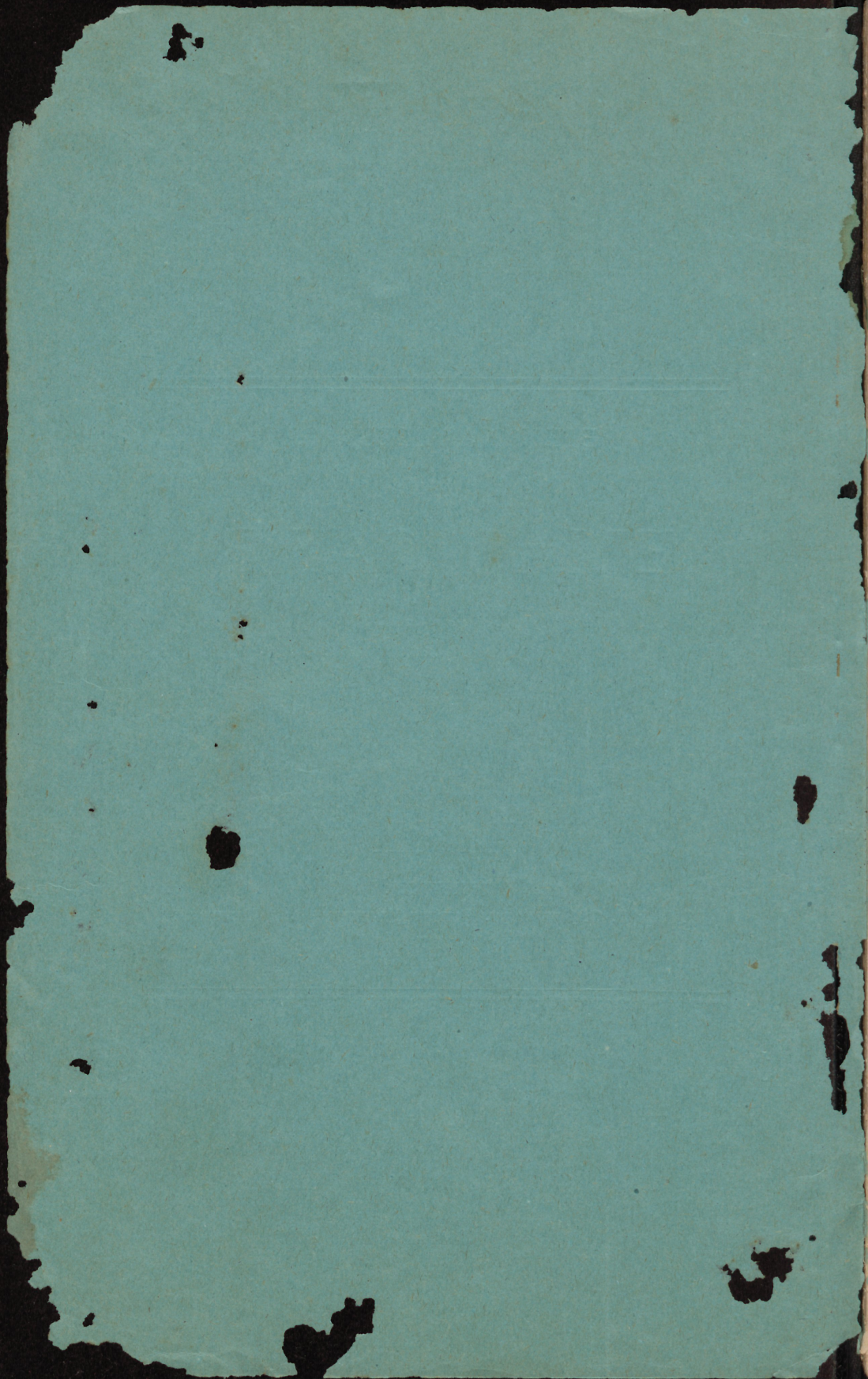


*I thought probably they
might forget you in
the Executive Office*

LC

BIENNIAL MESSAGE
OF
ELIAS CARR,
GOVERNOR OF NORTH CAROLINA,
TO THE
GENERAL ASSEMBLY
SESSION OF 1897.

WINSTON.
M. I. & J. C. STEWART, PUBLIC PRINTERS AND BINDERS.
1897.



BIENNIAL MESSAGE

OF

ELIAS CARR,

GOVERNOR OF NORTH CAROLINA,

TO THE

GENERAL ASSEMBLY,

SESSION OF 1897.

WINSTON :

M. I. & J. C. STEWART, PUBLIC PRINTERS AND BINDERS.

1897.



BIENNIAL MESSAGE OF ELIAS CARR, GOVERNOR OF NORTH CAROLINA, TO THE GENERAL ASSEMBLY—SESSION OF 1897.

Gentlemen of the General Assembly.

The Constitution provides that I should acquaint you with the result of the work accomplished by each department of the executive branch of the government, by the institutions which have been established under the fostering care of the State, and to furnish you with a copy of their reports, making such recommendations as I consider for her best interests.

Leaving the wisdom of action in your honorable body, the people of this State have thereby entrusted to you the jurisdiction of her institutions, the upholding of her credit and the honor and pride of her statehood, and have deprived the Executive of any means whatsoever of executing the plans which he might favor as the best means of advancing the material interest and progress of North Carolina. After a careful study of her interests for four years, his only means is recommendatory; therefore with you, and not the Executive, rests the responsibility of preserving and advancing these institutions in the great work undertaken for the cause of humanity and the elevation of our people, of maintaining and executing our laws and protecting her citizens in their vested rights.

The people have entrusted this sacred work to you. For the first time in twenty years the interests of the State in all its branches have been delivered into the hands of a

different political party. The measures which you may deem wise may be opposed to the policy heretofore pursued, and in making changes I caution you to consider carefully and well such changes as pertain to the institutions of the State, for the people will hold you responsible for the success or failure of such measures.

Feeling assured that you have the interest of your State at heart, I submit for your consideration brief observations made from the different reports furnished me by the State officers.

SECRETARY OF STATE.

By reference to the report of this department it will be seen that the total amount collected by that office and paid into the Treasury amounts to \$120,980.96, a sum sufficient to defray the expenses of the Executive Department more than five times. I desire to call your attention to this source of revenue to the State, as it is in no wise a burden to the citizens. The suggestions and recommendations contained in the report meet my hearty commendation.

SPECIAL TAX BONDS.

At last the Special Tax Bond cases have been decided. The Supreme Court of the United States, in an opinion filed, have affirmed the decision of the Supreme Court of North Carolina in the cases of *Baltzer v. the State* and *Baltzer and Taaks v. the State*. These cases were of vital importance to the people of this State. The first involved the question of the validity of the constitutional amendment of 1880, which prohibited the General Assembly from paying or assuming any of the State bonds, commonly known as Special Tax Bonds, of which there are about \$12,000,000 dollars outstanding. The other case involved a claim of \$297,000 against the State, growing out of the dealing between the State and the old Chatham-

Raleigh Company, when the State issued \$2,000,000 of its bonds in exchange for mortgage bonds of the railroad. The decision of the United States Supreme Court was in favor of the State in both cases, and settles for all time to come the question of the non-liability of the State for the bonds fraudulently issued by the Reconstruction Convention of 1868 and the Legislature that followed it. The people are to be congratulated upon this favorable termination of this long-continued and threatening litigation.

TREASURER'S REPORT.

The Treasurer's books disclose at the end of the present fiscal year a healthful condition.

| | |
|-----------------------------|---------------|
| Cash, Public Fund..... | \$ 88,353.03 |
| Cash, Educational Fund..... | 35,058.31 |
| Total..... | \$ 123,411.34 |

The receipts and disbursements of the two funds are exhibited in detail in the tables accompanying the Treasurer's report, as are also the reports of the Legislative Committee whose duty it has been to examine and compare the Treasurer's and Auditor's books and accounts.

The surplus of the dividends received on the stock owned by the State in the North Carolina Railroad, after paying the interest on the new bonds for which they were exchanged, shows an accumulated amount of \$103,740, which sum the law requires shall remain as and constitute a sinking fund for the payment of the interest due before the 1st day of July, 1878, on such of the said old bonds as have not been presented and proved in the suit known as the Swazey suit; and after such interest is paid, then for the payment of interest and principal of the said new bonds issued under said act, and shall be sacredly held and applied to this purpose and *none other*; and such surplus shall be invested in the purchase of the new 4 per cent. bonds of

the State; and all of the bonds thus purchased shall be stamped and marked as the sinking fund for that purpose.

The Treasurer states "that the dividends arising from the above source have been turned into the Treasury and disbursed as other funds, and that no investments have been made as provided in the above agreement, which he thinks should be done at the very earliest opportunity possible." This I approve. He recommends that guarantee and security companies doing business in this State be required to deposit and keep on deposit with the Treasurer good and sufficient collateral to amply protect the State, and required to relinquish their right of removal of causes from our State Courts to the Federal Courts. This too I approve.

THE BONDED DEBT.

Under the act to "compromise, commute and settle the State debt" \$3,360,700 4 per cent. new bonds have been issued in exchange for the old valid debts of the State. It will require \$225,070 more 4 per cent. bonds to take up the remainder of the old bonds outstanding, making the whole possible debt \$3,615,770, bearing 4 per cent. interest. The State owns as an investment \$136,750 of these bonds and the Board of Education \$143,250, and also \$2,000 of the 6 per cent. bonds. The 6 per cent. Construction Bonds upon which interest is paid out of the North Carolina Railroad dividends amount to \$2,720,000.

I have left no stone unturned to put the suit of the State *v.* S. F. Phillips in a better condition, but without avail. A judgment has been obtained against him and some of his sureties, and suit is now pending against another surety supposed to be solvent.

DIRECT LAND TAX.

The laws of 1895 required the balance due the Direct Land Tax to be turned into the School Fund. In accordance therewith there was turned into said School Fund July 1,

1895, \$27,000.24. There was a sum deposited in bank, the accumulated earnings of interest, amounting to \$1,548.64. This did not properly belong to the fund but was kept to defray expenses. There has been since that time disbursed of that amount, on account of expenses, \$450, leaving a net balance due of \$1,098.64. This is the property of the Governor in trust until such time as the law allows for the entire distribution of the refunded amount, and should not be turned into the General Fund as recommended by the Treasurer. The date for refunding this tax expires on March 2, 1897, according to the act passed by the United States Government, which is six years since the date of its passage, and all claims not filed before that date "shall be forever barred."

SOURCES OF THE STATE'S REVENUES.

There are two methods used in levying taxes, one the *ad valorem* on all real and personal property according to its assessed value, the other a privilege tax imposed on various vocations for carrying on the business specified. The General or Public Fund of the State, so distinguished from other funds set apart by law for specific objects, is created by taxes raised by both methods, from which must be met the general expenses of the State government. I will designate for better information the various objects dependent upon this fund: The expenses of the General Assembly, Executive and Judicial Departments, Railroad Commission, Bureau of Labor Statistics, agricultural societies, conveying convicts to the Penitentiary, rewards and advertising for fugitives, care of the public buildings and grounds, interest on the 4 per cent. debt, the various schools, institutions and asylums supported or aided by the State, printing and the general contingent account. The estimate of expenses for all objects dependent upon this fund made by the public Treasurer for the current

year is \$858,350. Deducting the estimate for the Legislature for one year makes the average for the two years, according to the Treasurer, \$821,850 per year.

A correct knowledge of the resources of the State from which this fund must be derived is necessary to enable the General Assembly to act intelligently in providing means to secure it. According to the report of the State Auditor, the taxable value of all the real and personal property of the State is \$257,437,227.99. On this valuation, one cent levied on the \$100 of value will derive \$25,743.72, less expenses of collection. To produce the \$821,850 per annum from this source alone will require a levy of 33 cents on \$100 of value. From this, however, should be deducted the amount represented by the revenue derived from the privilege tax, under Schedules "B" and "C." The Auditor's report shows this amount for the past year to have been \$89,186.21. This would reduce the above levy $3\frac{1}{2}$ cents, to $29\frac{1}{2}$ cents. There was also received last year over one hundred and forty thousand dollars from the dividend on the State's stock in the Atlantic and North Carolina Railroad, fees from various sources, Secretary of State's office, seal tax, etc., indigent pupils, license tax on banks, building and loan associations, insurance companies, etc. Taxes from these sources are contingent, and cannot absolutely be relied on; but I feel safe in believing that at least one hundred thousand dollars may be realized from these sources. If so, this would reduce the levy necessary to provide a sufficient General Fund to 25 cents on the \$100 of value.

STATE AUDITOR'S REPORT.

The aggregate value of real and personal property, including railroads, steam-boats and telegraph for 1894.....\$259,564,449 99
 The assessment for 1895..... 257,437,227 99
 A total decrease of \$2,127,222. There was a decrease of

properties other than railroads, steamboats and telegraph of \$3,613,770, but in these properties alone an increase of \$1,491,548.

The rate of taxation levied by the State is 43 cents on the \$100 worth of property. The gross amount of revenues derived for State purposes, public schools and pensions was.....\$1,414,217 77

By privilege taxes..... 89,186 24

Total amount derived from all sources for the State.....\$1,503,403 38

Total amount derived from all sources for the counties..... 1,066,926 99

Total amount of all taxes collected in the State for the past year, \$2,570,360.98. This shows a *per capita* tax of only \$1.46 for all purposes for which taxes were levied, estimating the population of the State at 1,760,000.

The total decrease of taxes on lands (outside of town lots).....\$4,412,870

Domestic animals..... 1,370,771

Total decrease on lands and domestic animals..\$5,783,641

Total increase on town lots, farming utensils, money on hand, solvent credits, stock in incorporated companies and all personal property..... 2,164,871

Leaving net decrease.....\$3,618,770

There was paid into the Treasury of the State of all public funds \$1,259,458.40, and disbursed from the Treasury \$1,244,917.57, an excess of receipts over expenditures for the year of \$14,540.83. There was a decrease in revenues for 1895 over 1896 of \$15,656.68. This is attrib-

utable to the decrease in taxable values. Of the \$1,036,201.96 gross revenues from all the real and personal property in the State there was of *ad valorem* taxes :

| | |
|--------------------------------------|--------------|
| On lands (outside of town lots)..... | \$239,781 65 |
| or 23.14 per cent. of the whole. | |
| On town lots..... | 93,528 70 |
| or 9 per cent. of the whole. | |
| On railroads..... | 111,624 46 |
| or 10.80 per cent. of the whole. | |
| On all personal property..... | 591,267 07 |
| or 57.06 per cent. of the whole. | |

Upon a comparative statement the Auditor says that 80 per cent. of the individual taxpayers pay on property, real and personal, for all purposes, valued at \$500 or less. Thus it is shown that 80 per cent. of the taxpayers in their individual support of the State and county government pay on property real and personal only \$3.33 $\frac{1}{2}$ or less. He says no higher tribute can be paid to the honesty and economy with which the public affairs of the people have been administered.

