

the conservative wisdom of your honorable body will preserve and strengthen all that is good and cure that which may need correction, I submit the foregoing.

Leslie M. Shaw

JANUARY 13, 1902.

INAUGURAL ADDRESS

OF

ALBERT B. CUMMINS

Governor of the State of Iowa

DELIVERED

JANUARY 16, 1902

PRINTED BY ORDER OF THE GENERAL ASSEMBLY

DES MOINES,
E. MURPHY, STATE PRINTER.
1902.

INAUGURAL ADDRESS

Senators, Representatives, and Fellow Citizens:

I gratefully acknowledge my deep appreciation of the confidence and good-will of my fellow men, and I am solemnly conscious of the obligations I have undertaken and the responsibilities I have assumed.

The honor of the office I now enter is outranked by but one of all the places of trust and distinction known to the institutions of the republic; and if its duties were as difficult as its honor is great, I would have little hope of discharging them either to your satisfaction or my own; but, happily for you and for me, government in this state has attained a climax of steadiness which gives me courage to begin the work so generously committed to my hands. While the problems of organized society are not less intricate here than elsewhere, and while law-breaking is not unknown among us, it is still true that the ease with which the laws are executed in this state is a superb testimonial to the sound character of its people. The men and women of Iowa are, I believe, beyond all their fellows, either of this country or any other, law abiding; yielding that implicit and instinctive obedience to the ordinances of both God and man, which makes the enforcement of statutes, the preservation of peace and the maintenance of order a task so light in comparison with the labor attending the duties of a chief executive in many parts of the world, that one may, with confidence and hope, take up the work incident to the office with which I have been invested.

In common with all of you, I share the pride which has become the habitual garb of the citizens of this state. We would indeed be insensible to the natural sentiments of patriotic humanity if our hearts did not expand with pleasurable emotions under the influences which surround us. Our beloved state has barely passed the pioneer period of its development, and yet it occupies a position, in all the affairs of the Republic, so commanding and so honorable that its sister commonwealths, without envy or jealousy, graciously yield to Iowa a pre-eminence that it modestly

accepts and will zealously hold. It is fast becoming an established maxim that of the things men most want, Iowa has the most to give. With an empire of farms, which, taken as a whole, never have had, nor can have, a parallel on the face of the earth, farms whose productions can be multiplied again and again without serious strain upon the enduring strength of their fertile fields; with unsurpassed facilities for the manufacture of every commodity that can be economically distributed from the Mississippi valley; with a population steady in growth and permanent in character, prosperous beyond description, and as well defended against the uncertainties of the future as the imagination can conceive; with poverty and ignorance reduced to their minimum; with education and intelligence universally diffused; with a love of country in every heart, and the weapons of industry in every hand; with a genius for the science of government, leading as well in congress as in cabinet; with a growing tendency toward the best forms of learning, and the noblest ideals in social and civic life, it is small wonder that prosperity reaches its highest level, progress its most uniform pace, content its serenest phase, and happiness its most perfect expression, in Iowa. Without disparaging the splendid accomplishments of other states, it can truthfully be said that the world can present no fairer destiny for the human race than may justly be predicted for the men and women whose homes will beautify and enrich this garden of the world.

It is with mingled sentiments of pride and gratitude I speak of the Republic and the conditions which surround and sustain its citizens. Governments may rise and fall, nations may appear and disappear, races may develop and wither away, but we have established one proposition that will never again be doubted. The student of statecraft will hereafter always assume that a Republic may be free, just, strong and enduring. We have solved the problem for all time, and our people will be renowned in all ages for the splendor of the period in which the demonstration has been made.

The story of the marvelous transition from the puny power of colonial days to the puissant strength we now exercise, is in every memory, and need not be retold. The magical development in material things which has raised us above all the nations of the earth, has been the theme of so many an oratorical epic that the echo of the song is always in our ears. The wonderful prosperity of the people is a theme so fascinating that we rest

continually under its charm and detail only makes the romance sordid. The maintenance of our high standard of manhood, so essential to the preservation of free institutions, is so manifest and satisfying that the evidence of our senses needs no supplement.

I therefore check a natural tendency to fall into the language of eulogy, and content myself with these plain statements. The men and women of the United States have reached a higher point in the pathway of progress morally, intellectually, and socially, than was ever before touched by the human race; they are the creators of a mightier physical and material development than was ever before known; and they have established and now maintain a government that has more liberty, justice and improvement in it, than any other government that the world has ever seen.

