

BIENNIAL MESSAGE

OF

GOVERNOR WILLIAM M. STONE

TO THE

ELEVENTH GENERAL ASSEMBLY

OF THE

STATE OF IOWA.

DES MOINES:
F. W. PALMER, STATE PRINTER.
1866.

GOVERNOR'S MESSAGE.

STATE OF IOWA, EXECUTIVE OFFICE,
DES MOINES, January 8th, 1866. }

Gentlemen of the Senate and House of Representatives:

As the chosen representatives of the people, you are convened in obedience to the requirements of the Constitution, to discharge the important duties which devolve upon the Legislative branch of the State Government, and I heartily congratulate you upon the encouraging auspices under which we meet. From a condition of disastrous and protracted war, existing at the close of your last session, the country has triumphantly passed to a period of repose which, through wise counsels and the continued blessing of Providence, we fondly hope may become perpetual.

In communicating to you the condition of the State, as required by the Constitution, I deem it expedient for your information to present, in connection with the financial statement, an exhibit of our military expenditures from the beginning of the war to the present time. And I may be allowed to anticipate this exhibit with the remark that, considering the sparseness of our settlements, the absence of steamboat and railroad facilities, largely supplied by wagon transportation, and that, in proportion to our population, we have furnished a larger number of troops than any other State, promptly filling all our quotas, our record presents through the entire period an economy of expenditure equalled by no other State in the Union.

There was expended for military purposes from

May, 1861, to Nov. 4, 1861.....	\$233,568 43
Nov. 4, 1861, to Nov. 2, 1863.....	639,163 85
Nov. 2, 1863, to Nov. 4, 1865.....	169,231 00
Nov. 4, 1865, to Jan. 1, 1866.....	4,047 71

These dates express the periods within which the above sums

were paid, but not when they were actually incurred. The amount incurred from Jan. 14, 1864, to Jan. 1, 1866, is \$44,931.32. Total military expenditures for all purposes up to January 1, 1866, are \$1,046,735.99.

It will be observed that most of these expenditures were incurred during the period beginning with the war and closing with the fiscal year 1863. This was caused by our being compelled, in order to facilitate the military operations of the General Government, to defray a large portion of the expenses incurred in enlisting, transporting, subsisting, quartering and paying the volunteer forces organized in this State. The sums thus expended were regarded merely as money advanced to the United States, for which, under the Acts of Congress approved respectively July 17th and 27th, 1861, we are entitled to reimbursement.

Although we have filled four several requisitions of the President for troops, and organized four regiments and one battalion, during the last two years, yet the entire cost to the State will not exceed one thousand dollars. While I was anxious that our State should promptly discharge its entire duty in contributing to the national defense, in the way of furnishing men, I refused to defray the expense involved in recruiting and forwarding our quotas from the State Treasury; and accordingly the expenditures thus made, were paid by disbursing officers assigned by the War Department. The residue of the expenditure of these two years was incurred in organizing the State Militia, under Act of the General Assembly approved March 26, 1864, transporting arms and ammunition, expense of the Adjutant General's Office, detail of men for protecting Southern border counties from threatened raids in the fall of 1864 and the winter of 1865, and for all other military purposes except the Sanitary Department.

CLAIMS AGAINST THE UNITED STATES.

I desire in this connection, as briefly as I can, to present the condition of our claims against the United States for reimbursement under the Acts of Congress above referred to. The sums embraced in these claims were mostly expended during the first and second years of the war from the War and Defense Fund appropriated by Act of the Special Session, May, 1861. The history

of our military transactions during this period is too well known to the members of your honorable body to require explanation here. The evidence is perfectly clear that these claims are for money unavoidably expended for legitimate military purposes; and also that they were allowed, audited and paid by the accounting and disbursing officers of the State, in strict conformity with the laws of the General Assembly. Upon this point there has never been any room for controversy, as the accounting officers of the United States Treasury freely concede. But the real difficulty between us arises from the fact, that, after a large share of these claims had been paid by the State in the utmost good faith, the Secretary of the U. S. Treasury adopted a set of regulations exceedingly technical and unreasonable in their character, by which the accounting officers of that department were required to be governed in examining the military claims of the several States. In the biennial message of my predecessor, under whose administration these transactions occurred, this conflict is fully explained as follows:

"There is due this State, from the United States, for expenses incurred by the State in raising and equipping troops, and sending them to the field, and for other purposes growing out of the rebellion, the estimated amount of \$300,000. There is much difficulty in procuring an adjustment of this claim at Washington. When these moneys were expended by the State, there was no law of Congress, or regulation of the Federal Government, prescribing the form in which proof of the expenditure should be taken; and the General Assembly of this State provided, by law, for such proofs and vouchers as were deemed sufficient, both for the protection of the State and the United States. Upon presentation of these proofs and vouchers to the proper Department at Washington, they are found not to comply, in form, with regulations since adopted by that Department; and it is doubtful whether they will be allowed without some legislation by Congress. Some portions of these expenditures, thus made, are also objected to as not coming within the letter of existing laws of the United States. Among these are the sums paid by the State for the subsistence and pay of the troops that went from this State to Missouri, at the request of the United States officers, under the command of Colonels EDWARDS and MORLEDGE.