There has been an increase in the taxes known as the privilege tax, which was levied by the last Legislature upon doctors, lawyers, dentists, hotels, boarding houses and corporations other than railroads and banking. This increase amounted to \$33,731.94. Of this sum \$2,568.99 was derived from hotels and boarding houses; \$18,790 from doctors, lawyers and dentists; \$5,910 from corporations. It is interesting to know that there are 5,136 "bedrooms" in the entire State kept for boarders' transient or permanent use; as the tax returns show only 1,879 doctors, lawyers and dentists resident in the State of North Carolina.

Of the 253,357 white males and the 121,846 colored males twenty-one years of age and over, 171,915, or a frac-

tion over two-thirds of the white males, and 65,697, or a little over one-half of the colored males, pay a poll-tax, leaving 137,541 males of both races who escape paying a poll-tax by reason of being over fifty years of age, or on account of insolvency or infirmity, (the only legal causes of exemption,) or otherwise. Considering that at least 80 per cent. of the individual taxpayers pay on real and personal property valued at less than \$500, and less than two-thirds of the male persons over twenty-one years of age pay a poll-tax, it appears that the burden of supporting the State and county government falls lightly upon a large majority of the people.

Another significant fact derived from the Auditor's report shows that the white citizens of the State pay taxes on real and personal property (other than railroads, steamboats, telegraph, stocks or privilege taxes) of the value of \$402,829.65, and the colored citizens on property valued at \$14,748.88, for the support of the public schools of the State, or that 96.34 per cent. is paid by the white citizens and 3.66 per cent. by the colored.

PENSIONS.

No class of our citizens demand the liberal aid of the State more than the wounded and aged soldiers, or their widows, left dependent upon the State for a support. Every great commonwealth should strive to maintain in a decent manner those who have obeyed the call of their State in defending her honor or protecting her defenseless population from invading armies. It is a sacred duty to provide for their necessary support in their declining years, when too old or too infirm to work. This class of citizens—our dependent soldiers and the widows of those killed in battle—is fast passing away, and I trust you may be able to increase the appropriation for their support. There

has been an increase of those entitled to pensions during the past year, owing, no doubt, to the stringency of the times, amounting to 198, viz.:

First class, 28; fourth class (soldiers), 170; and a decrease of 18, viz.: Second class, 7; third class, 3; fourth class (widows), 8, making a net increase of 180. Total number of pensioners, 5,324, viz.:

| | | | |
|--------------------------------------|-----|-------------------|--------------|
| First class..... | 130 | Amounts paid..... | \$64 00 |
| Second class..... | 240 | “ “ | 48 00 |
| Third class..... | 342 | “ “ | 32 00 |
| Fourth class (soldiers) 1,844 | | “ “ | 16 00 |
| Fourth class (widows) 2,758 | | “ “ | 16 00 |
| Total amounts paid for pensions..... | | | \$104,736 00 |

I would call your attention to the Auditor's suggestion in regard to increasing the amounts paid to each class to the full amount contemplated by law, viz.:

| | |
|--------------------|----------|
| First class..... | \$100 00 |
| Second class | 75 00 |
| Third class..... | 50 00 |
| Fourth class | 25 00 |

and the means by which this should be accomplished. The other recommendations mentioned in his report should command your careful perusal, as they pertain to subjects of taxation. A thorough study of his report must satisfy the citizens of this State that the public affairs have been economically and carefully administered. We are the lowest-taxed people of any State in the Union, and yet, even with us, the producers of wealth find their taxes probably the hardest money to obtain or pay.

REPORT OF THE ATTORNEY GENERAL.

The report of the Attorney General contains the crim-

inal statistics of the State for the past two years, the number of cases in which the State has been involved, their settlement, etc. In regard to changes which should be made in our laws I would respectfully refer you to the recommendations contained in my last annual message.

MENTAL AND PHYSICAL DISABILITY OF OFFICERS.

I invite your attention to the fact that there is no statute for declaring a vacancy and filling the same when any officer of the State, from insanity or other cause, becomes unable to perform the duties of his office. We have now barely a sufficient number of *nisi prius* Judges to do the work of the Superior Courts, and on more than one occasion during the last four years the regular Courts have not been held for want of a Judge. I therefore renew the recommendation contained in my message of two years ago, to make some provision for such an emergency.

STATE GUARD.

I respectfully call your careful attention to the report of the Adjutant General, and endorse thoroughly his able and efficient management of the affairs of his department for the past four years, and commend the recommendations made, which will add greatly to the more thorough equipment of the guard, and give encouragement to those patriotic young men who have served their State without either pay or reward. He well says: "It is a known and recognized fact that the days of the old-fashioned militia with their antiquated arms, equipments, uniforms, etc., to say nothing of their utter want of anything like organization, system, or discipline, have passed away forever, (in many States by legislative enactment,) to be supplemented by a new military system, not only more in accordance with the spirit but also the necessities and requirements of the present age."

The old militia service has passed away, serving in its time a useful purpose, but from its want of organization, its inability to assemble quickly and do active duty, this new system has been established. The National Guard is misunderstood by many of our citizens, and therefore its services have not been valued or esteemed in the degree merited by its faithfulness to duty or services rendered.

The military is the right arm of the law, and oftentimes it is necessary to put them under arms, not for the purpose of killing people or intimidation, but in order to show the lawless that there is a body of citizens who can preserve order, and who have the power to see that the laws are properly executed. They can be called into active duty only by the conservators of the peace, and no sooner has the excitement quieted down than they are disbanded and become mere citizens, but at all times willing and ready to obey the orders of the Executive. It is impossible to present a stronger argument in favor of the National Guard than the object lessons presented by the increasing demand for its services each year. Not a year has passed that the services of the State Guard have not been required to preserve law and order. During the present year no less than seven times, at the earnest call of the civil authorities in various parts of the State, have the troops of the State Guard been called upon for this duty.

The State Guard occupies the same relative position to the State Government that the regular army does to the National Government. It is absolutely non-political and non-partisan; it is here for the protection of life and property, and to aid and support the Executive when necessary in enforcing and maintaining law and order. When called upon they would respond as promptly to protect the life and rights of the humblest citizen as of the wealthiest and most influential.

Gentlemen of the General Assembly, imagine the Executive called upon to protect a jail from a surging mob of citizens who seek to take the life of some criminal, when he replies to the demand, saying, "Call out the '*posse comitatus*,' the law is amply sufficient to care for the life and property of her citizens if you only execute it," when he replies, "I have done this and am unable to secure a *posse*," what would be the results? The execution of the law would be a farce, the lives and property of our citizens at the mercy of any mob of irresponsible persons.

I cannot impress upon you too strongly the need for this protection in the growing days of disorder and lawlessness which exist in this country. The National Guard of North Carolina is better equipped than ever before and more capable of doing efficient service. There are now twenty-nine companies of infantry and three divisions of naval reserves, numbering 1,660 officers and men. These companies are located on lines of railroad and telegraphic communication, and can be concentrated, armed and equipped for at least six months' service, at any point within twenty-four hours. It is composed of the very best material in the State, young men who are disciplined, capable and willing to serve the State at all times and under all circumstances. All they ask from the State is to be supported and encouraged in the necessary performance of their duties, and this the State should do, as far as possible.

The appropriation for their support should be sufficient, in addition to what is furnished by the National Government, to adequately provide for their necessary equipment, pay the rent of their armories, give them such field instruction as recommended by the Adjutant General, and pay them for their services when in actual service a *per diem* sufficient at least to secure them from pecuniary loss

while on such duty. This is as little as could be asked at your hands.

I also recommend an increase of salary for the Adjutant General, and such clerical assistance as may be necessary for the proper discharge of the work of his office. The paltry sum now allowed that officer is a disgrace to the dignity of the State, and amounts to no remuneration worthy of mention for the services which have been rendered the State by the present incumbent of that office, who has given his time and services from a patriotic sense of duty, and who has rendered me most valued assistance in the able and capable manner in which he has discharged his duties.

BUREAU OF LABOR STATISTICS.

This department was created ten years ago for the purpose of benefiting the laboring man and furnishing information as to their condition throughout the State, not of antagonizing them against their employers, but its mission is to allay friction and prevent injustice and wrongs.

For the past four years the business for which it was created has increased, and the present Commissioner in his report shows in what manner this has been accomplished. This is the only tangible connection the laboring man has with the government, and in order to become more useful it must be put on a broader basis.

I commend the recommendations of the Commissioner most heartily, as follows:

First. That a law be passed limiting the length of a working day to eleven hours.

Second. That no child under twelve years of age be allowed to work in any building, and those between twelve and fourteen only when they have a certificate showing that they have been to school at least three months during the preceding year. A penalty should be

attached to the violation of these laws, and the Commissioner should be empowered to see that the law is enforced.

Third. The salary of the Commissioner should be increased to \$2,000, on a par with other State officers, such as Railroad Commissioners, etc., and at least \$5,000 appropriated to prosecute the work.

RAILROAD COMMISSION.

The report of this commission is before you and contains many facts of special interest. Some legislation is required to make its work more effective, and this I trust will receive the attention it deserves from your honorable body. The establishment of the commission was regarded by many as a very dangerous experiment, but results have proven the wisdom of the act. The friction between the people and the corporations has been greatly removed since it has been ascertained that any grievance, however trivial, has a disinterested and fair court established to investigate and correct the abuses complained of without expense to the complainant.

When the commission was established two of the three largest systems in the State paid no taxes and no proportion of the burdens for the protection of its property. By its action in working up and prosecuting suits vigorously before the courts every species of property is placed upon the tax list with the following results: Railroad property in 1890, before the Railroad Commission was established and made a board of appraisers for railroads, was only valued at \$12,424,540; the valuation in 1896 is placed at \$26,576,096, an increase since the establishment of the commission of \$14,151,556. Telegraph rates have been reduced fifty per cent., express rates reduced and simplified. At that time no steamboat line, except the one from

Fayetteville to Wilmington, paid any taxes ; in 1896 there is a valuation of \$278,780 placed on them. Freight and passenger rates have been greatly reduced, and a carefully prepared tabular statement contained in the report shows the tariffs to be as low as any in the Union, and lower than in ninety per cent. of the States ; and this notwithstanding the fact, which is admitted by all, that a sparsely settled State like North Carolina cannot expect or obtain the same revenues as New York, Ohio, or other densely settled New England or Western States. The affairs in this office are managed in a most perfect system, and the business of railroad corporations, heretofore not to be reached, can all now be ascertained in a few minutes without calling upon the corporation.

THE LEASE OF THE NORTH CAROLINA RAILROAD.

There has been some criticism in regard to the lease of the North Carolina Railroad to the Southern, and therefore I submit for your consideration some of the reasons therefor. I favored the lease of this property, and it was done by the Board of Directors with my full concurrence and endorsed by the stockholders without a dissenting voice, I believed, and still believe, it is the best thing that could have been done by the State, and the future will determine the wisdom of the transaction. Men sometimes, for one reason or another, criticise public officials without having fully informed themselves as to all the facts in the case. Under such circumstances their adverse criticisms are not always just or their conclusions infallible. An impartial investigation may show that some of the critics of the lease belong to that class.

This lease was consummated on August 17, 1895. While regretting that an exclusively business transaction should have been thrown into the vortex of partisan politics, yet having nothing to conceal either as to time, man-

ner or circumstances under which the lease was made, nor as to the reasons which induced the making of the same. I heartily join its opponents in inviting a full investigation of these and all other matters connected with our management of the interests of the State in this company, and I insist that such investigation be had by this Legislature. As to the legal power of the board to lease this property, they have express decisions of the Supreme Court of North Carolina, and as to their legal power to make this particular lease they will defend it in any and all courts, as approved in all respects by their judgment as a beneficial bargain for our State and its people. After a full, careful and deliberate consideration of the terms and conditions of the lease, they acted as the trustees of the State's interest, with the same prudence, care and judgment as they use in the management of their own affairs; and in this transaction they had the same interests to subserve as the State, because each is a stockholder, and is required to be to hold the office of director. In confirmation of their judgment, the private stockholders of the company have not only, by resolutions unanimously adopted, approved the lease, but have expressed their entire satisfaction with it. I am reluctant to believe that, having been thus approved by those who have invested in the company their own hard-earned accumulations, it can be less satisfactory and beneficial to the State. I deny that this lease was made either hastily or secretly, unless that be called haste and secrecy which is not done in a court-house or published in the public press before consummation.

In determining the advisability of a new lease, the matter of first consideration was that the State had issued 6 per cent. bonds in the sum of \$3,000,000, now reduced to \$2,720,000, and to the payment of these bonds was pledged not only the credit of the State but its stock in

this company. The old lease would expire in September, 1901, the bonds of the State mature in 1919, and unless the dividends from the stock were sufficient to pay the interest on the bonds the people of the State must be taxed on their poll and property. The second matter was to execute the imperative demand of the people of the State that the entire property of this company, without exemption, should be taxed, so that the State, the counties and townships through which it passed should receive an increased revenue. The third matter was that all improvements and betterments placed upon the property should become a part of it, and not subject to removal by the lessee, as was permitted by the old lease. The old lease on this point required that the lessee should leave the roadbed and fixtures in the condition they were in 1871. Imagine the road of 1871 in this advanced age, 1896!

The fourth matter was that the organization or corporate expenses of the North Carolina Railroad Company should be paid by the lessees, so that the entire rental could be used in dividends to the stockholders. The fifth matter was the duration of the lease, and proper provisions to coerce the lessee into compliance with its terms. These were matters of grave concern to the State and to all our people; and it is submitted to the impartial intelligence of our people that this lease has effectually accomplished these purposes and carefully guarded the interests of the State. In presenting facts in substantiation of the above considerations, each one should be taken up separately. Therefore let us look at the first, which would be the taking care of the interest, amounting to \$163,200, due by the State on the \$2,720,000 of 6 per cent. construction bonds issued to build the North Carolina Railroad, thus relieving the people of the State from an extra burden of taxation. Does the amount received as rental do this?

The State of North Carolina's proportion of the rental

amounts to \$195,000 per annum for the first six years, and \$210,000 per annum for the remainder of the period. After paying 6 per cent. interest on the 6 per cent. construction bonds issued by the State, there is a balance of \$31,800 per year for six years, and after that the surplus would be \$46,800. If this surplus each year was invested at 4 per cent., in less than 32 years there would be \$2,869,517 in the fund; and it will be seen that in a little less than 32 years the entire 6 per cent. construction bonds which were issued to build the North Carolina Railroad, amounting now to \$2,720,000, could be paid, thus leaving 67 years for the lease to run at a net rental of \$210,000 per year to the State. That amount each year, placed at 4 per cent. interest, at the expiration of the lease would amount to \$75,217,926, and the State would still own its three-fourths interest in the North Carolina Railroad, with all its improvements.