These observations, however, do not mean that we have finished the fight. The years to come have victories to be won, and will be crowded with opportunities to be embraced. I turn from an inspiring retrospect to a hopeful future.

REFORM.

It is eminently appropriate upon this occasion to review some of the duties of citizenship, to re-examine some of the questions which engage the public mind, and to again resolve to promote with our utmost endeavor the cause of good government. The experience of the world establishes beyond controversy that nothing is more helpful in the solution of the problems of states and nations than constant discussion of the plans suggested for the reform and betterment of the rules of society. It is unfortunately as common, as it is unpatriotic, to sneer at the idea of reform and to deride the reformer; but the sneers and derision proceed either from a corrupt heart or an unthinking mind. Reform and betterment in laws are as essential to the advance of the republic as is the growth of its industrial life. I therefore make no apology for the belief that many of the questions propounded to us by the evolution of the time have not been adequately answered. On the other hand, he who predicates his demand for change upon the hypothesis that what we have is wholly bad and proposes overthrow rather than a gradual approach toward higher efficiency in government, is a superficial agitator, who dooms himself to defeat by ignoring the fundamental law of mankind. The true friend of progress recognizes

that what we have is good, but perceives that we may have better. He sees life and energy take on, from time to time, new forms and phases; and he knows that government, to be just and effective, must adapt itself to the changing relations of men and the varying tendencies of the age. He understands that this generation has something more to do than to glorify the past and enjoy the fruits of its victories.

INDUSTRIAL COMBINATIONS.

The rapid accumulation of wealth and its unparalleled concentration were the distinguishing characteristics of the last decade of the nineteenth century. These characteristics have propounded a new inquiry for governmental investigation. The subject has, by common consent, received a name which, though once appropriate, is now altogether misleading. Commercial combinations and industrial trusts have provoked much thought which, as yet, has produced little result. Originally they were, as the names imply, concerts of independent companies acting through agreements controlling the business of the several constituent parts. In that sense they have substantially disappeared, and there have been substituted for them incorporations that have become the absolute owners of the property and business affected by them. I shall not pause to inquire whether these vast incorporations are wise or unwise. The extinction of the independent trader, merchant, and manufacturer may ultimately impair the standard of manhood so essential to free institutions. If this shall be its effect, we may deplore the tendency; but if it be wholly overcome, it will not be through the prohibition of government, but by that imperceptible warning which changes the currents of the world and teaches humanity to avoid *approaching danger*. I do not believe that the government can safely deny the right of association under established forms; nor am I ready to concede that industrial organizations, however large their capital or extended their operation, if competition remains, constitute a menace to the prosperity and welfare of the people. The motive which underlies the so-called trusts and combinations is apparent: It is the ordinary selfish desire to make money, coupled with the belief that it can be more readily, surely and largely made in that manner than by any other. I do not criticise the motive; for it is the main-spring of material progress, and to eliminate it would be to paralyze the arm of industry, fatal alike to ambition and improvement. The most manifest evil of these tremendous

aggregations is their effect upon competition. Competition is the paramount law of industrial life. It may, and very often does, destroy; but in my judgment it must exist in full vigor if we do not desire the government to assume the power of fixing the prices of industrial products. It must be clear that if a single corporation owned and controlled all the transportation facilities of the United States, it would be absolutely necessary for the government to prescribe and enforce the rates for transportation service. It is equally clear that if a single corporation controlled the manufacture of the important commodities required by modern life, and the monopoly was likely to be long continued, it would be necessary for the government to fix the price at which such commodities should be sold. It cannot be successfully denied that every consolidation, even though it does not draw in all the products in which it deals, narrows the field of competition. There may be sharp and effective competition with two competitors; it is, however, not so likely as with a greater number. I have mentioned these things, not to indicate that I think there is a perfect remedy within our reach, for much must be remitted to the natural laws of individual enterprise; but rather to point out the lines along which interference is not only permissible, but demanded. First, the motive to organize such corporations could be, and should be, limited to the natural desire to make profit from the business in which the corporation is to engage. My observation leads me to believe that many of the large industrial combinations would not have been proposed or affected had it not been for the knowledge that the promoters or organizers could make stupendous fortunes in the mere operation of consolidation. It is said, and I believe it to be true, that more than 50 per centum of the stock of every trade combination now in existence is pure fiction, and the opportunity to gamble upon the stock exchanges in worthless stocks has been uppermost in the minds of those who have been most active in bringing together these organizations. Every corporation should be required to have its capital stock paid for at par, in money, before it is authorized to transact business. The genius for deception has too often been accepted as legal tender for stock, and it should be declared the counterfeit it is. The evil of over-capitalization has still another serious phase. It furnishes an illegitimate motive for excessive prices. It is perfectly natural for the members of a corporation so organized to endeavor to pay dividends not only upon the real capital invested in the busi-