"There is, also, an unsettled claim against the United States, for expenditures by the State, for the protection of our people during the two winters following the massacre on our north-western frontier, by Ink-pa-du-tah and his band. The United States are also, in my judgment, justly liable for the amounts expended by this State in protecting our people on the north-western and southern borders since the commencement of the rebellion. I recommend the appointment of an agent of the State to proceed to Washington to press the adjustment of these claims, and to secure, if necessary, additional legislation by Congress for that purpose."

I fully concur in the opinion that the United States is under obligation to reimburse this State for money expended in defending our frontiers from Indian depredations. The General Government having assumed exclusive jurisdiction over the Indian tribes, and being therefore responsible for their conduct, should willingly refund all money necessarily expended by this State in protecting its borders against their savage incursions. The claim for money expended in maintaining the Northern Border Brigade rests upon this ground. The organization of the Southern Brigade was rendered necessary, in the opinion of the General Assembly, to protect the border counties from the depredations of guerrilla bands existing in the adjacent State of Missouri. These expenditures, though constituting just claims against the United States, in the absence of any general law covering the case, will not probably be secured to us without further legislation by Congress. This matter is respectfully referred to your consideration.

In compliance with the provisions of Chapter 61, Acts of the last session, I visited Washington and found the military claims of the State in a very unsatisfactory condition. But little progress had been made in their examination, and, under the regulations above referred to, most of them were necessarily suspended as the examination advanced. I pointed out the gross hardship of these regulations to the Secretary of the Treasury, and repeatedly solicited their modification, so as to make them conform to the laws of this State, under which our claims were allowed and paid. Failing in this, I presented the matter to the President, who readily perceived their injustice, and gave his opinion to the Third Auditor of the Treasury, that, under the circumstances, they should not be rigorously applied in the examination of the Iowa Claims.

Although this opinion was freely expressed by the President, yet he declined to make any positive order for the modification of these rules, on the ground that the subject was within the peculiar province of the Secretary of the Treasury. Repeated efforts have been made by myself and others for a suspension or change of the regulations mentioned, so as to procure a favorable examination of our claims, but so far the labor has been unavailing.

On the 1st of October last I was advised by the Third Auditor that the preliminary examination of the Iowa claims had been concluded, and a "statement of differences" forwarded. From this statement, now in the Executive office, it appears that the total amount of Iowa claims on file in the Treasury Department is about \$616,739.07. Of this amount, \$20,825.00 have been allowed; \$430,326.70 suspended, and \$165,589.23 disallowed.

To have a full understanding of the subject, it will be necessary to bear in mind that this total of \$616,739.07 embraces the entire amount of our Military expenditures for a given period, including expenses of the Adjutant-General's Office, Governor's Aids, interest on money borrowed, State Agents, duplicate payments to troops, &c., which do not come within the provisions of the Acts of Congress, and for which we cannot reasonably expect reimbursement. This class of claims amounts in the aggregate to \$165,589.23, stated as disallowed. The sum of \$430,326.70, stated as suspended, is money legitimately paid on behalf of the United States in recruiting and getting troops into the field. This sum has been merely suspended for want of the technical proofs required by the Treasury regulations above referred to, and is subject to re-examination and allowance. This is the entire amount in dispute between the State and the General Government under the Acts of July, 1861.

Upon this claim the United States is entitled to credit for \$384,274.80, being the quota of the direct Federal tax apportioned for the year 1861. to this State by the Act of Congress approved August 5, 1861, the assessment and collection of which the State assumed by Act of the General Assembly, approved January 31, 1862, and also to the further sum of \$100,000.00 paid the State from the United States Treasury, in advance of settlement on our military disbursements specified above—making a total credit of \$484,274.80.

Subsequent levies of this direct tax upon the States were abolished by Act of Congress, approved June 30, 1864, but leaving them still liable for the apportionment of 1861. Section 53 of the Act of August 5, 1861, and the Act amendatory thereto, approved May 13, 1862 provide in substance for allowing such portion of this tax, due from any State, to be paid and satisfied in whole or in part by the release of such State, duly executed, to the United States of any liquidated and determined claim of such State for reimbursement of expenses incurred in enrolling, subsisting, transporting, &c., troops employed in aiding to suppress the rebellion, as should be filed with the proper officers of the United States before the 30th of July 1862. The bulk of the military claims of this State was duly filed in the Treasury Department within the time thus limited, but not having been "liquidated and determined" by its accounting officers, no release has or could have been executed.

All the money derived to the State Treasury from the levy imposed by the Act of January 31st, 1862, has been absorbed in the redemption of warrants issued upon these War and Defense Claims, and was, therefore, a virtual payment of them out of funds belonging to the United States, being sufficient as will be perceived with the \$100,000.00 advanced to the State to more than cover the entire amount of our suspended demands against them.

Under these circumstances, I have determined to hold these unadjusted claims as an offset to this direct tax, unless otherwise directed by the General Assembly. This course I have considered necessary to protect the interests of the State from what I am constrained to regard as exceedingly disingenuous conduct on the part of the Treasury Department towards us. By pursuing this course, but little detriment can result to the State from the suspension of our claims. But as a final adjustment is desirable for both parties, steps should be taken to procure it without unnecessary delay; and I therefore recommend the appointment of a special committee to investigate the subject, and report a definite and practicable plan for securing a settlement.