If the State, after paying its 6 per cent. construction bonds, issued to build the North Carolina Railroad, which, as shown above, can be done in less than 32 years, should conclude to pay off the 4 per cent. bonds from the amount it receives from the first lease, and at the same time pay the interest on these bonds each year from the same fund, they can do so in 26 years. There are, in other words, about \$3,400⁰⁰⁰ of 4 per cent. bonds, with the interest amounting to \$132,900 a year. Paying this interest out of the \$210,000 received each year from the lease leaves a balance of \$77,100 a year, which, if invested at 4 per cent., in 26 years would amount to \$3,416,432, which, as will be seen, will pay off the 4 per cent. bonds, thus leaving the State free from all debt and still owning three-fourths of the North Carolina Railroad which it now owns, and then leave 41 years more from which the State would receive \$210,000 a year, which, if invested at 4 per cent., would make \$20,963,565,

and the State would be in the position of having paid off its 6 per cent. construction bonds, the 4 per cent. bonds, and the interest on each from this lease money, and still own all its interest in the North Carolina Railroad.

The people for the first 32 years, not having any interest to pay on the 6 per cent. bonds, would be accumulating enough surplus to pay off that indebtedness, and after the expiration of the 32 years, for the next 26 years they would have no interest to pay on the 4 per cent. bonds, but accumulate enough out of the residue to pay off these bonds; and, for the remaining 41 years, would receive \$210,000 interest money net per year from the North Carolina Railroad lease, which is over 40 per cent. of the amount the State receives from State taxes on the entire property of the State, as is shown by Statement 2 in the Auditor's report for the year 1895. This report shows that the amount received from the *ad valorem* State taxes was \$515,855.79, and \$210,000 is 40.7 per cent. of that amount; and the State rate of 22 cents on the \$100, which the individual taxpayer has to pay, would be reduced 40.7 per cent.

Second. All the property of the company, without exemption, is placed upon the tax lists, and all the taxes are paid by the lessee, regardless of amount, and thus has been accomplished what the State has vainly sought to accomplish by much legislation and many expensive lawsuits.

Third. All improvements and betterments now belong to the company, the lessor, and the lessee has already expended in permanent improvements about \$130,000.

Fourth. Organization or corporate expenses amounting to \$6,000 are paid by the lessee.

Fifth. The chief objection which has been urged to the terms of the lease has been its duration. This could not be determined as a separate and independant stipulation.

Under the new lease, for the six and one-half years unexpired of the old lease, in the matter of taxes and increased rental, the State would receive \$137,500, or \$25,000 per annum. It was known that every permanent and fixed investment was rendered more valuable by its long duration, and that the value of the contract to the stockholders would be very greatly increased by the long lease. It was also known that the State of Virginia had issued bonds to run for a hundred years, and that long-term bonds not only of the government but of the States and municipalities were negotiated at a lower rate of interest and sold for higher prices than short-term bonds of even higher rates. As an illustration of the truth of these well-established laws of finance, the stock of this company advanced after the lease from 105 to 120 per share. It is a well-known fact that the conditions of railroad management and operation and transportation have greatly changed since 1871. The past quarter of a century has been marked by its vast increase in railroad mileage, and North Carolina has kept abreast with her sister States in this respect. The demands of business require quick connections and rapid transit; it requires through trains for both freight and passengers. Twenty-five years ago it would seem that the North Carolina Railroad ought to have been profitably operated as an independent line; the conditions were favorable, higher freight and passenger rates, practically free from competition from Charlotte to Goldsboro, yet the records of the company show that the first dividend was declared in July, 1859, of 3 per cent. to the State and 2 per cent. to the private stockholders; the second in July, 1860, of 3 per cent.; none in 1861; dividends were declared during the four years of the war in Confederate money and paid in Confederate money. It is not important to dwell upon these dividends, because the Supreme Court of this State declared that these were not

dividends in contemplation of the charter. After the war the first dividend was declared in July, 1868, of 6 per cent., but was paid in 8 per cent. mortgage bonds of the company. No dividend was declared in 1869, 1870 or 1871, and none until after the lease to the Richmond and Danville Railroad Company. Operated as an independent and separate road, the road was a failure as a payer of dividends to the State and the private stockholders, and the stock sold for a mere trifle. The difficulties and uncertainties of an independent management, however wisely conducted, have been greatly increased by the building since then of other roads which tap it at nearly every important point between Goldsboro and Charlotte. And it may be safely said that, operated as an independent road, it would soon be bankrupt. It is, however, valuable as a link in a great chain of railroads running north and south, and now, since the Southern has established terminal facilities at Norfolk, east and west. The certainty of failure is put almost beyond doubt when it is ascertained that during the year ending June, 1895, the receipts for through business on the line of the North Carolina Railroad were \$657,000 and \$568,000 for "local" business. By the term "through" business was included only the receipts derived from traffic which passed over the North Carolina Railroad from one division of the Southern to another, or the business which was under the absolute control of the Southern, and which it could divert at its pleasure. By the term "local" business was included not only that which was strictly local to the North Carolina Railroad, that is such business as both originates and terminates on the road, but also included that which comes from other roads and terminates on the North Carolina Railroad, and that originated on the North Carolina Railroad destined to other roads. A large pro-

portion of this business termed local could be diverted by any line which reached the important towns of Greensboro, Salisbury, Charlotte, Durham, Raleigh and Goldsboro.

Under this condition of affairs the duty devolved upon the Governor and the Board of Directors to take such steps as could, in their judgment, best preserve the interests of the State, the largest stockholder, as well as the interests of the private stockholders. These are the reasons, briefly stated, which induced the management of this property to yield to the imperative demands of the peculiar situation that the relations of this road should be permanently established in respect to both local and interstate traffic in view of the important changes of its terminal connections and large expenditures required by successful modern railway operations. We now have a great through line, not only extending from Charlotte to Greensboro, but from Charlotte to Selma, and beyond that point other railroads in the State are profiting by this connection. And it may be safely said that there is no other long-term investment in North Carolina bearing so good a rate of interest as 7 per cent., and the stock of the North Carolina Railroad is to-day the most valuable stock bearing a fixed and permanent rate of income to be found in the State.

By its long duration the State is guaranteed against loss from a change of rates and traffic wars, from the construction of competing lines, and from the money dangers which threaten such securities. The action of the Board of Directors, approved by the Executive, is submitted to the people of the State in entire confidence that, upon a dispassionate consideration, it will meet the universal approval of every impartial citizen.

I have the honor to transmit herewith the terms in full of the lease of the North Carolina Railroad to the Southern, so that you can be fully advised of the contract.

ATLANTIC AND NORTH CAROLINA RAILROAD.

From the beginning of this administration it has been its avowed policy to place every piece of property upon the tax list and to lease the State's interest in its two railroads. Such action on the part of the administration has been well known, and I have faithfully endeavored to carry it into effect, believing it to be for the best interest of the State. At the time of the lease made by the North Carolina Railroad to the Southern Railway, on the 16th day of August, 1895, an effort was made to incorporate in that lease the Atlantic and North Carolina Road, but the Southern could not be induced to make an offer. Soon thereafter, in September or October, 1895, the State's proxy went to Wilmington to see the authorities of the Atlantic Coast Line to induce them to submit a proposition for the lease of this road, and an order was procured for them to examine the books of the Atlantic and North Carolina Railroad Company in order that a proposition might be intelligently made, and an examination was subsequently made under said order, and a proposition of lease was submitted which was not as advantageous as the one accepted by the directors on November 2, 1896. In the month of November or December, 1895, I saw in person Mr. Whiting, Vice President and Superintendent of the Wilmington, Newbern and Norfolk Railroad, and told him of the purpose to lease the Atlantic and North Carolina Railroad, and asked him to submit a proposition of lease for the same. This road afterwards submitted a proposition which was less advantageous than the proposition afterwards submitted by the Goldsboro and Morehead Railway Company. On the last of September or October, 1895, the State's proxy was sent twice to see the Norfolk and Southern people and ask them to make a proposition of lease. They declined to make an offer. Afterwards,

in March, 1896, one Mr. Culley, purporting to represent an English syndicate, was introduced by Mr. James A. Bryan, of Newbern, and expressed himself as desirous to lease or buy the road, preferring the latter. He was given ample opportunity to inspect the road and its books, but this too came to naught. In June, 1896, the Goldsboro and Morehead Railway Company made a proposition for the lease of the road, which, being much more advantageous than any other yet offered, was accepted on the 22d day of June, 1896, and is embodied in the proposed lease accepted by the directors of the Atlantic and North Carolina Railroad Company on the 2d day of November, 1896. Upon the acceptance of this proposition on June 22d, the President was instructed to immediately call a meeting of the directors and stockholders of the company to act upon said proposition, which he was about to do, when the instructions were withdrawn, and final action was postponed until November 2, 1896. This property had paid the State \$35,944 in dividends per annum for the years 1892, 1893, 1894 and 1896, and under the terms of the proposed lease, which has been frustrated by the courts, the amount of lease money guaranteed per annum would be \$40,437, all taxes and organization expenses and interest on its bonded debt of \$325,000 paid. Feeling confident the road can never, under State management, yield so profitable a dividend to the State and private stockholders, I still think it would be greatly to the State's interest to lease this road upon such favorable terms as was offered by the Goldsboro and Morehead Railway Company.

I transmit herewith the report of the Board of Internal Improvements, containing the particulars of their inspection of this road, showing the present condition of the property.

STATE PENITENTIARY.

The first matter of consideration regarding this institution is the fact that the last Legislature repealed all those parts of the Act of the General Assembly of 1893, being Chapter 283, which required any report of the business of the Penitentiary to be made to any person, or even the Board of Directors.

The biennial report of this institution, in its extensive operations for the past two years, is so great as will only permit a glance at a few suggestions made by the most efficient and capable General Manager, and in order to gain a fair estimate of the immense operations you will have to consider the entire report.

The operations of 1895 were, with the exception of work continued through the year on Great Falls Canal, on Roanoke River, and a short period at the Rocky Mount Mills, chiefly farming. The year was unusually free from disaster and crops fairly good, the health of the convicts much improved and general results satisfactory. The farming operations covered an area of 10,600 acres. Upon these acres were employed generally about 850 convicts, out of an average total of 1,237.

The short crop, and more especially the low prices of products, of the year 1894 had not left full provision for another year, and therefore the appropriation of \$30,000, made by the General Assembly of 1895, was needed, and was used to defray about one-seventh of the expenses of the Penitentiary for that year, the remainder being paid from the earnings. The principal crops maturing in the fall of 1895 being an increase in quantity over those of 1894, and cotton at 8 cents, reinforced the finances of the Penitentiary and enabled the management to begin the new year with a comfortable surplus. There has been an increase in acreage upon Caledonia, Northampton and

Halifax farms, and a new farm has been leased in Anson county. On the new farm of 2,300 acres, only 600 were in a state of cultivation; adding this to the acreage on the Roanoke, there is an aggregate of 14,600 acres under the control of the Penitentiary. The area cultivated this year is estimated to be 11,300 acres. According to reports in July last, there was the finest crop on the Roanoke farms ever made there, but the greatest flood for years on this river swept over the dikes and destroyed 3,500 acres of corn and 1,000 acres of cotton, besides other crops. These dikes were made to stand a rise of 40 feet, but in this instance the river reached the height of 42 feet; and one of the dikes which had stood for half a century went like those constructed by the Penitentiary. But for this great disaster the crop gathered would have been unprecedented. It was conservatively estimated that the State lost by this flood \$60,000. It destroyed not less than 100,000 bushels of corn and 425 bales of cotton, about 15 per cent. of the corn crop upon the farms being left. The entire cotton crop was the best ever raised, amounting this year to 2,659 bales of cotton, weighing 450 pounds, 600 bales more than last year and the year before. The corn raised will be sufficient for support until the spring.

Including the new lands on the Anson Farm there should be 12,000 acres under cultivation in 1897, which the General Manager thinks should make a support for the Penitentiary.

The sanitary conditions, both at the Penitentiary and on the farms, is much improved, and each year should continue to improve with proper care. Total number of deaths for 1895 and 1896 are, respectively, 40 and 39. The present rate of mortality barely exceeds that of some of the best-regulated towns of the State; as to the colored people, even much less than their rate of mortality in several large towns. These facts disprove the idea that it is death to send a man

to these farms. With a population of from 1,400 to 1,500 men and women, and especially considering the fact that counties which have the public-roads system send their old and decrepit prisoners to the Penitentiary, it is wonderful that the death rate is not greater, and reflects credit upon the sanitary management.

I would call your attention to the subjects discussed so ably by the General Manager, and the recommendation as to a State reformatory, which will be noticed elsewhere in this message.

There have been regular religious services four times per month at the Penitentiary, twice a month at one of the farms, once a month at two of the farms and irregularly at the others; these services are paid for by the Penitentiary. To the credit of our laymen be it said that Sunday school is held at the central prison every Sunday.

No part of the General Manager's report is more gratifying than that in relation to the subject of self-support. I commend it to your most earnest consideration. The Constitution, Article XI., Section 11, says, "It shall be steadily kept in view by the Legislature and the Board of Charities that all penal and charitable institutions should be made as nearly self-supporting as is consistent with the purposes of their creation." It has ever been the aim and object of the Democratic party to make this Penitentiary self-supporting. It is a plain mandate of the Constitution; being written, it demands obedience. It makes no matter whether it comes in competition with skilled labor or not, the duty of the State officers is plain to make the Penitentiary self-sustaining. The wisdom of the present policy is clearly shown in the results, viz.:

From 1883 to 1889 the appropriations from taxes collected in the State Treasury for the support of the Penitentiary averaged over \$100,000 a year. From 1889 to 1893 they averaged \$37,500 a year, a change of policy in

accordance with the injunctions of the Constitution being made in 1889. From 1893 to 1895 the appropriation averaged \$23,000 a year. For the year 1896, just closed, the Penitentiary has paid all its expenses, having placed in the State Treasurer's hands a dollar of its own earning for every dollar that has been drawn or paid out on its account. The General Manager drew \$5,000 from the appropriation of \$30,000 made by the General Assembly during the summer; but he leaves more than \$5,000 there in cash on December 31, 1896. The appropriation for 1896 remains in the Treasury.

The General Manager points with pardonable pride to the fact that for the first time in its history, more than a quarter of a century, the Penitentiary has been able to report its full support from its own resources, and leaves a valuable surplus, as shown in exhibit "A" of his report.

EXHIBIT A.

Balance sheet of the Penitentiary for the year 1896.