ness, but also upon the baseless stock which represents nothing but the audacity of promoters and the weakness of the law.

These suggestions would be idle if there were no practicable remedy for the obvious wrong. There is no hope of attaining uniformity through state legislation. The state in which the greater number of these companies is organized secures a revenue from them more than sufficient to defray the expenses of its state government, and seems easily convinced of the justice of its laws. I believe the question is a national one, and that the time has come to nationalize it. I recognize the difficulty of amending the constitution of the United States; but I know that whenever the people are sufficiently in earnest, it can, and will be done. Before corporations which are to do business throughout the country, and in which the people of one state are quite as much interested as the people of another, are permitted to organize, they should be compelled to show that their capital stock has been paid for in money, and that the real value of the property they acquire is as great as the stock which represents it.

I am unable to agree that we can cure whatever evils may exist in these organizations, by publicity. Their affairs are already sufficiently public so that every intelligent man understands in a general way of what they are composed, what they are doing, and what they are earning. It is well enough to require them to make statements, and submit to examination, but if we are to limit our regulation to mere publicity, the outcome will not justify the attention we are bestowing upon the subject.

I recur to an expression of a moment ago, that competition is the force upon which we must rely to regulate the prices of the products of industry, for I cannot consider with complacency the alternative to which we would be driven if competition were eliminated. I sincerely hope that we will find sufficient protection against the efforts to monopolize or unduly restrict the field of competition, in the natural impulse to enter a profitable business; and if these corporations, however large, can be put and maintained upon a lawful basis, I confidently believe that industrial monopolies cannot endure.

Pursuing the subject one step further, I am led to observe that if we accept the proposition that competition, and that alone, will preserve the people from undue exactions, we must see to it that if we cannot artificially introduce competition, we can at least be certain that we do not artificially exclude it. We have

limited competition in the past through tariff duties, believing, and well believing, that the general interests of the people would be better served by developing our own resources to the fullest extent, even though in so doing the American price rose higher than the foreign price; believing also that home competition would hold every commodity manufactured here upon a fair American level. To me, however, it seems plain that whenever a consolidation of manufacturers with respect to any commodity stifles competition at home, or so restricts its operation that its force is not fairly felt, then it is the imperative duty of Congress to immediately remove the artificial restraints we have created. I am not an advocate of a general revision of the tariff; but I stand for competition, the competition of the Republic if possible, but of the world if necessary. I regard the consequences of a monopoly, or substantial monopoly, in any important product, as infinitely more disastrous than the consequences of foreign importations.

THE TARIFF AND RECIPROCITY.

Permit me also a brief consideration of the tariff and of reciprocity. In this presence I need hardly reiterate my profound conviction in the wisdom of the policy which has levied tariff duties, not for revenue alone, but to equalize the conditions under which manufacturing has been established and carried on in the United States and the conditions which have existed elsewhere. I firmly believe that we are more deeply indebted to this doctrine for the gratifying position we hold in the affairs of the world, than to any other one cause. Situated as we have been, the paramount object of maintaining high protective duties has been to enable us to profitably produce that which we have consumed, paying for its production the superior wages which are the birthright of the American laborer. The point of view, however, has somewhat changed, and we are now freely exporting not only agricultural, but manufactured products; and we must look, therefore, not alone to the things we consume, but to the things we export. Our tariff, therefore, should always be adjusted so as to give the greatest possible amount of work to our own people, whether the product of their labor be intended for home or foreign use. We have come gradually to feel that there is little danger of an invasion of our markets with respect to many of the commodities we are naturally fitted to produce; and we must keep our eyes steadily upon the chief purpose of protection;

viz., the employment, not of a part, but of all the men and women of America. This, I submit, is the spirit in which reciprocal treaties should be examined. If we can make a trade that will enlarge our markets; that is to say, increase the amount of work to be done in the United States, the trade should be made, even though some particular industry is curtailed in its production. While we shall hold fast to cardinal principles we are not blind worshippers of a tariff schedule. Protection was established for man, not man for protection. Reciprocity that takes without giving is an idle dream and a contradiction in terms; and if its scope embraces only non-competitive products, it is of little future value in the economy of the nation.