FINANCE AND REVENUE.

Our financial affairs were never in a sounder condition. During

the entire period of the war we have levied but two mills on the dollar for State purposes; and have incurred an indebtedness of only \$300,000, which was for military expenditures during the first year of the war. The total amount received in the Treasury during the fiscal two years ending November 4, 1865, was \$977,825.10; and the amount expended for all purposes for the same period is \$952,739.42, leaving a balance in the Treasury of \$25,087.68.

The total amount of State Revenue derivable from general levy at two mills, and other sources for the ensuing biennial period, excluding the estimated balance due from the United States Government, may be calculated at \$1,311,002.87.

The total disbursements required for the same period for ordinary purposes, including payment of bonds (\$200,000) due in 1868, may be estimated with approximate accuracy at \$794,923.65, leaving a balance of \$516,079.22 in favor of resources, from which to make such special appropriations as the General Assembly shall deem expedient.

The entire debt of the State is only \$622,295.75, consisting of \$122,295.75 loaned from the Permanent School Fund, November 12th, 1864, loan of \$200,000.00, payable January 1868, and \$300,000.00 War and Defense Bonds.

The amount loaned from the School Fund is, practically, so much borrowed from ourselves, and is only a method resorted to for the permanent investment of that fund. The interest on this loan is due semi-annually; but the principal is payable at the pleasure of the General Assembly; leaving only \$500,000.00 as the actual indebtedness of the State. The \$200,000.00 due January 1st, 1868, may be promptly met from present resources. The remaining \$300,000 are not due until 1881.

This record of economy and exemption from indebtedness is a subject of profound satisfaction to our people.

The annual interest on the bonds of 1858 amounts to \$14,000; and, to curtail this expenditure as far as possible, I recommend the passage of an act authorizing the State Treasurer to redeem these bonds as he may be able to secure them, out of money in the Treasury not required for other purposes.

Our laws regulating the assessment and collection of taxes, though possibly defective in some respects, have in the main been eminently successful. Careful observation has satisfied me that

any attempt to improve the present revenue system by additional legislation would be an experiment of doubtful expediency.

POPULATION.

The population of Iowa, according to the Census of 1863, was as follows:

Total number of whites.....	700,842
Total number of blacks.....	1,320

Total population.....	702,162
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According to the Census of 1865, the population of Iowa is as follows:

Total number of whites.....	751,125
Total number of blacks.....	3,607

Total population.....	754,732
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No report for 1865 from the populous county of Winneshiek has been furnished, and the return for 1863 being taken for this county, a heavy increase is thereby omitted in the above calculation. The Census of 1865 also having been taken in the early portion of the year, the spring and fall immigration is necessarily left out. In all probability there are now over 20,000 people, residents of Iowa, not included for these reasons in the above statement, which would give an actual population of about 775,000. It will be observed that our increase has been much greater during the last two years than the former periods. If the increase continues in the same ratio during the residue of this decade, we may justly anticipate the next National census will give us a population of nearly one million.

It is observable that the ratio of our increase keeps pace with the advance of railroad enterprises, furnishing, as they do, increased facilities for traveling, and additional means for improving and developing the resources of the State.

The large amount of unoccupied and fertile lands within our borders, our vast agricultural resources, and our healthy climate, furnish so great inducements to the surplus and enterprising population of the older States, that we may reasonably expect this rapid increase of population to continue for years to come.

SCHOOLS.

By reference to the clear and comprehensive report of the Superintendent of Public Instruction, it will be observed that the schools of the State are in a healthy and flourishing condition. The system is working well, and is so far perfected as to require but little additional legislation.

The average attendance of pupils during the year 1864 was 117,378, and the number of youth of school age, 294,912. Out of 324,338 enumerated school children in 1865 there was an average attendance of 119,593 pupils.

Nothing committed to your care is more far-reaching in its importance than the education of our youth. To carry out this exalted duty successfully, we need not only the munificent school fund at our disposal, but we need especially an increasing corps of thoroughly trained and competent teachers. This is manifestly a great educational demand.

To supply this pressing want, a Normal Department has been added to the State University; but it is questionable whether this provision is or can well be adequate to the purpose. I would therefore most earnestly invite your attention to the importance and necessity of establishing a special school for the exclusive purpose of training teachers, with as little delay as possible. The value of special preparation for all professional avocations cannot be easily over-estimated, and should certainly not be disregarded in the infinitely important work of educating the young. I therefore cordially approve and recommend to your favorable consideration the suggestions of the Superintendent of Public Instruction, bearing on the subject of a Normal School.

STATE UNIVERSITY.

The State University, located at Iowa City, is meeting with a most gratifying success. The present year opens with a largely increased attendance in all the departments. Established by the Constitution, munificently endowed by grants of lands, centrally situated in the midst of a cultivated and enterprising community, with the growing confidence of our people, and conducted by a faculty of laboring and competent professors; it bids fair in time

to equal in usefulness and renown the famed seats of learning in the older States.

An appropriation was made at your last session for the erection of an additional and much-needed building. Owing to the unexpected and rapid advance in the price of material and labor, a further appropriation of about \$11,000 will be necessary to complete the structure as designed, which I earnestly recommend be granted. The wants of this important institution should always be promptly provided for.