DEBITS.

| | |
|--|---------------|
| Bills audited for expenses for the year 1896, paid..... | \$ 140,504 91 |
| Value of products consumed during the year..... | 53,529 50 |
| Total debits..... | \$ 194,034 41 |

CREDITS.

| | |
|--|---------------|
| Collections from sale of farm and other products and from wages for convict labor..... | \$ 145,670 71 |
| Value of farm products, ex- cluding sales..... | 104,365 66 |

| | |
|--|----------------------|
| Increase in live stock..... | 7,156 65 |
| Value of bricks on hand and for sale..... | 5,517 27 |
| Bills receivable Jan. 1, 1897... | 14,524 07 |
| Cash in Treasury and bank— and in drawer..... | 8,494 45 |
| Total credits..... | \$ 285,728 81 |
| Credit balance..... | \$ 91,694 40 |
| This balance of \$91,694 40 consists of— | |
| Farm products on hand for support..... | \$ 28,346 68 |
| 2,659 bales of cotton at \$29..... | \$77,111 |
| Less amount drawn on cotton..... | 29,000 |
| | 48,111 00 |
| Cotton seed surplus..... | 1,225 00 |
| Bricks..... | 5,517 27 |
| Cash..... | 8,494 45 |
| | \$ 91,694 40 |

Of this amount \$63,347 72 is cash and products readily convertible into cash.

What has been accomplished this year may be done again. If the present policy is maintained, self-support should be attained or approximated closely every year. This report challenges comparison. Think of the gradual reduction from \$100,000 to *nil*, and then you can be able to estimate the policy of this administration. As in this institution, so in every other; wherever it was possible economy has been pursued.

After two more years' experience, the last being one of disastrous floods, I again renew my recommendation to

purchase the lands now under lease to the State in Northampton and Halifax counties, except the Halifax farm, which is more liable to overflow than the others, and in the opinion of experienced men cannot be successfully diked. The maintenance of the State convicts is necessarily expensive, and to obtain satisfactory results from agricultural efforts none but fertile and productive lands in large bodies should be cultivated. The expenses are then largely reduced and the convenience greatly enhanced by having all the lands in a contiguous body, or as nearly so as practicable. The advantage of having the lands contiguous must be apparent to every one who has had experience in farming on a large scale. From observation and information obtained from others, this condition obtains nowhere in the State so notably as along the lowlands of the Roanoke. If the State commits itself to farming the convicts, and I see no alternative, then it seems to me only a plain matter of business as to the wisdom of exchanging 4 per cent. bonds for farms which are being rented for an average of 6 per cent. upon the option price.

REPORT OF THE STATE BOARD OF AGRICULTURE.

I consider this one of the most important boards of the State, and the results achieved each year so great as hardly to be estimated. The funds from which the support of this board are obtained are as follows :

A tonnage charge of 25 cents, imposed for the purpose of defraying the expenses of inspection, analyzation and for disseminating information concerning critical examination of all the fertilizers and fertilizing materials offered for sale in this State.

The fund used for the Experiment Station arises from the "Hatch Fund," appropriated by the Congress of the United States for the express purpose.

The fund used to maintain the North Carolina College of Agriculture and Mechanic Arts arises from two sources: A State appropriation used for construction of buildings and plant and maintenance, and from the "Morrill Fund," appropriated by Congress for prescribed purposes. The board has under its control the management of the College of Agriculture and Mechanic Arts. It has been the constant endeavor of the board to impress upon the farmers of the State the importance of diversified farming, of growing home supplies independent of the money crop, and of improving all live stock, as well as the methods of cultivation and of fertilization by means of compost. The increased production of the bright or yellow-leaf tobacco is the most notable feature of agricultural development, and North Carolina has attained the second place in the Union in the total number of pounds produced, and the first of the States in the total money value of the crop. Tobacco is now literally produced from the mountains to the sea. The corn crop for 1895 was 36,378,412 bushels, which may be valued at twelve and one-quarter millions of dollars, the cotton crop at twelve millions, and the tobacco crop at ten millions of dollars. Thus it appears that the tobacco crop will soon become, with its ever-increasing acreage, the first crop in value produced in the State. The multiplicity of cotton mills and wood-working establishments is creating a demand for diversified farming, and is furnishing home markets for all farm produce. We now have over 200 cotton and woolen mills and hundreds of wood-working and other industrial establishments, employing thousands of persons who are dependent on the farmer for the necessities of life.

Another important factor in the advancement of diversified agriculture is the increasing area of the State devoted to the production of early fruits and vegetables for shipment to the great markets of the large cities. Especially

noticeable is the increase in the trucking and bulb-growing industries in the east and the production of small fruits in the sand-hill region. The improvement in the pure-bred animals, horses, cattle, sheep and hogs, is marked, and is an element of progress in this diversification of agriculture, and is an indication of substantial improvement throughout the State. This department has neglected no branch of agriculture in their efforts to promote the interest of farmer, trucker and fruit-grower.

Immigration.

The climate of this State is peculiarly adapted to suit all classes of citizens who desire to escape the rigors of the winters in the North and Northwestern States; and while there has been no influx of day-laborers, quite a number of well-to-do people, with sufficient means to establish themselves in agriculture or some other branch of business, have moved into the State. They have settled all over the State—in the mountainous, piedmont and coastal regions.

In this work the Agricultural Department has rendered great assistance by the distribution of the North Carolina Hand-Book, the "Woods and Timbers," "Ores of North Carolina," "The Mineral Products," and the Department *Bulletin*, and in furnishing other information whenever desired.

State Museum.

The board has enlarged the State Museum and beautified it until it is the pride of the State, and a revelation to all visitors who seek information about the State. It is undoubtedly the best State museum in the South. Its natural history department has been enlarged, and if the present policy is pursued for several years it will be equal to any State collection in this country. There have been numerous donations from many citizens, and the board

invite and urge the citizens of the State to continue contributions of such specimens of value among these animals as may yet be found, promising to mount them in a permanent and scientific way for preservation.

Farm Institutes.

Forty-five farmers' institutes have been held in forty-two counties within the last eighteen months, and the board has, through the Commissioner of Agriculture, the professors at the college, the director of the Experiment Station and his subordinates, carried on these institutes in good faith, with the belief that they will be of great benefit to the agricultural interests of the State.

They have been well attended and much interest manifested in the subjects presented for consideration, and there has been a general and earnest invitation from those present for a repetition of the institutes. This department has issued no less than 240,000 copies of the *Bulletin* annually, and these have been productive of great good in disseminating information and results to the farmers throughout the State.

The whole work of the board, from a careful examination, seems to have been of inestimable value, and as it is supported in a way by which the amount collected is less burdensome than any other upon the class paying therefor, I feel satisfied in commending its labors in all its varied branches. They recommend a reduction in the tonnage tax from twenty-five cents to twenty cents, this action to go into effect July 1, 1897. This will be a reduction of twenty per cent., and consequently a reduction of one-fifth of the revenues of the department. They think it may be possible to accomplish the desired result with this reduced income. I commend their economy and ask a careful perusal of this valuable report.

THE EXPERIMENT STATION.

The North Carolina Agricultural Experiment Station, including the Fertilizer Control Station, is just concluding the nineteenth year of its existence. Its work during the past two years shows continued progress, and it is believed that never before have its results been so studied, and its investigations so watched, and its opinions so sought after. Its regular publications go to every postoffice in the State and other States and foreign countries, and farmers and others at many of these points show their appreciation of the work that has been accomplished.

During the past two years one hundred and twenty-six bulletins and other publications have been issued. During this time comprehensive but practical publications have been issued on the cultivation of trucking crops and garden vegetables; three bulletins to further the dairy interest of the State; one on hillside terraces and ditches; one on forage grasses and haymaking; one on tuberculosis and its prevention; three on poultry keeping for profit; and two on distinctively technical subjects. These publications range up to seventy pages, and in editions as high as twenty thousand copies each. They are entirely free to all applicants in the State, and many thousands of farmers are already taking advantage of this fact.

Notable instances of progress during the past year have been in the establishment of a poultry division, the object of which is to improve the poultry industry of the State, and to cause another paying industry to be added to our State's resources. It remains only to say that widespread interest in this work and appreciation of its publications but evidence the favor with which this departure has been received. Another evidence of progress is in the co-operation with the State Horticultural Society in the establish-

ment of horticultural field tests, which are now located in the long-leaf pine belt of the State, near the town of Southern Pines. This locality is fast becoming known on account of its healthfulness and popularity among visitors. It is likewise developing into a rapidly growing centre of fruit interests, and the hundreds of acres of grapes, peaches, plums, and small fruits show the need of systematic fertilizing tests upon such crops to ascertain what most desirable combination should be applied. The horticultural experiments are upon a scale that will command attention in this country and abroad, and already the work being pursued there is being watched with widespread interest. The locality of these tests is a most favorable one, and the fact that the soil was reclaimed from its virgin forest condition lends additional value to the results, because it has not already been affected by crops or applications.

The work of the Fertilizer Control Station is so well known that it is hardly necessary to refer to it. It is very evident that not only millions of dollars have already been saved by a judicious control of the fertilizer trade in the analysis of samples representing such sales, but that hundreds of thousands of dollars are now annually saved to the farmers of the State. Not only is a direct money loss prevented, but also the consequential effects of disastrous crops which would follow the use of low-grade or adulterated fertilizers. In its work the Station has operated through its chemical division, through its agricultural, its horticultural, its botanical, its meteorological, its veterinary, and its poultry divisions, all of which unite to make a concordant and unified whole. The work of the Fertilizer Control Station is sustained by the State tonnage charge on fertilizers, while the work of the Experiment Station proper, and all the benefits which have and are accruing

from it, are sustained wholly by *government appropriations without one cent of State funds*. The State is to be congratulated on having an institution of this character in her midst.

AGRICULTURE.

I regret to be compelled, to report the depressed condition of our State's chief industry—agriculture. While our farmers are better off, probably, than those in a majority of the States, better off than those in England and Continental Europe, yet the fact remains that only the most meagre returns reward their patient and persistent industry. In bad seasons it is impossible to make both ends meet, while, on the other hand, when nature blesses the earth with abundance, prices of crops often fall below the cost of production; thus are they ground between the upper and nether millstone. Surely a bad omen for the future, when agriculture, the basis of all wealth, of all civilization, and practically the only means which we, in the United States, have of discharging our foreign indebtedness, is thus reduced to a point of impossible profit. Prices are generally almost at their lowest ebb, and the future, instead of brightening, grows darker with the passage of each month. The State government, however, cannot be held accountable, even in the smallest degree, for the unsatisfactory condition of the producers. The trouble lies far beyond the ability of the State to remedy. The national government alone has the power to correct the evil, and the longer the present policy of gold monometalism is pursued the sharper is destined to grow our competition with Mexico, China, Japan and the Argentine, a competition to which a majority of economic evils which afflict us can be directly traced. The advantage those silver countries enjoy over the United States is admirably set forth by Brooks Adams in the following

extract taken from one of his recent essays on the subject :

“ The difficulty begins with the price of bread, which is the basis of human life. The countries with a silver or paper basis, speaking generally, control the agricultural staples; but silver prices have not materially varied, and the Indian peasant is now as well paid with two rupees for his bushel of wheat as he was thirty years ago. Accordingly, he can profitably produce at that price, and in the long run he will express enough to depress the London market, should it rise. But two rupees, which are worth a dollar in India, are here worth but sixty cents, and on a scale of values adjusted to sixty-cent wheat the American or English farmer is poorer than he was twenty years ago by nearly one-half his income. To that extent he is unable to buy, to that extent the demand for manufactures fails, and this at a time when the productive capacity of the community must increase through competitive improvements in machinery. Hence the permanent glut in goods, and hence the stagnation of gold at the centres.”

The vast sums of gold now stagnating in London will certainly find the most profitable outlet, and that natural outlet is the far East, with its tremendous advantages of differences in exchange and cheap labor—two dollars per month in silver is a very fair wage—advantages, by the by, which no tariff man can overcome. It is thus seen that every fall in the gold price of silver brings an ever-increasing bonus to the farmer and manufacturer of all silver countries; and, indeed, if the present fall of the white metal continues, it will be but a question of time before every mill in this country is closed. It is worse than suicide to close our eyes to the fact that “the white man with the yellow dollar is no match for the yellow man with the white dollar.”

NORTH CAROLINA AGRICULTURAL SOCIETY.

This society was chartered by the Legislature of 1853 for the purpose of encouragement to improved agriculture, stock raising and the mechanic arts, for which the State appropriates each year \$1,500 to be expended in premiums for the improvement of these industries.

The debt owed by the association has been reduced from \$60,000 to \$26,000, bonds to which amount, secured by mortgages on the property, are now held by different citizens of the State. This institution is non-partisan and is entirely removed from politics. The present administration asks for an increase of the present appropriation, and that the Legislature make an appropriation sufficient to relieve this valuable property of embarrassment, reclaim the title and make a liberal annual appropriation, with proper restrictions, with some improvement in regard to the general management of the fair.

The last State Fair was a great success and reflected credit upon the management; but under the present condition of the State's finances I can only recommend the sum heretofore appropriated.

NORTH CAROLINA INDUSTRIAL ASSOCIATION.

This association corresponds to the North Carolina Agricultural Society in its original incorporation, but is for the colored race, and gives them an opportunity each year to exhibit the development of the handiwork of their race in the same manner, and appropriates \$500 per year to be used in paying premiums. They have no fair grounds or buildings of their own, but through the courtesy of the North Carolina Agricultural Society hold the fairs upon their grounds, using the same buildings. They, too, ask for an enlarged appropriation from this Legislature, but I can only recommend the same appropriation which has been given heretofore.

THE UNIVERSITY OF NORTH CAROLINA.

The university was established under the mandate of the Constitution 106 years ago. It stands at the head of the public-school system, and it is the aim of the ambitious student to complete here the education begun in the public school. It should be the pride of every citizen to uphold the university, and aid to his uttermost the efforts of our citizens to make it the equal of any institution of the kind in this country. Many men who have added luster and renown to the name of their native State have gained their training here; and I trust, gentlemen, it will be your conscientious duty to endeavor to assist the university in its rapid progress to the realization of the ideal conceived by its founders, and make it what Harvard is to Massachusetts, Yale to Connecticut, and Princeton to New Jersey.

This educational plant, which is the property of the people of the State, and which we, under their Constitution, are in honor bound to maintain and make more efficient, includes 600 acres of land, 14 buildings, a library of 30,000 volumes, valuable scientific laboratories and apparatus, and about \$100,000 of invested funds, in all amounting to about half a million of dollars. The whole income of the institution is about \$40,000, being \$20,000 appropriation from the State and \$20,000 derived from fees, tuition and invested funds. The appropriation from the State is smaller than contributed to any similar institution of its class in America, while the number of students is larger than any Southern university. It keeps nearly 200 young men from leaving the State for an education, thus saving North Carolina about \$100,000 annually, and is attracting young men from other States to North Carolina in order to gain an education.