I cannot resist the conclusion that some changes might well be made, not through the medium of reciprocal treaties, but directly. I said recently in a public address, and I repeat it, "that there is one condition which the consumers of this country will not endure. They are patriotic enough to see American goods sold in foreign markets cheaper than they are sold at home, if the purpose is to establish a trade or to unload an unexpected surplus; but they will not tolerate, as a permanent trade policy, the selling of goods abroad at a less price than they are sold at home." It is believed that there are lines of industry in which this practice is likely to become permanent, and if Congress so finds, it ought, and I doubt not will, declare they no longer need the fostering care of protective duties. In no other way can we render justice to all our people.

LABOR AND CAPITAL.

I have already referred to one subject, which, as I view it, cannot be successfully dealt with until the Constitution of the United States is so amended as to give to Congress the power to make and enforce such regulations as will be effective throughout the whole territory of the United States. I now desire to refer to another which, in my judgment, must ultimately be treated from the same standpoint. I mean the unending controversy between the employer and the employed respecting the conditions of work and the compensation for it. It is altogether natural that the employer reaches a conclusion different from that of the employee. The accumulated and aggregated wealth ordinarily represented by the employer gives him a palpable advantage in the contest, and the employee long ago discovered that associated labor was necessary to deal with associated capital, and the ten-

dency toward organized labor is as marked and will probably be as enduring as the tendency toward organized wealth. The collision between these forces in society not only disturbs the peace of industrial pursuits, but is so destructive that the student of affairs is constantly looking for some plan through which agreements, fair to both sides, may be effected. I thoroughly believe that the Government must bear a hand in the solution of this problem, and I am equally convinced that it cannot effectually do so until we nationalize the subject. I have no sympathy with the arraignment of our institutions because a few men have grown very rich while the great mass of mankind accumulates but little or nothing. I do not believe that the laws of the United States, and in them I include the laws of the several states, can be justly charged with either the intent or the effect of favoring one man or class of men at the expense of another man or class of men. I may deplore the fact that wealth is not more evenly distributed, but it is nevertheless true that the startling inequalities of life must be imputed to some other cause than the favor of the Government. Nature endows one man with a genius to make and save money, and denies it to another. This power can no more be equalized than any other form of superiority in the struggle for leadership; and he who cavils at the differences which the world presents, quarrels with the plans of the Almighty. While, therefore, the Government could not if it would, and should not if it could, attempt to reduce humanity to a common level, I am firmly of the opinion that it is worth our while to consider the propriety of curbing some of the power which great success creates. Our history makes it clear that it is easy to create wealth, but the problem of its just distribution is one which will tax the strength of the best minds of future generations. Governments are not organized simply to keep the peace; it is no inconsiderable part of their function to help those who cannot help themselves. It is perfectly true that the world always has a place for men of great capacity, and they can always exact full compensation for what they do. It must not be forgotten, however, that much the larger part of the work of the world does not require great intellectual strength or demand trained minds. This work must be done, and the pay for it cannot be raised to the standard of those who lead in the fields of industry. The Government, as it seems to me, has at least one duty to perform in this connection. It is vitally interested in seeing to it that the men who can never rise to that prominence which will enable them to fully pro-

tect themselves, shall receive that reward for their labor, and shall be surrounded by such conditions, as will make them good citizens. I believe that the power which wealth bestows ought sometimes to be checked; and, through wise legislation, the rights of the weak and helpless, more carefully preserved.

CORPORATIONS.