A University is properly an institution in which all departments of learning are taught. A branch for instruction in the science of medicine is now established at Keokuk. In order to obviate the necessity our young men are now under of going out of the State to pursue a regular course of studies in jurisprudence, and to promote sound legal learning, I recommend the organization of a Law Department, with power to confer diplomas upon graduates which shall entitle their possessors to practice in all the Courts of the State.

While in some respects it would be desirable to have the Law School, when established, located at the same place with the collegiate department of the University, yet the fact that the United States and State Supreme Courts, attracting at regular periods the most eminent legal talent of the State, sit at Des Moines, and that the State Law Library, a valuable auxiliary to a Law School, is also located there, present peculiarly strong reasons for the location of this school at the Capital. Law students will naturally seek Court centers, where, while studying the principles of law, they can also observe its practical workings in the conduct of causes.

PERMANENT SCHOOL FUND.

The Auditor in his able report has called your attention to the present condition of the permanent School Fund. This subject should receive your early and serious attention. The plan originally adopted of distributing this fund among the counties, vesting the school fund commissioners with authority to loan it out to individuals, always of doubtful expediency, has caused much embarrassment, and resulted in a material diminution of the fund. Through the incompetency and mismanagement of county officers a large amount remains unaccounted for, and although

strenuous efforts have been made by the Auditor of State to obtain a satisfactory adjustment of the accounts, great discrepancies still exist in many instances between the sums charged to counties and the amounts accounted for in their returns. Unless a careful settlement can be obtained with those delinquent counties, and the remedies against them strictly enforced, the ultimate loss to the School Fund will amount to many thousands of dollars.

The last General Assembly, by the Act approved March 29, 1864, attempted to provide for the gradual return of the School money to the State Treasury; but this act leaves it discretionary with the County Supervisors to retain and reloan it in their counties, or direct it to the State Treasurer for the purpose of being invested in U. S. Stocks, as they may deem advisable. If it should be considered expedient to withdraw this fund entirely from the counties, and invest it in safe and available securities, it will be necessary to modify the 2d section of this Act, and make it obligatory upon County Treasurers to transmit this fund promptly as received to the Treasurer of State for investment. I cordially recommend to you the suggestions of the Auditor, whose opportunities for thoroughly understanding this subject entitle his views to great weight.

Our Constitution makes the State the responsible and perpetual guardian of this fund, ultimately liable for every dollar which passes through its hands. From this liability the State cannot absolve itself; and, the people being subject to taxation for all losses which may occur, the importance of carefully guarding and preserving this fund by efficient legislative enactment is apparent. The educational interests of the State, and the success of our common schools depend upon it; and therefore this duty must at all hazards be faithfully performed.

It should be borne in mind that the principal constitutes the permanent and inexhaustible fund, while only the interest derived from its investment creates the semi-annual fund distributed among the schools of the State for their current support. No mode of investment or rate of interest is prescribed by the Constitution. This matter is left to the sound judgment of the Legislative department. We may loan it out to individuals as we have heretofore done, or invest it in bonds either State or National. I am decidedly of the opinion that it would be advisable to require

the whole of this fund, now floating among the counties, to be returned to the State Treasury as soon as practicable, and so invested as to render the interest promptly receivable for appropriation among the schools.

Would it not be judicious to redeem our outstanding State bonds with this fund, executing in lieu thereof, bonds bearing the same rate of interest, payable semi-annually to the School Fund, and the principal redeemable at the pleasure of the General Assembly? We are now paying an annual interest of \$85,000 upon our bonded debt, and the most of this goes into the pockets of non-resident holders. By adopting the plan here suggested we could, within a reasonable time, liquidate our entire indebtedness, by transferring it to ourselves, paying the Schools of the State instead of strangers, the interest accruing thereon; and at the same time make a safe and permanent investment of this sacred fund. I can perceive no sound objection to this measure, and its importance is so obvious that I trust it will meet with your early and favorable consideration.

AGRICULTURAL COLLEGE.

The completion of the Agricultural College is a subject which demands your early attention. By the Act of Congress under which we obtained this rich endowment of lands for the benefit of Agriculture and the Mechanic Arts, the State is required within five years from the date of the grant, to provide at least one College as described in said Act. If we fail to comply with this condition, the lands thus granted will revert to the United States. To lose this magnificent donation by our own neglect or parsimony, after having accepted it, would not only reflect lasting disgrace upon the State, but would be an irretrievable injury to the advancement of our agricultural interests. The primary object of this grant is to establish an experimental and model farm where all the fruits and cereals adapted to our climate and soil may be thoroughly and scientifically tested. The object of the College, as contemplated by the law, is to teach the different sciences which are necessary to more eminently qualify our young men for this ennobling avocation. Such is the character of our climate and soil that agriculture will not only be a profitable pursuit, but must, in the very

nature of things, forever constitute the great underlying interest of the State. Therefore, the necessity of providing an institution for the proper education of our young farmers in all those branches applicable to their calling is so obvious, that I trust you will not, as the legal guardians of this projected institution, hesitate to freely give it your fostering care.