The total registration for the present fall term is 525, the largest number in its history, as follows :

| | |
|---------------------------------|-------|
| Undergraduates | 286 |
| Graduates | 7 |
| Medical school..... | 35 |
| Law school..... | 18 |
| Summer law school..... | 41 |
| Summer school for teachers..... | 153 |
| | <hr/> |
| | 540 |
| Duplicates..... | 15 |
| | <hr/> |
| Total..... | 525 |

Of these students 65 have free tuition under the State laws ; 74 have tuition by private philanthropy. Forty-six of these young men are preparing to teach. Over one-third of the students are supporting themselves by money which they have earned or have been forced to borrow. One-half are the sons of farmers. Over forty are working their way through college by laboring at every form of honorable labor, from waiting on the table in *Commons Hall* to clerking in the village stores. During the past two years the university has loaned nearly \$4,000 from the *Deems Fund*, thereby aiding 51 needy students.

The university is philanthropic even in its poverty, and seeks to make it possible for any poor worthy boy in North Carolina to get as good an education as rich boys obtain elsewhere. As the heart and head of the public schools, it supplies them with teachers and furnishes them with impulse for their improvement. The common-school system was born in the university, and its influence has been given to their advancement. The destruction of the university would not add a day and a half to the term of these

schools, while a curtailment of its usefulness would work a detriment to the public-school system.

The continuance of the university is a constitutional mandate, and an injury to this institution would be a direct violation of the Constitution. Its needs increase with its growth. More instructors are needed: A chair of Political Science and Sociology, of Mental and Moral Science and of Pharmacy. An adequate system of water works, both for hygienic and sanitary purposes, is badly needed. The library needs repairs and equipment in order to care for the valuable collection now owned by the university.

The university has no war to wage against anything except ignorance, and it pays the State a glorious dividend in trained manhood. Gentlemen of the General Assembly, I urge you to personally inspect the work of this great State institution, then I feel satisfied you will be in a position to legislate for its needs.

To show you the comparative amounts contributed by other States I append a short statement. See to it that North Carolina makes no backward steps in this matter. Generous alumni, now residents in other States, have endowed chairs at this institution, moved by the love and veneration they still have for their alma mater. Can this great Commonwealth of 1,800,000 citizens, who are striving for advancement in this educational and industrial age, be insensible to the cause of higher education, and by their representatives lay hands on this glorious institution? I do not believe it, but, on the contrary, I feel sure you will take pride in preserving, fostering and transmitting to those who are to come after you this great institution of learning from whose halls so many men have gone forth to occupy and adorn the most distinguished positions in States and Nation, and which is doing so much to-day to fit and prepare the young men of our State to shed renewed luster upon her already glorious record.

The following table will show what other States are giving annually to their State universities :

Southern States.

| | |
|---|-----------|
| University of Virginia..... | \$ 40,000 |
| University of Mississippi..... | 32,640 |
| interest on land script. | |
| University of Georgia..... | 26,089 |
| interest on land script. | |
| University of Texas varies from \$20,000 to and has income from lands. | 40,000 |
| University of Alabama..... | 24,000 |
| College of South Carolina | 30,000 |
| College of North Carolina..... | 20,000 |

It should be remembered that the University of North Carolina has more academic students than any of these.

Western States.

| | Per annum. |
|-------------------------------|------------|
| University of Wisconsin | \$ 273,000 |
| " " Michigan | 194,000 |
| " " Indiana..... | 80,000 |
| " " Kansas | 100,000 |
| " " Iowa | 76,000 |
| " " North Dakota | 37,000 |
| " " Minnesota | 100,000 |
| " " Oregon | 30,000 |
| " " Illinois | 333,000 |
| " " California..... | 112,000 |

THE STATE NORMAL AND INDUSTRIAL SCHOOL.

This is one of the youngest institutions in the State, but it seems to be attracting more attention than almost any other. I have visited this institution repeatedly, and could

not commend too highly the work being done there to educate the women of the State, and prepare them for becoming teachers and capable of self-support. I respectfully repeat what I said in my last message in regard to this institution, viz.:

“I do not think that it is going too far to claim that the unprecedented popularity of the Normal and Industrial School is due not simply to the fact that it has cheapened education for women as education had already been cheapened for men, but also on account of the practical nature of the education and training offered by the institution. The female population of the white race in North Carolina is about 10,000 in excess of the male. There are so many women to-day who, either from necessity or choice, expect to earn their living, and who are ambitious to place themselves in the list of bread-winners rather than in the list of mere consumers, and so greatly would it benefit the entire State to encourage this idea, that I regard the small annual appropriation for the purpose as probably the best investment the State ever made. Moreover, the majority of those who enter the institution expect to become teachers of the children of the State. It is well for the State to encourage young women to enter this great work, and at the same time offer them help in preparing for its arduous duties.”

I recommend an appropriation of \$20,000 for this institution, or a sum at least equal in amount to that given to the university.

EDUCATION.

I know of no question which should more profoundly interest the philanthropist or the statesman than the education of the people, because upon their intelligence and virtue rest the good order of society, the elevation of humanity, the security of property and the welfare of the

State. The progress and reputation of communities and States are measured by the virtue and intelligence of the people who compose them. Ignorance, left to itself, tends towards vice, and the two combined produce a low order of society and a people without any noble or lofty aspirations. On the other hand, education stimulates the growth and development of mind and heart, and creates a desire for higher and better things. So great has been the influence of education upon the lives of men that the Church, for ages past, has devoted much of its energies to providing the ways and means for education of the people.

In our own State the different Christian denominations have done and are now doing a great work in this most noble cause, and I am sure you will join me in grateful recognition therefor. If the Church was able to provide for the education of all the people we might well trust this great work to it; but we know that it is not. Its capacity for good is limited, notwithstanding its divine origin, to the numbers, ability and disposition of the human beings who constitute its membership. Knowing, then, the inability of the Church to provide schools for all the people, and knowing, too, that the future of the State is to be largely affected and influenced by the education of her children, the duty of the State to take part in this work becomes clear and imperative. We must know—we do know—that there are a large number of boys and girls whose education cannot be provided for in the denominational schools and colleges, to say nothing of the thousands whose inclinations do not lead them to these schools. We cannot afford to stand idly by and see this large portion of the rising generation cut off from the advantages of higher education or sent out of the State to obtain it. There is scarcely a State in the Union in which the people are not taxed to provide universities

and schools in which their sons and daughters may be educated. Shall North Carolina stand still while her sister States go forward? Never!

But it is said "that in our own State, as well as in other States, there is a conflict between the State and the Church in educational work, and especially in the work of higher education." While I greatly esteem those who make this startling proposition, I must wholly disagree with them. They seem to think the State is something outside of, above and beyond themselves, and that they are not a part of it. Such a proposition may be true in a country where the sovereign power resides in the crown, where the sovereignty—the crown—the State—is one thing and the people another; but in our country, under our system of government, where the people, and the people alone, are sovereign, such doctrines are not in keeping with the genius of our institutions, and cannot be maintained. With us the people constitute the State, and a portion of them (I may say the better portion) constitute the Church. Every citizen, no matter whether he be a church member or not, is a sovereign and a part of the State. To say that there is a conflict between the Church and the State in educational work is to say that when a man becomes a church member he enters upon a conflict with himself as a sovereign citizen, and therefore renders himself less fit to discharge his duties as a citizen. I cannot agree to this. I prefer to believe that when a man becomes a church member he thereby becomes a better citizen.

The people, I repeat, are the State. The university and the other schools, which for convenience we call State schools, belong to the people and to the people alone. Every citizen, whether he be a church member or not, is a part owner of each of these schools, and as such is interested in them. It then becomes a question as to whether

the people, the whole people or a majority of them, are willing to be taxed to keep up their schools. You are the chosen representatives of the people, the whole people, and they must speak through you. It is for me to recommend and you to act. If you supply the means, the people's university and their other schools will continue to prosper, to benefit and to bless the whole people. If you withhold the means the schools will languish and the whole people will be hurt thereby. I therefore urge you not to lessen by one dollar the people's support to the university and their other schools. I am sure the present appropriations are barely sufficient to enable them to do the work that lies before them. If you make any change in these appropriations I beg that you will increase them, to the end that their work and usefulness may be increased. If any bickerings, jealousies, or animosities have sprung up between those engaged in teaching in or managing the State schools, and those engaged in like work in the denominational schools, it is to be deplored; and I sincerely trust the cause, if any exists, will speedily be removed, and that all of these institutions of learning will find it agreeable to work in harmony and in a Christian spirit, to form a holy alliance for the unity and enlightenment of our people, for the uplifting of humanity and for the education of the sons and daughters of North Carolina. There should be no antagonisms between these institutions. There is work in abundance for them all to do, and the success of one does not depend upon the failure of another.

COMMON SCHOOLS.

These schools have grown in public favor and in efficiency, but in the latter respect there is still great room for improvement. Under the wise management of our efficient superintendent the system has been developed and

perfected so far as the legislation would allow. The teaching force has been augmented and improved. The great remaining need, to make these schools what they should be, is more money and prompt attendance. This can be easily demonstrated by a few facts and figures from the interesting and instructive report of the Superintendent of Public Instruction. The sum of \$439,909.59 was paid white teachers the past year; school-houses were erected for the whites at a cost of \$33,557.86 during the same period.

The census shows for 1896 410,809 white school children between the ages of 6 and 21 (nine counties not reporting). Of this census there were enrolled 231,059, or 56.01 per cent. The average attendance of this school population was 137,115, or 35.01 per cent., thus demonstrating that had the children attended the schools with regularity nearly 200 per cent. more children would have been taught, with no more money expended in school-houses or paid to teachers. This is an example from the whites. As the percentage of attendance of the colored is less than the whites, the total figures would be worse. This very clearly shows that it is not so much the necessity of money as it is compulsory attendance. If the State demands a tax for the education of the people, the people surely have a right to demand a law requiring they shall come forward and accept its benefits. The report is replete with statistical information, and I commend it not only to the Legislature but to the general public. The Constitution requires that one or more of these schools shall be maintained in each school district at least four months in the year. However much men may differ about other matters, I have yet to hear of the first man who proposes to change this provision of our Constitution. There it stands as the continuing mandate of the Constitution, and I urge

you to make ample provision to carry it out in good faith. Other Legislatures have from time to time increased the taxes for these schools, and this increase has developed two facts: First, that such a tax is not unpopular with the people; and, second, that the increase made by your predecessors is not sufficient. While all taxes are to some extent burdensome, this tax, I maintain, is the least so of any imposed, because the taxes for these public schools are immediately expended among the very people who pay them, in the enlightenment and improvement of the people among whom they live. What I have already said of the benefits and blessings of education generally upon communities and States applies with special force to the work done by these schools, with the additional fact that it is to them that the great mass of the children of the State must go, and if they are closed their case is hopeless. I therefore urge you to make these schools more efficient and useful by increasing the tax levy for their support. This can be done by an increase of the tax levy six (6) cents, or by increasing the poll-tax 64 cents, or by compulsory attendance upon the public schools. Either would bring about the much-desired object, in my judgment.

COMPULSORY EDUCATION.

Education has always interested humanitarians who have the good of their fellow-men at heart. Few subjects have been more extensively written about.

Universal education is also a subject that has been very much talked of, but compulsory education, as a system, is comparatively a modern idea, and is now deeply agitating the public mind. Saxony, England, Prussia and Germany, and other European nations, under the leadership of their great teachers, have adopted some system of compulsory education.

Those who have been interested in this subject in some of our own States have not been behind these European countries in agitating this question. Among the States and Territories having adopted compulsory education we find Massachusetts, District of Columbia, Connecticut, New Mexico, New York, New Jersey, Kansas, Ohio, Idaho, Colorado and Utah. And the demands of the times seem to justify a greater effort than ever before to have some law applicable to enforcing compulsory education. The States individually and our Nation collectively have expended much thought and care upon this subject in organizing a compulsory system. These systems are far from perfect, but when put into practice the proper corrections can be made as the faults are discovered. In my opinion the State calls for such a system of education as will require the attendance of all the children. The time has arrived when it is necessary for North Carolina to move forward in the line some of our States have adopted. Our people must be educated, and in their education is more hope for the State than in the accumulation of great wealth. Compulsory education is necessary in the State, and this will be seen clearly when we consider the facts.

By the last report of the National Committee on Education, Hon. William T. Harris, LL. D., we learn that "one-tenth of those children from six to sixteen years did not attend school at all, and that each child of the other nine-tenths averaged less than eighteen weeks. This means that thousands do not go even seventeen weeks, and a great number of them hardly at all." But, as he says, "this is the bright side of the picture. There is a dark side not easily shown by statistics. But even the bright side is not a bright side. What can we expect from these people when they come to form our laws and manage our

government? Certainly we cannot have good government. This is the number side of the question. The kind of children thus uneducated is another aspect which leads us to see the necessity for laws making attendance obligatory. Six thousand arrests made in five years in New York before compulsory education laws were enforced were from children between 8 and 14 years o'd." This uneducated class produce a greater part of the crime, especially that committed in the cities and large towns. This criminal cost would go far toward defraying the expenses of the schools. We all are aware that the cost of criminals is, as a rule, greater than the schools; this class of our population is a disgrace to it. Those belonging to it will go to school only when compelled to do it by the strong arm of the law. They have remained away from school, and do not see the necessity of going to school, and we cannot rely upon ignorant parents to send them. The less education men have the less they see the necessity for it. Law and its enforcement must teach them its necessity. Again, there are many manufacturers who desire to employ child labor, as it is much cheaper. And there are thousands of parents who, having no education themselves, covet and value the wages which they procure from their children's labor more than their education. These will ever belong to the ignorant classes if they do not avail themselves of the opportunity in their early childhood.

Certainly a law is needed to compel these children to go to school. The great armies of immigrants coming from other countries, where educational provision does not take the form of compulsory attendance laws, is another reason for these laws. These people have not been compelled to send their children to school. They come into this country knowing that it is a free land. They make it more free than was intended. They have extravagant views as to rights and contracted views as

to the necessity for an education. The children know nothing higher than the wisdom of their parents. Fortunately for North Carolina, we have few of this class in our State; having few or no large cities, we are not threatened from this source of evil. Compulsory educational laws would show free thinkers that, though the country is free, yet this freedom ends at the point of another man's nose, that there is law and order along with this freedom. The children are educated in this order, and are brought up to be obedient citizens, for school teaches obedience—that most necessary quality which all good citizens should possess. *The criminal class comes from the youthful disobedient class.* Few doubt that it is the right of the State to impose a compulsory school tax. If it is right that the State should compel sordid men to pay for the education of the ignorant, it is certainly the right of the State to see to it, by force of law, that this money fail not of its purpose through the carelessness, the weakness, vice, or intemperance of parents. If taxpayers must pay for their children's education, then the State is *under moral obligation* to make it sure, to the extent of its ability, that such tax is expended for the purpose for which it was collected—for universal benefit by universal education. Superintendent White of Massachusetts says: "It is a manifest injustice to take from the pockets of the taxpayers, whether having children or not, large sums of money for erecting schoolhouses and opening schools sufficient for the instruction of the *whole* number of children in the State, under the sufficient plea that the public weal demands it, then allow those houses to stand tenantless or half filled, and these privileges wasted, as the indifference, the blindness, or wickedness of parents or guardians shall dictate." The public schools are not well attended. If the fund raised by taxation is judiciously expended, let

the State raise an additional amount, supplemented by local taxation, and pass a law of compulsory attendance on the public schools.

