where such public control has not before been established, there is now going on a struggle between the people and these corporations, testing the very elements of the right of sovereignty and of the law making power.

In Oregon we have transferred to private corporations, in trust for the people's benefit, magnificent grants of public land made by Congress to the State for the construction of railroads, reserving no direction of the expenditure for their proceeds, making no conditions and prescribing no limits to their operations. This State is probably the only one in the Union having a total want of railroad regulations prescribed by law.

In such a condition, it is remarkable that, feeling the impulse of new-grown power, and incited by the keen energy of private interest, the railroad corporations should be liable to trample upon the peoples' rights and to forget their obligations to the State?

As all corporations in this State exist under provisions of general law, and special enactments conferring special privileges are forbidden by the Constitution, those general corporation laws are subject to amendment as other general laws, and all incorporation under them is made with reference to that power of amendment.

The plenary power of the State to regulate common carriers and to protect the rights and interests of the people whenever infringed, I think is undoubted.

That railways are of great benefit to the public and are indispensable handmaids to the multiplied industries and growing commerce of Oregon, is no objection to the purpose of regulation, but constitutes the reason of the demand for legislation upon this subject. All property rights and all classes of business must exist under law, and where the management of any class of property or business is liable to affect the property of business of others in an unusual or deleterious manner, regulation by law is not only proper but imperative. This is the law of public policy.

That the privileges of railroad corporations should be limited to the purpose of their incorporation, as carriers of passengers and freights; that there should be fixed by law a reasonable maximum of rates; that the interests of merchants, millers and shippers should be guarded against wrongful discriminations adverse to them; that prominent points of business on railroad lines should be made stations for shipment and delivery of produce and merchandise; that the road should be required to be fenced at all points exposed to danger for want of protection by fences, and that a

simple and direct mode of bringing actions at law by parties injured, would appear to be of obvious propriety.

The sentiment in this proposed action is not one of hostility to railway enterprises, but one of justice, protection, and encouragement to the varied interests of the people and to the commerce of the State. It is the sentiment of equal and exact justice to all, special privileges to none. To exercise strict and definite regulation is a difficult problem. There had better be no action rather than wrong action, but let the sovereignty of the State be asserted, and its legislative power be made manifest in this, as in all things subject to jurisdiction under our Constitution.

TRANSPORTATION BY WATER

Oregon has for its western boundary the great Pacific Ocean, opening out to the commerce of the world. The Columbia, the second river in importance in North America, bounds us on the North. The Willamette extends its navigable waters far into the interior, and many beautiful lesser rivers furnish local facilities for water transportation. These are nature's highways - the God-given arteries of commerce. The obstructions to easy and general navigation upon all our navigable streams are not difficult of removal. The nature of the river beds is such that when once properly improved the improvements will be lasting.

To indicate in a sentence the importance of the improvement of one of our rivers, let me say that there are now being gathered into warehouses in the valley of the Willamette, within easy delivery to the river, five million bushels of wheat. The improvement of this river for barge navigation in the dry season throughout its navigable course, would cost one hundred and twenty-five thousand dollars. The reduction of the rates of transportation five cents per bushel average on the wheat crop of this year would leave to the producers of this valley in a single season a quarter of a million of dollars. If there are interests which should receive limited assistance from the State this is one of the first so entitled.

In the established policy of the General Government it is the duty of Congress to improve rivers and harbors, as facilities to general commerce. An energetic memorial to Congress from the Assembly might strengthen the hands of our Senators and Representative in their efforts in this behalf.

RAILROAD SUBSIDIES

Oregon is the only State in the Union in which bonds of the State, of counties, and of cities have not been issued as subsidies to railroads, or in payment of stocks in railroad corporations. The State and its subdivisions are absolutely free from debts of this class. It is my judgment that they should remain so. The experience of many of the other States in this particular has been disastrous a depressing to general prosperity. A system brought into being and sustained only by stimulants is never healthy. To construction of our constitutional limitations upon this subject, set forth in the Executive Message declining to approve the Portland Subsidy Bill, four years ago, will be steadily adhered to.

These remarks are limited to our internal State policy. There are commanding reasons why, in the development of the railroad system of the United States, a connecting branch of some road should be extended to Oregon and that such extension should receive the assistance of the General Government, in order that this State be placed upon an equality with the other States which have received like assistance. Oregon is the only State of the sisterhood now isolated from general railway communication, and our whole political power and influence should be exerted to secure the just attention of Congress to the interests of the great northwest.

NEW INDUSTRIES - BEET SUGAR, FLAX AND SHIP-BUILDING

It may be of public interest to notice here the recent introduction into this State of a new and important industry- the manufacture or production of sugar from beets. This industry has already been fully tested in our sister State, California, and after the usual drawbacks of new enterprises, has now, I am informed, proved permanent and remunerative to those interested.

The State of Oregon need certainly fear no comparison with any State in agricultural productions suited to her climate, and can enter on this industry if judiciously conducted, with every assurance of success. What success in this line means and of what importance it must be to the whole agricultural interests of this State- enhancing the value of farm land and affording greatly increased employment, may be best inferred from the following facts:

The discovery that sugar could be produced from beets was first made in 1747, and first applied on a large or practical scale in the early part of the present century. Since then the manufacture has continued to increase, and in 1866, (of which accurate returns have been made up) the production in Europe of beet sugar amounted in round numbers to over 600,000 tons, or in cash value over \$150,000,000. At present the cash value of the beet sugar crop may be set down at over \$200,000,000, a yearly increase or addition to the wealth of those countries in which the manufacture is carried on, which otherwise, (as now in the case of Oregon) would have to be expended in procuring from abroad this necessary of life. By the usual per capita estimate of consumption applied to Oregon, near one million dollars' worth of sugar may be assumed to be used, which in lieu of being imported from abroad, might be raised here, assisting greatly in our development.

The growth of flax for lint for foreign export was undertaken last year, and during the present season has made such progress and met with such success that the future development and stability of this interest are assured. The remark of one of our leading agriculturalists, that whatever class of husbandry is suited to the climate and soil of Oregon will develop the most perfect product in the world, I believe to be true.

Another important interest destined to reach great results, and now just beginning to be developed, is shipbuilding. We have the best general supply of shipbuilding timber anywhere to be found, except with our neighbors of Washington Territory. The spar timber of Oregon and Washington is shipped to all quarters of the globe.

GENERAL PROGRESS

The progress of the State, during the last four years, has been healthy and rapid. The increase of its rate of development, in material products, has been a least four-fold. The value of our exports have reached a sum certainly exceeding ten millions of dollars.

I estimate the export value of our wheat and flour at nearly four millions, gold; oats, other grains and fruits, on million; wool, hides, meats, cattle and horses, two millions; salmon, one million five hundred thousand; lumber and coal, one million; gold, silver and iron, one million five hundred thousand. This exhibit for a population of one hundred thousand people is almost without a parallel. We need more population. Let us maintain a responsible, just and prudent State Government; let us lighten the public burdens, practice industry and economy; encourage education and maintain our present standards of morals and religion and all lands will send us increase.

L. F. GROVER
STATE OF OREGON,
EXECUTIVE DEPARTMENT,
Salem, September 16, 1874.