As required by the Act of the last session, the Board of Trustees, after careful and due examination, adopted a plan and specifications for a College building. In addition to this the Board secured sworn estimates by architects and master-workmen of the cost of the building according to the plan submitted. The proof so furnished satisfied the Board and myself that the structure thus designed could be completed within the limits prescribed by the Act.

The work was begun in the utmost good faith; but the estimate of expenses being based upon prices prevailing at the time our calculations, were to a great extent, frustrated in consequence of the unexpected and exorbitant advance in the prices of materials and mechanical labor. The foundation is completed and ready for the walls, and a large portion of the brick for the entire building on the ground. The appropriation, it will be remembered, was but two-fifths of the limited cost of the structure. These facts are more fully explained in the memorial of the Board, which in due time will be presented for your consideration.

This building must be completed at all hazards, and I trust the General Assembly will not hesitate to make an appropriation adequate to accomplish the work within the time limited by the Grant. When completed upon the present plan, next to the Insane Asylum at Mt. Pleasant, it will be the finest edifice in the State; and will have been erected for a much smaller sum than the other States have expended upon their colleges under the same Grant.

I also recommend an appropriation of \$5,000 for the purpose of reliably testing, by means of an experimental orchard, the varieties of fruit best adapted to the soil and climate of this State, and for the purchase of additional heads of improved stock. These departments will be of immense practical value to the State, and can soon be made self-sustaining; and their utility depends very much upon their early introduction.

HISTORICAL SOCIETY.

The State Historical Society is one of the established institutions of the State, and its utility as a permanent repository of historical documents, relics and memorials will be increased from year to year. This institution should be liberally provided for. The interesting report of the curators herewith transmitted will furnish you with a satisfactory statement of its present condition and wants, and I respectfully and earnestly commend them to your attention.

CHARITABLE INSTITUTIONS.

The Charitable Institutions of the State demand your careful attention, and they should receive all needful and appropriate aid. The reports of the proper officers of the Insane, Blind, and Deaf and Dumb Asylums herewith submitted, will furnish you with all necessary information in regard to their financial affairs and general condition. They appear to have been both ably and economically managed. And it should be regarded as a matter of sincere gratification, that these institutions, in spite of the many embarrassments incident to their foundation and early growth, have steadily advanced in usefulness, and are now in an exceedingly flourishing condition. As our population increases, we may naturally expect a corresponding augmentation in the number of our unfortunate fellow-citizens who will require treatment and education in these different institutions, and it becomes our solemn duty to render them fully adequate to the increasing demands of the State.

The law requires the expense of supporting patients at the Insane Asylum to be paid either from private means or by the counties from which they are sent. Great inconvenience results from the tardiness with which many counties return their dues to the State Treasury, while some of them have wholly neglected this duty. The importance of promptly paying their dues should not be overlooked, as all deficiencies must be made up to the Asylum from the General State Fund.

The Trustees of the Asylums for the blind, deaf and dumb, and insane, present in their reports the proper financial statements, and ask appropriations for repairs, improvements and contingent

expenses deemed necessary to advance the utility and meet the increasing wants of their respective institutions, which I trust will be promptly and favorably considered.

STATE PENITENTIARY.

The Penitentiary at Fort Madison is one of the permanent and indispensable institutions of the State. It is, as yet, incomplete, and for years will need regular appropriations for current expenses not only, but large outlays for additions and improvements. It now has accommodations for 148 persons, and 14 additional cells in a short time will be ready for occupancy.

A warden's house, a clerk's office, a vault for the safe keeping of the records of the institution, and a building 104 by 40 feet for the purpose of a convict kitchen, dining hall, chapel and hospital are about completed.

The labor of the convicts has been leased at the rate of 40½ cents a day, per man, the contract having been made for 10 years from January 1st, 1865.

The Warden asks for appropriations to complete the yard wall, to construct a sewer from the south east corner of the yard to the river, to build a reservoir for water on the hill, for greater protection against fire, to put up fixtures for the purpose of warming and lighting the cells, which is now indifferently done, to enlarge the yard by moving the wall to the western limits of the prison grounds, to convert the west wing into cells, and for other important repairs and improvements, amounting in all to \$48,100.00.

The expediency of these appropriations is respectfully referred to your intelligent consideration. I earnestly urge upon you the importance of adequate security against fire by the means proposed in the Warden's Report, as no insurance can be effected; and of properly warming and lighting the cells of the convicts, so that the inmates can be rendered comfortable, and spend their leisure hours in reading.

I invite your attention to the Warden's Report, which will furnish you with a detailed statement of the receipts and disbursements of the Penitentiary, and suggest the appointment of a special committee to visit the institution, and report upon the propriety of the appropriations and improvements recommended. I take great

pleasure in saying that the affairs of the prison have been conducted with marked success in all the departments.

LAND GRANTS.