THE NORTH CAROLINA COLLEGE OF AGRICULTURE AND
MECHANIC ARTS.

The management of this institution report that this college is in a splendid condition, and ranks equal with any in the South, and can show a better record than any other institution which has been established for the same number of years. Every North Carolinian should be proud of this institution and do all in his power to increase its usefulness. The largest part of the cost of maintaining this college is borne by the United States government, from funds received from the sale of public lands, and not from taxation either direct or indirect.

It is a noble benefaction from the United States government, given upon the condition that every State accepting its benefits should supply whatever buildings were needed, as well as all other facilities to give efficiency to their work; therefore it is necessary that the State should supplement the appropriation with a sufficiency to maintain and increase the usefulness of this college.

The State contributed last year \$10,000 for annual appropriation and \$7,500 for special work; the report of the Bursar shows how this money has been expended. This college now has 230 students, with twenty or thirty who will matriculate in January, 1897. The present accommodation is full, but the college is now prepared to properly care for a larger number of students and to do better work than ever before. The amount contributed to this institution, since it was established in 1889 by the State Legislature, is \$75,000, and the amount appropriated now of \$10,000 is less than is contributed by any other

State. The administration of the affairs of this institution shows economic management, and I recommend that the present appropriation be continued.

THE AGRICULTURAL AND MECHANICAL COLLEGE FOR THE
COLORED RACE.

The effort by the State, in good faith, to educate the negro race along industrial lines is evidenced by the State in its liberal appropriation to this object.

The act establishing this institution declared it to be for instruction in practical agriculture, the mechanic arts and such branches of learning as related thereto. At first the instruction did not comply with the act of its creation, but from the report of the present Board of Trustees it appears to be much nearer in accord with the original act, and may eventually become a great institution for this race. But until this is manifest I cannot recommend the increased appropriation requested by the board.

The Act of Congress known as the "Morrill Act" makes an annual appropriation for each State and Territory for the support of colleges for the benefit of agriculture and the mechanic arts, to be applied only to instruction in agriculture, the mechanic arts, the English language, etc.

There are now sixty-three students in this institution. The appropriation for 1895 and 1896 amounted to \$15,000. They have good buildings and are well equipped. The great trouble is to get such students as will take the training provided for them. The original board seemed to ignore the essential requirement, both in the spirit and the letter of the law. It is confidently hoped that this institution is now capable of carrying out the intention of the legislators in its creation, and that the negro race will take advantage of the facilities here furnished of obtaining an industrial education. I know of no institu-

tion more capable of assisting in the development of the negro race, and making them capable of becoming true citizens, and worthy of the rights now conferred upon them.

GEOLOGICAL SURVEY.

The work of the Geological Survey has been pushed forward during the past two years in a manner highly creditable both to those in charge of it and to the State. Examinations have been made of the following subjects: Building and monumental stones, iron, gold, corundum, mica and various other mineral deposits of the western and midland counties; the possibilities of artesian wells and other drinking-water supplies for the eastern counties; the deposits of limestone, marls and the improvement of the swamp lands of the eastern counties and irrigation of trucking lands; the timber resources, forest conditions and forest fires; the water-powers and conditions favorable for manufactures in the State; kaolins, clays, and the brick industry in North Carolina, and road materials and conditions for road construction in North Carolina. Reports on some of these subjects have already been published, and a number of other reports will be printed and distributed during the present winter. Already the survey has been instrumental in bringing into the State large amounts of capital for investment, and the demands for information by persons from other States and countries are steadily increasing. The State Survey is now operating under an arrangement with the United States Geological Survey, by which the two surveys co-operate in pushing forward the work in North Carolina, the national government expending as much as the State does. In this way a great topographic map of the State is being made, and other important investigations are being carried on which otherwise the State could not afford to undertake.

The work of this survey for the past six years has been so extensive that it would be impossible to give you a detailed statement thereof. That already done has been thorough and of incalculable value to the State, and should be continued until North Carolina should have a complete history of such a survey from the sea to the Tennessee border. The amount appropriated each year is ten thousand dollars, and is too small an amount to do this work quickly, but if allowed to continue will pay the State a wonderful income. In fact the work already accomplished has been paid for by the investments of capital in the State, directly attributed to the information disseminated by this survey, either in the bulletins issued or direct information furnished by the State Geologist.

A complete geological survey has never been made of this State, and to-day our citizens know little or nothing of the character of their land or the minerals deposited therein.

This work has been admirably managed by Professor Holmes, and has reflected credit upon himself and his able corps of assistants. I consider the money invested in this survey the best investment made by the State for any single purpose.

GOOD ROADS.

There will probably come before you numerous propositions for the improvement of our country roads. No subject of greater importance will engage your attention, or one that is being more widely discussed by the people of the entire State. I fear, in too many instances, due consideration may not be given to the cost, and that class of our citizens—the farmers—upon whom will necessarily fall the heavier part in the expense of construction. I do not underestimate the value of a system of good roads to the public, and believe there is great need for improvement ;

but in enacting laws to further this end the interest and desires of those who will at last have the cost to bear should be chiefly considered, especially at a time when the profits from farming are not as great as formerly—too frequently absolutely nothing. Plans devised by associations of civil engineers and cyclist clubs may be good in theory—in theory, the best—but not always based on the ability of the taxpayer to pay. Really, the foundation of all true prosperity and wealth rests more largely upon agriculture than any other interest in which our people are engaged. It should be our duty to encourage and foster this interest, and carefully avoid placing any additional burdens upon it, for in its prosperity rests the common prosperity of all. In this day of electricity we may reasonably expect, at a not far distant day, electric lines to branch out through the country and in a measure take the place of the present country roads.

If action is to be taken along this line, I would refer you to the laws of Massachusetts, New Jersey and California, which have made more advancement than other States in public-road building. The two former grant liberal State aid to this purpose. There are certain counties in our State, like Ashe, Mitchell, etc., which have always paid tax for North Carolina improvements and received no direct benefit, and on account of situation much of their trade has gone into adjoining States. A first-class highway to one of our railroads would secure our State all of their trade, and make better North Carolinians of them. Over ordinary North Carolina country roads it costs about as much to transport a ton thirty miles as it does a ton from Iowa or Colorado. Transportation is now the factor in competition, and land must depreciate in value if the roads to it are such that it cannot meet competition.

COST OF THE PUBLIC PRINTING.

The Legislature changed the method of letting the public printing from that by contract to that of the lowest bidder. According to the prices for work submitted by the successful competitor, and upon which the printing for two years and more was let by the Legislature, it was estimated that a material saving to the State would result. The following comparative statement of the cost of the printing for twenty months under the old method, from April 1, 1893, to 1st December, 1894, with the twenty months from the 1st of April, 1895, to 1st of December, 1896, under the new method, is by no means encouraging.

| | |
|--|--------------|
| Cost of printing from 1st of April, 1893, to 1st December, 1894..... | \$ 25,862 05 |
| Cost of paper furnished by the State on requi- sition of public printer, same period..... | 9,097 08 |
| <hr/> | |
| Total cost for said period under old method, printing and paper..... | \$ 34,959 14 |
| Cost of printing from 1st of April, 1895, to 1st December, 1896, new method..... | \$ 33,469 35 |
| Cost of paper for same period..... | 13,850 41 |
| <hr/> | |
| Total cost of said period under new method. | \$ 47,319 76 |
| To this last, however, should be properly added two payments made on printing account December 3d and 4th, respectively, but for work done before December 1, 1896 | 3,293 98 |
| This would make the total cost from 1st of April, 1895, to 1st of December, 1896..... | 50,613 74 |
| Cost of printing from 1st of December, 1894, to 1st of April, 1895, (last work done under old method,) including work for the Legislature during its session of 1895..... | 7,119 34 |

Cost of paper for same period..... \$ 1,088 85

\$ 8,208 19

This would make a period of twenty-four months (the last) under the old method ;

adding the above to the..... 34,959 14

Makes a total of..... \$ 43,167 33

For twenty-four months as against \$50,613.74

for twenty months under new method, a

difference in favor of the old of..... 7,446 41

If the cost of printing and paper for the four months from December 1, 1896, to April 1, 1897, be no more than for four months above computed, from 1st December, 1894, to April 1, 1895, viz. : \$8,208.19, (we have no reason to expect it to be less,) it will make the total cost of printing for the twenty-four months, under the present lowest bidder method, \$58,060.15, as against the last twenty-four months, under the former method, of \$43,167.33, or a difference in favor of the former method of \$14,892.82. The above does not include the cost of printing or paper for the Agricultural Department and other institutions which pay for their printing out of funds belonging to them.

PUBLIC PRINTING.

The Legislature of 1893 passed an act to regulate and provide for the public printing, (Chapter 351,) which required that "four weeks prior to January 1, 1895, and every two years thereafter, sealed proposals to do the public printing and binding shall be made to the Secretary of State, etc. This act, to let the public printing to the lowest bidder, was passed after careful consideration and investigation, and in my opinion was wise and judicious, but it was never given a trial prior to its repeal at the

next session. It gives every man an opportunity, regardless of party affiliations, and eliminates any unpleasant rivalry among them. If wise then, how much more so ought it to be considered now, after the experience of the last twenty months, when the printing has cost the State over \$15,000 more than ever before under any other system or administration for a similar period? The system of letting per contract to the lowest bidder, with competent parties to see to the faithful compliance of its fulfillment, cannot be improved upon. I recommend, therefore, the election of a Superintendent of Public Printing, and that in future the printing be let to the lowest bidder under his direction.

ASYLUMS.

In reviewing the wants and the necessary improvements for these institutions I will have to refer you for detailed statements to the complete reports accompanying this message.

The institutions have been economically managed, and have lived within the appropriations made by the last Legislature. I congratulate the State upon the good management of these hospitals for so many years, and cannot commend too highly the able superintendents and the boards of directors who have under their control these institutions.

Each institution desires especial appropriation to further carry on the noble charitable work undertaken by the State, but under the existing circumstances I cannot recommend that all these appropriations be made, but I do not mean to say, gentlemen of the Legislature, that such appropriations are not needed. To come up to the full measure of our duty would involve large expenditures; and while these institutions need such enlargements, still an increase in taxation would necessarily follow, and I do

not think it proper now to increase the burden of taxation on the real estate in North Carolina.

I commend these reports and urge you to carefully consider if some means cannot be devised by which these institutions could be enlarged to still greater usefulness.

I would urge you not to change the heads of these institutions, for I believe the gentlemen now occupying these positions as capable, as honest and better equipped for their special work than can be found elsewhere.

NORTH CAROLINA INSANE ASYLUM.

The report of the Board of Directors and the Superintendent is peculiarly gratifying and shows the wisdom of good management.

The amount asked from the last Legislature was \$80,981.07. The cost of maintenance was based at \$170.80 per capita, which was a reduction of \$20. Now they are for only \$149.50, which is a great reduction.

The total amount required for this institution for the next two years is \$63,495.50 per annum, to be divided as follows ;

| | |
|---|-------------|
| For maintenance, support and repairs : | |
| 410 patients, \$149.50..... | \$61,295.00 |
| Repairs and enlarging barn and stables..... | 1,200.00 |
| Air pump for wells..... | 1,000.00 |
| | <hr/> |
| Total..... | \$63,495.00 |

With such management I feel satisfied that you will endorse the administration of this institution as economic from a financial standpoint, and admirable from the showing made in the report of the Superintendent.

There remained on December 1, 1894, 305 patients ; during the year from November 30, 1894, to December 1, 1895, 137 patients were received, 62 were discharged

as cured, while the number treated during the year was 442. On December 1st there were 328 patients. During 1896, 160 patients were received, 96 were discharged as cured; the whole number treated during the year was 488. During this biennial period they have received 110 more patients than ever before for a similar period in the history of the institution.

The Superintendent states that it is gratifying to be able to say that no patient whom the Executive Committee regarded as offering the slightest prospect of being benefited by treatment has been rejected. Only six applications have been rejected in the last 12 months. It is a matter of pride that I state to you, upon the information of the Superintendent, that the Insane Asylum, with its new ward for males completed, will be able to care for all the insane in the Eastern District, and I recommend to you that three counties, Durham, Moore and Robeson, be transferred from the Western District to the Eastern, until the number of the insane in that district decrease or the asylum be enlarged sufficiently to give them treatment. The only extra cost will be that of maintenance, and that can be easily determined by consultation with the Superintendent.

I would further call your attention to the report of the Superintendent in reference to the manner of treatment of the insane, and fully endorse and agree with him in his recommendations. He thinks it would be better to change the name of the Institution to the *North Carolina Hospital for Treatment of Mental and Nervous Diseases*, so that the odium which has heretofore attached to the general idea of the insane asylum may be obliterated from the mind of the public.

There has been and will be more or less prejudice against insane asylums. The Superintendent argues his case well

from this standpoint, especially in reference to patients who become despondent from the fact that they have lost caste among their fellow-citizens; therefore it should be our duty to free these institutions from any unfortunate prejudices which may have heretofore attached to them.

In this enlightened age of advancement, of progress and great activity, mental disorders are becoming daily more frequent. The mad rush in which most of our citizens live does not have a tendency to equanimity of mind, but the opposite effect, and oftentimes a slight derangement, by being treated immediately in a hospital, would be cured, which, if permitted to go unrestrained, would finally result in dethronement of reason. I agree, therefore, with the Superintendent in the closing words of his report, viz.:

“When these prejudices are removed and patients are sent to the hospital and treated in the earliest stages of disease, when those restored are returned promptly to the care of their parents and not kept for months chafing and fretting to go home, then the problem of how to care for our insane without the building of more hospitals on an already overtaxed people will be near a solution.”

STATE HOSPITAL.

The improvements during the past two years in this magnificent institution for the Western District have been extensive and valuable, and have added much to the comfort and health of the inmates.

Each year these institutions have increased needs, and as the State grows in population the number of insane increases. In this district, comprising thirty-seven counties, there are now two hundred insane white citizens, either a care upon the counties or their own people, who cannot be admitted to this institution for want of room.

The State has very properly undertaken to provide a

home for her insane where they can be treated and many cured of this terrible malady; hence it becomes a duty to continue increasing the size of these institutions until all can be admitted and given treatment.

The buildings now in course of construction will accommodate seventy-five additional women. This will make the population about 765 patients.