The elaborate and comprehensive report of the Register of the State Land Office, will present you the condition of the various land grants, which have been made by Congress at different times for the benefit of the State. It will be observed that many questions of an exceedingly complicated character have arisen from the conflicting claims of the parties interested in these several grants, the full and just determination of some of which may require judicial investigation. To settle these questions, however, so far as they can be settled by legislative action, will involve much thorough and patient labor. A large number of our citizens who have settled upon public lands in good faith under color of title, now find their homes jeopardized on account of claims insisted upon by corporations which have become the beneficiaries of those grants. These adverse claims, in most cases harshly insisted upon, will unless, some remedy is provided, ultimately cause great inconvenience and perhaps ruin to a large number of our enterprising and worthy settlers. It was evidently the intention of Congress in all these grants to preserve inviolate the rights of *bona fide* settlers, and allow them a fair opportunity to purchase at the minimum price. And the attempts now being made by these corporations to appropriate these lands against the rights of the settlers, are, in my judgment, a manifest departure from the spirit of the grants. I therefore earnestly recommend such legislation on your part, and resort to judicial tribunals, both of which I deem essential, as will speedily bring these conflicting interests to a full and final adjustment.

The difficulties existing in the adjustment of the Swamp Land claims in the Department at Washington are fully explained in the Register's report. I entertain the hope that these difficulties will be fully removed within a reasonable time, and that the counties will not be long delayed in procuring the allowance of their claims.

The law provides that where lands, afterwards proven to be Swamp lands, have been sold by the Government, the purchase money shall be refunded to the State, which goes to the benefit of the proper county. A large number of warrants for the indem-

nity money have been issued by the United States Treasury, and forwarded to this office. Some of these warrants, without coming into my personal possession, have been improperly and illegally applied by parties through whose hands they have passed, and the counties to which the warrants belong, have, up to this time, failed to receive their money. This matter is of so grave a character, that I deem it incumbent on me to call the early attention of the General Assembly to it, and I therefore ask for the immediate appointment of a joint committee to investigate the facts.

JUDICIAL SALARIES.

Your attention is specially invited to the subject of judicial salaries. Chapter 19, Acts of the Extra Session September, 1862, reduced the salaries of District Judges to \$1,300.00, and of the Supreme Judges to \$1,800.00. When this Act was adopted we were in the midst of the rebellion, liable to extraordinary outlays of money for an indefinite period, and the reduction of salaries was then regarded by the Legislature as an important measure in the general policy of retrenchment. The wisdom of such a measure, however, at any time, may be seriously questioned, especially in regard to judicial officers; for it should not be forgotten that upon the purity, ability and independence of the judiciary depends to a great extent our stability and strength as a nation. These essential qualifications cannot well be secured or continued by a system of compensation which is inadequate to the proper support of judicial officers. Those best qualified for the bench must, under the most favorable circumstances, make great pecuniary sacrifices in becoming judges. This reduction of salaries in its application to the District Judges took effect in January, 1863, with the commencement of the present terms, but in providing for the reduction of the salaries of the Supreme Judges "after the several terms of office of the present incumbents expire," it may well be doubted whether the act takes effect until the close of Justice Lowe's term in January, 1868, inasmuch as his is one of the "several terms which will not expire until that time. Otherwise the anomaly would be presented of paying some judges less compensation than others of the same grade, and for performing the same service. This the General Assembly clearly never intended,

and it may well be doubted whether they could have done so under the Constitution. This view is sustained by two of the Supreme Judges and the Attorney General, whose opinions will be found in the Auditor's report. If, therefore, it be correct that the salaries of these judges have not yet been affected by the operation of this law, the constitutional provision against changing the compensation of judges during the term for which they are elected, will not be contravened by its repeal, which would leave the salaries of all the Supreme Judges at \$2,000. But whatever view you may entertain as to the time of taking effect of this law, I trust you will perceive the expediency of its immediate repeal, as this cannot change the salaries of those now in office.

In my opinion the public interests would be clearly subserved by paying our District Judges \$2,000 a year, and those of the appellate tribunal \$2,500. A law increasing the salaries of District Judges would take effect in January, 1867, at which time the terms of the present incumbents will expire; but those of the Supreme Bench cannot be increased, if this view of the Constitution is sustained, until after all of the present terms shall have expired.

I recommend that you constitute the judges of the Supreme Court "Commissioners of Legal Inquiry" in place of those contemplated by section 2675 Rev. 1860, making it their duty at the close of each regular term to report fully to the Governor, and also to the General Assembly at each regular session, upon any discrepancies or imperfections in the general statutes and code of procedure. These duties should be made imperative, and compensation provided. This is not now the case, and as a consequence no report of Commissioners of Legal Inquiry has ever been submitted. The trust is one of such delicacy and responsibility, that it would be appropriate to confer it upon those who hold the highest judicial position in the State. In this way we will be gradually enabled to systematize and perfect our laws and code of practice, civil and criminal, at the same time that we raise the pay of the Supreme Bench by constitutional means to something near a proper compensatory standard.

RAIL-ROADS.

The successful development of the vast resources of this State,

and its consequent prosperity and wealth, are largely dependent upon the facilities offered by railway communication. To encourage and foster our Railroad enterprises by every feasible means, is manifestly the part of wisdom. The financial disorders through which the country has passed have crippled the means and retarded the progress of these enterprises in Iowa. Largely dependent for aid upon foreign capital, which is proverbially timid in regard to mode of investment, the difficulties incident to the construction of Railroads through this State will be readily appreciated. All the Railroads leading from the Mississippi River, with but one exception, have made an extension of their lines since your last session. New lines running from Missouri northerly through this State are now projected, and at least one of them is already in process of construction. The importance of a Railway connection with St. Louis by which the products of the Des Moines, Iowa and Cedar Valleys will find a cheaper and readier exit to market, than eastern lines are able to afford, is being duly comprehended in enterprising and intelligent commercial circles. Experience has already sufficiently demonstrated the incapacity of existing lines of Railroads for conveying our immense agricultural productions to the eastern markets. And it is also equally clear that, whatever may be the capacity of these eastern lines, their immoderate thirst for monopolizing the avenues of transportation, and their exorbitant charges for carrying stock and grain, render them formidable enemies to our agricultural prosperity. For this, the only permanent remedy is the establishment of competing lines. In this question the farmers of Iowa are deeply interested, and the time for prompt and decided measures upon their part has arrived. The projected Railway connecting us directly with St. Louis, and by this means affording us the advantage of navigation to the Ocean at all seasons, in spite of low water in summer and ice in winter, must be admitted as a commercial and agricultural necessity. Such a road leading up the Cedar Valley, and to St. Paul, would also bring us in more direct and certain connection with the pine regions of the North, enabling our rapidly increasing demands for lumber to be more readily and cheaply supplied.

But it is not to the East alone that we should look for our future commercial relations. Iowa occupies a central position, a pivotal point, between the Atlantic and Pacific coasts. The mountains and

the unproductive regions of the West must ultimately look to this State for a large portion of their agricultural supplies, while the Pacific States offer powerful inducements to our commercial enterprise. These vital considerations must not be disregarded.

Every rational calculation for the future urges the great importance of immediately seizing the opportunities now offered of securing these natural and invaluable tributaries to our commerce. Is it not of the highest importance, therefore, that we take immediate steps to secure the extension of the Union Branch of the Pacific Railroad through this State? The General Government has already given aid to the construction of one branch of this road through Kansas, and it is certainly not too much to expect that Congress would be equally generous towards this State. This road must inevitably become one of the important military lines of the Government, as intelligent statesmen will not fail to perceive. But space will not permit me to discuss the importance of this enterprise at greater length. I, therefore, most earnestly recommend that you address a joint memorial to Congress asking the proper aid for extending this road from its terminus on the Missouri River to some practicable point on the Des Moines where it can be united with one of the lines running eastward from that point.

MILITARY.

Without extending this communication much beyond the proper limits, it will be quite impossible to present even a general outline of our military history. The faithful services rendered during the late war by the troops from this State and their admirable conduct upon all occasions have furnished themes for abler pens than mine. Their fidelity and heroism have been often and appropriately acknowledged by the distinguished generals under whom they have served. It was their fortune to have borne a conspicuous part in all the renowned campaigns of the Western division of the army, bravely participating in its bloodiest and most decisive engagements. When the history of this great conflict shall have been fully and impartially written, it will contain no brighter pages than those upon which the achievements of Iowa soldiers are recorded. A State which before the war was scarcely known except as a patch upon the map of the Republic, to-day has a name calculated to excite becoming emotions in every manly and patriotic breast.

But the evidences of sorrow yet visible on every hand remind us that this good name has been earned at a fearful cost. Some of the brightest names which adorn the annals of the war are ours; and citizens of Iowa are numbered among the noblest of the fallen heroes.

Our average population during the war has not exceeded 700,000, and of this we have furnished *one ninth* to the national armies. The aggregate of the quotas assigned to this State, under all calls for the war since the first regiment was organized, being reckoned at their equivalents in three years' men, amount to 70,825, and the number claimed by us to have been furnished upon these quotas is 73,240. Not included in this statement are the First Regiment of Infantry, 962 men, furnished under the three months call of April, 1861, 12 two years' recruits, 3,689 one year recruits and 3,857 one hundred days' men, which last were a volunteer offering by the State, and independent of all calls, making a total aggregate of 78,059 men. These figures are not strictly accurate, but are as nearly so as they can be made from the data at our command. On account of discrepancies between the credits given by the War Department and our own records, much difficulty was experienced in obtaining proper credits for all that we claimed, but the accounts were finally so far adjusted in January, 1865, pending the previous December call, that, in consideration of our general promptness, and by special request, I procured a relinquishment of all further demands against the State under that and prior calls, although quite a number of the sub-districts were still delinquent.

By the Act of Congress passed in March, 1863, the enrollment of the national forces was made by sub-districts, consisting of townships and wards, and each sub-district thus designated was required to furnish the full amount of the quota assigned it, without reference to the county in which it was situated. The accounts of quotas and credits were kept, through the Provost Marshal's department, with sub-districts only, counties being disregarded. This was the method resorted to by the Government to compel each community to bear its own share of the common burden, in due proportion to its enrolled military strength. Many entertain the opinion that while the State was apparently in advance of all calls, a draft was ordered against it. This opinion is erroneous. But one draft was ever ordered for men in this State,

and this was under the July call of 1864, and in the delinquent sub-districts only. This being in accordance with the express requirement of the law, it was unavoidable while any ward or township was delinquent.