It is estimated that this increase will cost at least \$5,000 per annum additional to the present appropriation of \$10,000. The President of the Board asks for at least \$10,000 appropriation for needed improvements and repairs.

The percentage of recoveries for 1895 was 39.79 per cent.; 1896, 51.47 per cent., an average of 45.6 per cent.; the death rate, 3.1 per cent. for 1895 and 2.8 per cent. for 1896, was considerably under the average. Twice during the past year, for want of room, acute and curable cases have been refused admittance, the first time in the history of the institution. Every particle of available space is occupied. During 1896 fifty-four women and twenty-three men were refused admittance. This is a grave and serious problem for you to solve. A great State should care for her unfortunate insane population, and in order to accomplish the best results they must be confined in hospitals. As your population increases the institutions must be enlarged. The hygienic condition of the hospital, crowded as it is, is the very best. It is beautifully located and affords a healthy and delightful home for the insane.

The medical work for the biennial period has been the best in its history, and this department is more thoroughly equipped than ever before. Most of the furniture used is of their own make; everything is made in the hospital possible with the plant and raised on the farm for their own consumption.

EASTERN HOSPITAL.

This institution is for the negro race; was opened in 1880 with only twenty patients. Since that time continued improvements have been made and the institution enlarged. The number of patients treated for the past two years was five hundred and sixty-three, being one hundred and four more than was treated during the two years previous.

There are now in the institution one hundred and sixty-four (164) males, two hundred and thirteen (213) females, a total of three hundred and seventy-seven (377). The percentage restored was 34.686, percentage of deaths 8.793. During 1895 and the early part of 1896 patients had to be refused admittance; but now, owing to the erection of a building for females, there is ample room for the present. Vance Hall, which was erected by the last Legislature, has enabled the Superintendent to relieve the overcrowded wards, and the sixteen patients who had accommodation in the laundry building and recent patients are now located comfortably in the new building.

I congratulate the State upon the completion of this building, which enables the institution for the negro race to adequately accommodate all the colored insane in the State. They now have accommodations for thirty more female and twenty male patients. This number will probably be exceeded in the present year, and in two more years there may be an urgent demand for additional room. Looking to this end the Superintendent has asked the Board of Directors to purchase an adjoining site for a new building. As this institution will grow in size, I think it wise for you to take this matter under consideration. Improvements in and around this institution have been made and the management has been economical. The appropriation has been barely sufficient, there being only \$96 left in the Treasury. The Superintendent asks for

\$42,500 annually for the next two years, and I recommend that this appropriation be granted.

THE NORTH CAROLINA SCHOOL FOR THE DEAF AND DUMB.

The Legislature of 1891 passed the law for the establishment of this institution, a distinct and separate school for the white deaf and dumb children of the State, and located the institution at Morganton.

Two years ago 102 pupils were enrolled; to-day there are 185 and applications for 50 more. The total capacity is 200; hence the President of the Board asks your honorable body for an appropriation of \$20,000 in addition to the amount appropriated to be used in erecting and equipping a school building. Without this building the plant is incomplete. With it, for several years to come, the State will have provided for the care of her deaf and dumb children.

This is a splendid institution, located in a beautiful section of the State, and with the above equipment will be the equal of any institution of the kind in the South. The industrial training consists in practical agriculture and gardening, carpentering, shoemaking, printing and typesetting, broom and mattress making.

It is the aim of the institution to educate and fit the pupils for earning their own livelihood, by teaching trades for those adapted for the work, educating children to articulate who are capable of taking this instruction, and equipping the most intelligent to become teachers. Those who are capable of higher education, to whom they can give special advantages, are sent to Gallaudet College at Washington, D. C., a college supported by the government, which receives students from any State and Territory. In June, 1895, two young women completed the course in the Normal Department; one is now a teacher in the

institution, the other occupies a position in the New York Deaf and Dumb Institution. The Normal Class of 1895-96 numbered four. One is in the Mississippi School for the Deaf, one attached to the Florida School for the Deaf, one remained as a teacher, and the other is still considered a practice teacher and in charge of a class in the institution. Such is in part the work of this institution. The amount appropriated is \$35,000, and with the additional improvement desired would be sufficient to run the institution.

NORTH CAROLINA INSTITUTION FOR THE EDUCATION OF THE
DEAF AND DUMB AND BLIND.

The reports of the President of the Board and the Superintendent present a most serious question for your consideration. Two years ago the deaf and dumb children in the White Department were removed to a separate institution, located in Morganton, and the space occupied by them has been filled. The Superintendent feels it his duty to call to your attention the dilapidated condition of the chapel in the White Department for the blind. In this building the blind boys, for the most part, sleep in rooms over the kitchen, which he thinks is detrimental to their health. This chapel is in a fearful condition, and has not been exaggerated by the Superintendent. I have personally examined it, and endorse what he says about it. In calling this to your attention the Superintendent and the Executive shift the responsibility to you, for you alone have the power to remedy it. If this building should collapse, and any of the blind children should be hurt, which would necessarily happen, the people of the State would hold you responsible. This building should be repaired at once, or rebuilt, and the institution enlarged.

\$42,500 annually for the next two years, and I recommend that this appropriation be granted.

THE NORTH CAROLINA SCHOOL FOR THE DEAF AND DUMB.

The Legislature of 1891 passed the law for the establishment of this institution, a distinct and separate school for the white deaf and dumb children of the State, and located the institution at Morganton.

Two years ago 102 pupils were enrolled; to-day there are 185 and applications for 50 more. The total capacity is 200; hence the President of the Board asks your honorable body for an appropriation of \$20,000 in addition to the amount appropriated to be used in erecting and equipping a school building. Without this building the plant is incomplete. With it, for several years to come, the State will have provided for the care of her deaf and dumb children.

This is a splendid institution, located in a beautiful section of the State, and with the above equipment will be the equal of any institution of the kind in the South. The industrial training consists in practical agriculture and gardening, carpentering, shoemaking, printing and typesetting, broom and mattress making.

It is the aim of the institution to educate and fit the pupils for earning their own livelihood, by teaching trades for those adapted for the work, educating children to articulate who are capable of taking this instruction, and equipping the most intelligent to become teachers. Those who are capable of higher education, to whom they can give special advantages, are sent to Gallaudet College at Washington, D. C., a college supported by the government, which receives students from any State and Territory. In June, 1895, two young women completed the course in the Normal Department; one is now a teacher in the

institution, the other occupies a position in the New York Deaf and Dumb Institution. The Normal Class of 1895-96 numbered four. One is in the Mississippi School for the Deaf, one attached to the Florida School for the Deaf, one remained as a teacher, and the other is still considered a practice teacher and in charge of a class in the institution. Such is in part the work of this institution. The amount appropriated is \$35,000, and with the additional improvement desired would be sufficient to run the institution.

NORTH CAROLINA INSTITUTION FOR THE EDUCATION OF THE
DEAF AND DUMB AND BLIND.

The reports of the President of the Board and the Superintendent present a most serious question for your consideration. Two years ago the deaf and dumb children in the White Department were removed to a separate institution, located in Morganton, and the space occupied by them has been filled. The Superintendent feels it his duty to call to your attention the dilapidated condition of the chapel in the White Department for the blind. In this building the blind boys, for the most part, sleep in rooms over the kitchen, which he thinks is detrimental to their health. This chapel is in a fearful condition, and has not been exaggerated by the Superintendent. I have personally examined it, and endorse what he says about it. In calling this to your attention the Superintendent and the Executive shift the responsibility to you, for you alone have the power to remedy it. If this building should collapse, and any of the blind children should be hurt, which would necessarily happen, the people of the State would hold you responsible. This building should be repaired at once, or rebuilt, and the institution enlarged.

There are now in the White Blind Department :

| | |
|--------------|----|
| Males..... | 79 |
| Females..... | 74 |

| | |
|------------------------------------|-----|
| Total white, Blind Department..... | 153 |
|------------------------------------|-----|

There are in the Colored Department for the deaf and dumb and the blind :

| | |
|-------------------------|----|
| Colored deaf males..... | 47 |
| “ “ females..... | 42 |
| “ blind males..... | 38 |
| “ “ females..... | 33 |

| | |
|-------------------------------|-----|
| Total Colored Department..... | 160 |
|-------------------------------|-----|

| | |
|--|-----|
| Total enrollment in White and Colored Departments..... | 313 |
|--|-----|

| | |
|-------------------------------|-----|
| Admitted since last year..... | 122 |
|-------------------------------|-----|

| | |
|-------------------------|-----|
| Present enrollment..... | 231 |
|-------------------------|-----|

The present management ask for the following appropriations for improvements in the white and colored schools, viz.:

| | |
|--|----------|
| For assembly room, dining-room, boys' dormitory..... | \$22,000 |
| “ heating plant and industrial building..... | 10,000 |
| “ pianos, apparatus and machinery..... | 2,500 |

| | |
|---------------------------------|----------|
| Total for White Department..... | \$34,000 |
|---------------------------------|----------|

| | |
|-------------------------------------|----------|
| For land at Colored Department..... | \$ 2,500 |
|-------------------------------------|----------|

| | |
|--|--------|
| “ Completing projected buildings and erecting new wing for dormitory..... | 15,000 |
|--|--------|

| | |
|--|-------|
| “ Industrial building and heating plant..... | 5,000 |
|--|-------|

| | |
|--------------------------------|-----|
| “ Furniture and apparatus..... | 500 |
|--------------------------------|-----|

| | |
|-----------------------------------|----------|
| Total for Colored Department..... | \$23,000 |
|-----------------------------------|----------|

| | |
|---|----------|
| Total appropriation for white and colored, not including maintenance (annual appropriation)..... | \$57,000 |
|---|----------|

I would respectfully call your attention to the recommendation of the President of the Board of Trustees in regard to compulsory education for the blind children of the State. It is a matter of serious concern as to what is best for these afflicted children. Is it the duty of the State to educate them? If so, then the proposition of compulsory education should have your favorable consideration, and this institution should be enlarged so that every blind child in the State could be taught and their parents be compelled to send them to this school for at least one session a year. This class of children should not be allowed to grow up in ignorance and vice, but they should be sent to this school for their education in order to fit them for earning a livelihood, and if you would have them fitted for real citizenship, then they should be taught the practical lessons in the trades, and if possible be educated to an extent sufficient to enable them not only to become *bread-winners*, and not a burden and tax upon their own people, but to become good and useful citizens of the State.

While I am almost unwilling to recommend an increase in taxation during this period of depression in our State, still I feel that this institution should have the needed buildings recommended, in addition to the sum necessary for their maintenance.

COLORED ORPHAN ASYLUM.

The report from this institution shows that they have had a larger attendance than in previous years, and that the institution is doing better than ever before.

| | |
|-----------------------------|----|
| Children admitted..... | 29 |
| Helped to self-support..... | 2 |
| Died..... | 4 |
| Placed in homes..... | 9 |

| | |
|--|-------------|
| Now in the asylum..... | 105 |
| They received from the State last year. | \$ 3,000 00 |
| From Masonic Grand Lodge..... | 102 27 |
| From Grand United Order of O. F..... | 56 44 |
| From other sources in money and kind..... | 834 48 |
| | <hr/> |
| Total..... | \$3,993 19 |

The total cost of improvements for the year amounts to \$784.60. They evidently need, judging from this meager report, many improvements, and they ask for an increased appropriation in order that they may be better able to care for the colored orphan children of the State.

OXFORD ORPHAN ASYLUM.

This institution has failed to make a report. The State appropriates \$10,000 for the support of the orphan asylum, which is under the management of the Grand Lodge of Masons.

STATE INSTITUTIONS.

While our State institutions have been economically managed, I believe they can yet be made more so by the application of ordinary business principles to their management, by making them mutually assist each other, which would result in a still greater saving to the taxpayer.

The Penitentiary should raise all the vegetables and staple supplies as well as make all the clothing, shoes and hats for all the institutions; the blind asylum the brooms, harness and chairs, and the deaf mutes do all the State printing and binding. By expending comparatively a small amount in the purchase of a plant the deaf mutes

could do all the public printing and binding for the State, and save the taxpayers at least \$33,469.35 per annum, and at the same time open up a field of employment for the unfortunate objects of the State's charity.

JUVENILE REFORMATORY.

There seems to be a widespread desire for the erection of a juvenile reformatory, but I doubt the advisability or the wisdom of such a measure at this time, in the present depleted condition of the Treasury, and the constitutional inhibition which provides first for the self-sustenance of the Penitentiary. Until such time as the Penitentiary becomes absolutely self-supporting from year to year, I deem it inadvisable to undertake to establish a reformatory.

CHARITABLE AND PENAL INSTITUTIONS.

From the report of the State Board of Charities, which is before you, you will learn the condition in detail of the charitable and penal institutions of the State. I desire to call your attention to the faithful and gratuitous work of the gentlemen composing this board, and to ask that in future their services be compensated as far as they deserve. The State should not expect some of its citizens to give their services gratuitously and compensate others for a like labor. I have had frequently to apply to this board for necessary information in regard to the condition of county jails, workhouses, &c. The desired information has been furnished promptly and accurately in every instance. I keep a copy of the report convenient at hand, and have learned to look upon it as a necessary adjunct of my bureau of valuable information.

NORTH CAROLINA STATE FIREMAN'S ASSOCIATION.

In 1891 this association was established in order to create a relief fund for disabled firemen belonging to the North Carolina Fireman's Association, and an appropriation of \$2,500 was made annually, but in no case shall said appropriation exceed one-half of the biennial tax levied and collected by the State from insurance companies.

The State has contributed in all to this fund \$5,765, and there is now in the Treasury \$4,189.84. As this is enough to last that association for a few years to come, I recommend that the appropriation be discontinued, not otherwise interfered with, but allowed to exist until their necessities compel them to ask further aid from the State.

STATE BOARD OF HEALTH.

This report shows that there has been no widespread epidemic of any disease, and the people have enjoyed excellent health throughout the State. Not a single case of small-pox has occurred within our borders. Much work has been done by the distribution of health pamphlets. Nearly 30,000 copies of instructions for "Quarantine and Disinfection" "Prevention of Tuberculosis," and "Drinking Water in its Relation to Malarial Diseases" and 20,000 copies of the "Importance of Disinfecting the Bowel Discharges in Typhoid Fever" have been distributed free to the people. Two health conferences have been held, one at Washington on November 6, 1895, and one at Charlotte, October 15, 1896. The board has had analyzed many of our public waters at its own expense. The result showed the wisdom of their action, as five supplies were reported infected with intestinal bacilli and three as suspicious. The board had no power to enforce by law any course of action in such matters, but threatening to publish

in the local papers the condition of the water had a good effect and has been apparently beneficial to these localities.

The matter of water-supply is the most important subject for our cities and towns, and I recommend that where public water is furnished in town pumps or otherwise the power be given the board by law to compel the municipal authorities to clean these wells, and if necessary have them closed, and compel the authorities to seek a good water-supply for its citizens for drinking purposes. Good water is the greatest essential of health, and, in my judgment, the lack of it the cause of so much fever in some localities. The State appropriates to the Board of Health the small sum of \$2,000. I am satisfied no money appropriated is productive of more good.

QUARANTINE REGULATION AGAINST SPLENETIC OR SOUTHERN
FEVER.

Under a law passed by the United States Government, no cattle from this State, or south or west from the northern boundary of Texas, Indian Territory, Arkansas and part of Tennessee in the west, can be shipped to points north or west of a line beginning at the northern boundary of Alleghany county in this State, running thence northeast along the summit of the Blue Ridge to the southern boundary of Bedford county, thence following the southern and eastern boundary of said county to James River, thence following the James River to the southeast corner of Charles City county, thence northeast to the Atlantic ocean, from February 15th to November 15th of each year, except for immediate slaughter, and then only after having been quarantined, on account of what is known as splenetic or Southern fever, except from counties in this State west of a line drawn from the southeast corner of

Transylvania county north, following the summit of the Blue Ridge to the eastern point of Alleghany county. This latter territory is considered to be free from such fever on account of altitude.

This law works a great hardship on the people east of the Ridge who are in the cattle business, and even upon those west of the Ridge, for cattle shipped must not be taken from the cars except when driven into pens provided for the purpose in which no infected cattle have ever been.

The theory of this fever is that it exists wherever the tick is found, (whether it does or not,) and that no pure-bred cattle can come in contact with or even cross the track of such other cattle without taking this fever; therefore the tick must be exterminated before our cattle will be considered in any portion of the State free from quarantine.

Our present quarantine laws are inadequate, according to the Secretary of Agriculture, in order for us to have a modified line, as in the State of Virginia. I recommend, therefore, that such quarantine laws be enacted as will enable us to have this modified line and the territory therein free from quarantine, so that the piedmont section of the State may be placed in the uninfected district and protected from shipment of infected cattle, except by the regulation prescribed by the government. Said line to begin at east corner of Mecklenburg county, running north to the east corner of Cabarrus, thence east to west border of Chatham county, thence north to the Virginia line, thence west to the Blue Ridge. I requested this modification from the Secretary of Agriculture last fall, but was refused. It would take pages to explain fully what kind of laws should be passed. I recommend that a law similar to the Virginia law be enacted, placing the matter of quarantine under the control of the State Board of Agri-

culture, so that if infected cattle should be found in the exempted district they will have the power to change the line when the Legislature is not in session. I have all the information on this subject necessary, and will furnish it with pleasure to any legislative committee. The present law prevents a North Carolinian from selling any kind of cattle north or west of this line, except for immediate slaughter, and then only after having been penned and fumigated with Southern cattle having this fever. I am informed by cattle dealers in Richmond that this present law costs the cattle dealers in this State thousands of dollars each year, for quarantined cattle sell from one to three cents less per pound after having been in these pens. Pure-bred cattle cannot be sold north of this line for breeding purposes. I understand from the pure-bred cattle dealers that there is a demand for such cattle in the North, on account of tuberculosis in the northern cattle. This cattle industry is increasing each year in North Carolina, and I trust you will pass laws immediately to protect them in this industry.

STATE BOUNDARY LINE.

In 1895 there was considerable controversy over the boundary line between Mecklenburg county in Virginia and the counties of Warren, Vance, and Granville in this State, (which was referred to in my last message,) so that the Governor of Virginia under special act of the Legislature appointed two commissioners, Messrs. S. P. Read and I. W. Hendrick, and requested me to appoint two commissioners on the part of this State, with engineer, etc., to run and mark this line. I appointed Mr. R. W. Alston, of Warren county, and Mr. R. O. Gregory, of Granville county, under Chapter 475, Laws 1889.

The commissioners proceeded to the line in question,

and, accepting a traditional starting point, began the survey, when it was discovered that there was such a departure from the original and accepted line, this State being the loser, and as they proceeded further west the area increasing, it was decided that the matter should be referred to me.

After considering the matter carefully, and being informed that the only absolutely certain point which could be determined was the point on the Nottoway River fixed by the commissioners in a survey in 1887 by Greenleaf and Howard, for the protection of this State I instructed our commissioners, agreeable to the commissioners of Virginia, to go to this point on Nottoway River and survey the line in order to get a true starting point in Mecklenburg county. This line was run after much difficulty and at considerable expense up to the point in Mecklenburg county. Here our commissioners were joined by the Virginia commissioners, who accepted the starting point thus gained.

This line from Nottoway River should be marked permanently by the two States and fixed as the State line. In these sixty-two miles North Carolina would gain 386 acres of land and about \$7,000 worth of other taxable property.

The expense of running this line was paid by the State of North Carolina. From Warren county the line in dispute was run and marked at intervals of five miles each with granite monuments. The total cost was \$2,386, one-half of this amount, \$1,193.17, being charged to the State of Virginia.

On August 4th I wrote the Governor of Virginia, sending him reports of the survey and duplicate map, as furnished me by the engineer, with an account of one-half of the total expenses, requesting payment on the part of Virginia, but to this date I have received no information

whether or not he will accept the report of his commissioners, pay Virginia's half of this bill and issue his proclamation defining this line. When such is done the Governor of North Carolina can then join with him in this proclamation establishing this survey and fixing this as the State line between the States. There was a gain of only 90 acres in this survey to the State, which shows how accurately the survey was made. Our commissioners report, however, that if this line had been extended four miles further west the town of Virgilina would have been thrown into North Carolina. It might be well for the State to have this line definitely settled from Nottoway River to the extreme west. It would be expensive, but would settle the matter for all time, and prevent those living along the line from changing their residence at will and listing their property in whichever State suits their convenience.

OYSTER LAW.

From the Treasurer's report it appears the revenues from this source have not been sufficient to defray the expenses of protecting our oyster waters. The State's steamer has not been called into requisition, though at all times ready for service. As there have been no depredations, possibly her presence has been all sufficient to keep out the pirates. But unquestionably all former oyster laws have been failures, and I trust the present body will succeed in enacting one that will protect our waters and do justice to our citizens. The State's steamer "Lillie" will be turned over in quite as good if not better condition than when purchased.

MINING LAW.

On December 19, 1895, there occurred an accident at the Cumnock Coal Mines in Chatham county that arose to the height of a public calamity. In addition to the serious injury to the mine, thirty-eight operatives lost their lives, leaving their destitute widows and orphans appealing strongly to the sympathies of our people. This deplorable event has drawn attention to the fact that as yet our General Assembly has taken no steps toward the regulation of mines in this State. The remedies of the common law are not adequate for the proper protection of either the property owners or of the operatives. Other States have adopted definite rules touching the management of the various kinds of mines.

I desire to call your attention to this subject, and to suggest that a careful examination of the regulations adopted in other States might properly be made with a view of preparing such laws as will tend to the development of the mineral interests of the State, and at the same time afford a just and proper protection to life and property.

TENNESSEE CENTENNIAL.

I have been requested by the Director General to inform you that Tennessee will celebrate the one hundredth anniversary of her admission into the Union as a State by holding an exposition which will open May 1, 1897.

North Carolina has been invited to participate in the celebration, and as Tennessee was a part of North Carolina, and she is, so to speak, the child of this State, I earnestly recommend that this State be fittingly represented at this exposition, which is the first of the kind ever held in America, and is an enterprise of patriotism, an exposi-

tion of a State, interstate, national and international. The national government has appropriated \$130,000 for this object. Some of the States made appropriations.

| | |
|-------------------|----------|
| Rhode Island..... | \$10,000 |
| Ohio..... | \$10,000 |

Pennsylvania will make an exhibit, and other States. Some of the States will erect buildings on the grounds, but I am of the opinion that a small appropriation, authorizing the Board of Agriculture to use the exhibit of the State, or duplicates thereof, now in the museum, would be more advantageous to North Carolina. I merely call this matter to your attention for such action as you may deem wise and for the advantage of the State.

PARDONS.

A full report of all cases of pardons, reprieves and commutations granted will be found appended to this report.

In no case have I granted a pardon or commuted a sentence without full and careful investigation that would warrant me in the exercise of clemency. Although in some few instances the pardoned convict has returned quite expeditiously at the central prison, I have no cause for regret that I pardoned him, having the satisfaction of knowing that his case was thoroughly investigated and that under similar circumstances a pardon would be granted others. It has not been the custom to keep the number of pardons within certain limits, but to consider every case carefully and to use the constitutional power given the Executive with the utmost care, but never abuse it. Our prisons collectively now contain a larger number of convicts than at any previous time. As we grow in population crime seems to increase in even greater propor-

tion. I feel it my duty to call your attention to the great inequality of sentences growing out of the present method of administering our criminal laws. The present system of having a fixed sentence for each offence, without regard to the age or character of the offender or to the degree of his criminality, is a relic of barbarism. Under this system it frequently happens that the young are sentenced for a long term because they were poorly defended or there was a vigorous prosecution, while the hardened criminal, tried in another county, receives a short term for the same offence because he happens to be well defended or there is a weak prosecution. As each case is tried by a different jury it is impossible to have system or regularity about it. In the great number of applications for pardon my attention is frequently called to the fact that boys, not yet 20, are sentenced to the same long terms, while old, hardened and dangerous criminals get the shortest terms and are soon turned loose upon society. As it is now, all are turned out of the prison without reference to their ability to take care of themselves. It is difficult for a man to get work who has *not* been in prison, and it is infinitely more so for one who has been. If he tells where his last work was done, he is invited to move on. Knowing what the result of the truth will be, he begins life anew with a lie. Thus no doubt many desperate criminals are made. For this reason I have declined to give to the public the records of the pardons issued from this office, believing that with the pardon punishment should cease to be inflicted.

| | |
|--|-----|
| Total number of pardons granted for the last two years | |
| was..... | 126 |
| Commutations..... | 15 |
| Reprieves..... | 2 |

| | |
|---|-----|
| Total number of pardons, commutations and reprieves..... | 143 |
|---|-----|

Of the pardons granted seventy one were pardoned from the Penitentiary, twenty-five from county jails whose terms were one year and over, and twenty-five whose terms were less; five were relieved of fines. Of the total number pardoned fifty-eight were pardoned on account of bad health, and their condition in county jails and the Penitentiary, always upon the certificate of a physician. Of the commutations six were commuted from the death sentence to the Penitentiary for life; the rest, for the most part, were changes in trivial cases. The reprieves were granted simply in order to give time for more thorough investigation.

SALARIES AND FEES.

In obedience to Chapter 424, Laws 1894, I report the following salaries paid by the Executive Department:

| | |
|---|--------------------|
| Elias Carr, Governor..... | \$3,000 per annum. |
| S. F. Telfair, Private Secretary..... | 1,200 " " |
| Charles L. Hinton, Executive Clerk..... | 600 " " |
| Austin Dunston, employee..... | 1 per day. |

Expenses of Executive Department
for rewards and returning fugitives
from justice:

| | |
|---|------------|
| For 1895..... | \$3,045 24 |
| For 1896..... | 4,300 37 |
| Amount collected by Private Secretary and paid into the Treasury for two years for fees and seal tax..... | 2,852 87 |

DEATH OF STATE AND EX-STATE OFFICERS.

In loyalty to an associate in the Executive Department during my term of office it becomes a sad duty to recall the death of the late Secretary of State, Hon. Octavius Coke. But it is a pleasure to express appreciation of the faithful and efficient discharge of the high trust committed to him by the people. Captain Coke was a great-hearted, high-minded man, in cordial feeling with the people who honored him, and worthy of honorable memory as a capable officer and eminent public servant among his countrymen.

Very recently death has removed from us another citizen "who has done some service to the State," Hon. Sidney M. Finger, the distinguished Superintendent of Public Instruction under the last administration. His zealous and persistent labors for the advancement of the great cause of popular education achieved notable success during his term of service, and entitles him to the lasting remembrance of the people of the State. Major Finger was a safe, sound, strong man, zealous in every good word and work, a patriotic, public-spirited citizen, a dignified and honest official, loyal to his State and people. I desire to honor his memory.

In transmitting my last message to the General Assembly, my regard for the best type of citizenship and appreciation of eminent service to the State constrains an allusion to the great work and high character of my distinguished predecessor in the office of Governor. I deem it the simple truth that in the death of Governor Thomas M. Holt the State suffered a very great if not an irreparable loss. No citizen of the State for a generation

illustrated more of the qualities of an all-round man, good and strong at every point. He was broad-gauged and practical too, an earnest partisan and a noble patriot, a true friend of all the people, wealthy and powerful, yet simple and plain as the common people, who always had his intelligent and active sympathy. No man in this high office has surpassed him in good judgment and fine executive talent. Governor Holt was a wise man, the best type of the patriotic citizen, a fine Chief Executive. His peer in the capacity for doing good, and in the eminent service he did for the people of his beloved North Carolina, may not be found in a generation.

CONCLUSION.

Supposing that the Senators and Representatives, absorbed with their personal affairs up to the hour of leaving home, might arrive here without detailed information as to the affairs of the State government, I have attempted to render you some service by placing these matters before you with such plainness as would enable you to proceed with your work without delay, it being my object to furnish you with information in regard to the resources of the State's revenues and manner of expenditures for the past two years, the conditions and needs of the charitable and penal institutions, and the reports from the various departments of the State.

I desire to call your attention also to recommendations contained in my last message to the General Assembly, and to renew the same to you.

It gives me pleasure to testify to the faithfulness with which all the State officers, members of the various boards and commissioners, with rare exceptions, have discharged the duties imposed upon them.

To the people of North Carolina and their representa-

tives I desire to express my sense of obligation for their kindness and forbearance during my administration of the affairs of this, the highest office in the State. It is a great honor to be the Chief Executive of such a people ; and while my relations with the people in public and private life have always been pleasant, still, at times, the responsibilities of the office have been onerous, oftentimes perplexing, yet I have the proud consciousness of knowing I have never evaded a duty or imposed upon another a responsibility which I should assume myself, and I retire to private citizenship without any regrets.

The administration of the State government by the Democratic party for the past twenty years is now behind you. It is a grand record of great achievements for the upbuilding of this Commonwealth and the promotion of the interests of the entire people. With my administration closes the series beginning under the illustrious Vance and continuing through the wise and economic administrations of Governors Jarvis, Scales, Fowle and Holt. The party retires from the administration of the affairs of the State through the executives and other officers, feeling that North Carolina has had a series of years of good government, economically administered, which challenges comparison. Gentlemen of the General Assembly, you have been sent here to legislate for the good of the entire people of this State, and while a majority of you differ from me in a political sense, yet I am sure you will join me in expressing the hope that your deliberations may be wise, your term of service as a representative of the people pleasant, and the results of your legislation beneficial to the best interests of the State.

ELIAS CARR,

Governor of North Carolina.