In this connection I deem it proper to state that, notwithstanding the grave differences of political opinions entertained, my efforts to procure enlistments under the several requisitions were, with rare exceptions, cheerfully and cordially seconded by the leading men of all parties. There were, however, on the other hand quite a number of inhabitants in different parts of the State, who, when the probabilities of compulsory enlistments became imminent, suddenly abandoned their homes and expatriated themselves. These persons should be known of all men, and held up to perpetual scorn. The citizen who, in the hour of his country's peril will flee beyond the reach of law to avoid the performance of military duty, is an unworthy subject of the government, and should be rendered forever incapable of enjoying the rights and privileges of citizenship.

During the last year of the war the regiments from this State being assigned to so many departments of the army, became dispersed over almost the entire theatre of military operations. This created the necessity of an increased amount of sanitary assistance, and imposed additional labor and responsibility upon the Executive department. Every practicable effort was made to secure proper attention to the wants of our sick and wounded soldiers, and, if any were neglected, it was in most cases because of their remote and isolated situation, or the misconduct of U. S. Surgeons and other government officers entirely beyond our reach. Of the \$40,000 appropriated at the last session for extraordinary expenses of the Executive office and relief of sick and wounded soldiers, up to the close of the last fiscal term \$26,500 have been expended, of which \$3,500 were for claims unpaid under the preceding appropriation, leaving the sum of \$13,500, undrawn up to that date.

ARSENAL.

I desire to urge upon your attention the necessity of immediately erecting a building for the safe-keeping of ordnance stores belonging to the State, and the preservation of our military records. The last General Assembly appropriated \$5,000 for the construction of

an Arsenal at Des Moines, and directed the Adjutant General to commence the building, provided the necessary grounds for that purpose could be procured without expense to the State. The advance in prices so far increased the value of labor and materials beyond the estimate upon which the appropriation was based, that the Adjutant General deemed it advisable to defer the work for the farther consideration of the General Assembly.

We have now under our control about 18,000 stands of arms and several pieces of artillery, besides a large amount of ordnance stores, which can only be preserved from deterioration by having a suitable building in which to place them. In addition to this, the importance of a safe depository for the records of the Adjutant General's office must not be overlooked. These records contain the original rolls and all the documents of various kinds pertaining to the enlistment, service and discharge of Iowa soldiers, the destruction of which would be an irretrievable loss to the State. We now have none but rented buildings for this purpose, costing about \$1,000 annually, and without any adequate security against fire. A fire-proof building of sufficient capacity for all these purposes could be erected at a moderate cost, and it should be done without unnecessary delay.

MILITIA.

Early in the summer of 1864, General Orders were promulgated as contemplated by the law enacted at the last session, for the organization of the State Militia. Hostile Indians on the plains and guerrilla bands in Missouri threatening our Southern and North-Western borders and the preparations of a treasonable order in the State to offer forcible resistance to the Draft, necessitated the distribution of a large quantity of arms and ammunition to the militia. In many localities conspiracies were formed for securing the control of companies by excluding men of known loyalty, and having them commanded by persons chosen from the treasonable organization mentioned. I therefore appointed committees of prominent gentlemen in nearly all the counties to assist in the formation of companies that would be loyal and reliable, and I also directed that to such companies only were commissions and arms to be issued. Notwithstanding the opposition interposed to these pre-

cautionary measures, they were successful in preserving almost uninterruptedly the tranquility of the State.

The only serious outrage was perpetrated in Poweshick County, in October, 1864, by a company styling themselves "Democrat Rangers." Captain John L. Bashore and Josiah M. Woodruff were brutally murdered by members of this company, while engaged in the execution of orders from the Provost Marshal of the Fourth District. The facts connected with this atrocious affair are fully set forth in the report of the Adjutant General for 1865 to which your attention is respectfully invited.

Having thus presented you with such matters as I deem most important for legislative consideration, I cannot close this communication without congratulating you upon the activity everywhere displayed in recovering from all effects of the recent struggle for the preservation of the Union. Where in all history has any nation developed such wonderful energy and power? The foreigner who now visits our shores will hardly discover in the general thrift and quietude of the country the traces of that gigantic contest which so amazed the civilized world. With no intermission in the exercise of its sovereign authority, either on land or sea, except the brief usurpations of the insurrectionary States, or any material diminution in the vast measure of its foreign commerce, our country has continued to advance, in all the essential elements of national greatness, with a steadiness and rapidity unsurpassed even during the periods of profound tranquility. Terrible and bloody, beyond all precedent, as the conflict was, it may not, under God's disposing Providence, have been unproductive of wholesome results. For, notwithstanding the unparalleled expenditure of life and treasure incurred in its prosecution, and the thousands of hearthstones made desolate, the sacrifices of the war have intensified the attachment of the American people to the Government of their fathers, and secured the involuntary respect of other nations for the exalted qualities it has developed in our National character.

Although unable at this juncture to adequately comprehend the influence of this gigantic struggle upon the ultimate destiny of the Republic, yet we may clearly discern that our gratitude is eminently due to the Divine Ruler of Nations for graciously sustaining our Government through its perils, in guiding our armies to victory, in preserving the Nationality of our people, and in His

own good time delivering our land from the horrors of continued war. Deriving wisdom from the instructive lessons of the past, let us calmly devote ourselves to the future, remembering that posterity has a claim upon our efforts, and that the great work of this generation remains to be completed.

WILLIAM M. STONE.