There is another thought which is directed more to the creation of a wholesome sentiment than to the enactment of laws, to which I must draw your attention. He who honestly makes, has the right to safely keep, whether it be one dollar or a million dollars; yet there are certain incidents of wealth, and especially associated wealth, which ought to receive the serious consideration of those who have the welfare of their country at heart. Wealth gives to him who owns or controls it power for great good and for great evil; it gives him power to endow schools, found libraries, and relieve want, but it also gives him power to seduce and coerce his fellow men, and this power should be most jealously scrutinized. Wealth, and especially incorporated wealth, has many rights; but it should always be remembered that among them is not the right to vote. Corporations have, and ought to have, many privileges; but among them is not the privilege to sit in political conventions or occupy seats in legislative chambers. Corporations, as such, should be rigorously excluded in every form from participation in political affairs. Here at least the rich and the poor, as individuals, should meet upon a plane of absolute equality. The conscience and intelligence of the natural man must be the sole factors in determining what our laws shall be and who shall execute them.

At this point I must be permitted to refer specifically to one phase of corporate interference that ought speedily to disappear under the righteous indignation of honest men. The professional lobbyist has, I regret to say, become one of the features of legislative assemblies; he has become a stench in the nostrils of a decent community; and he ought to be driven with the lash of scorn, pursued by the penalties of the law, from the presence of every official and from the precincts of every legislative body in the republic. Do not understand me to suggest that the halls of legislation should be inaccessible to either the individual or the corporation. The right of petition is as sacred as it is venerable; and through it the wants, objections, or complaints of all who are interested in public affairs should be made known with absolute

freedom; not only so, but the right to a fair and impartial hearing before appropriate committees should be sedulously preserved. The lobbyist, however, who is for anything or against anything for hire, whose mission it is to promote one measure or defeat another, who haunts the chambers of legislation and taints its atmosphere with his corrupt designs, who sends for members for interviews in the cloak room, who carries a tally sheet and watches the roll call, who shadows the members at their homes and hotels, injecting at all hours and all places his poison into the public service, is a criminal whose approach is an insult, and to whom the doors of the capitol should never swing inward. Even as Christ scourged the money changers from the temple at Jerusalem, so you, senators and representatives, will scourge the lobbyist from your sight and hearing.

TAXATION.

The manner in which the government ought to raise the money necessary to carry on its varied operations, has been the subject of the widest difference of opinion from the time organized society took form until the present moment. The subject has been a difficult one with every people in all time, and it is especially difficult in the complex material development in which we live. While it has not always been so, the fundamental principle of taxation has now become well settled. It is universally agreed that every taxpayer should contribute his fair, just, and proportionate share of the expense which governments entail. The preparation of a law carrying this principle into execution would not have been an easy task in the simplicities of a former period, but with the wonderful variety of property, with the mysterious forms in which wealth finds expression, and in the dual system of government known to the United States, the subject has become altogether the most intricate and baffling of modern days. I believe that there is no economic question that has been so inadequately answered as the one relating to taxation. This conclusion must not be accepted as a disparagement of what has been accomplished, for those who have been charged with the duty of framing our laws have been inspired by conscientious motives and have done the best they could. The conclusion is rather an acknowledgement of the tremendous obstacles which lie in the way of fitting a law to meet the infinite variety of progress and expansion, and the fertile power of the taxpayer to shift his burden to his neighbor's shoulders. The fact that our

present law relating to the assessment and collection of taxes is imperfect, should not discourage the general assembly from attempting to remedy its defects. It is not likely that justice can ever be completely done, but each year will shed new light for our guidance, and every General Assembly should courageously undertake to make the law a more perfect exemplification of the principle upon which it is founded.

The most flagrant defect in the execution of our taxing law is disclosed in the escape of so large a part of the personal property within our jurisdiction from the view of the assessor. The plan which has been recently adopted to bring it to light, cannot be said to be permanent in its character, and eventually some officer of the county must be entrusted with the duty that contractors now perform. Final relief will come, I believe, first from the gradual growth of a sentiment that the tax dodger is an unworthy citizen. There ought to be, and will be, a quickened conscience that makes the duty of the taxpayer much plainer than it now is and that will command the truth and sincerity in dealing with the assessor that is practiced in all other business matters. I believe further that there ought to be imposed a reasonable penalty upon the failure to list taxable property. From the standpoint of high morals, the taxpayer forfeits his title to property which he wilfully conceals, and there is no stringency of legislation which would, in such cases, invade natural right. The severity of the penalty should be determined with reference to the practicability of enforcing the law, and if we had appropriate legislation along these lines, I doubt not that it would aid materially the development of a sense of duty to the state which seems now, with many persons, to be dead or dormant.

My observation reveals another weakness which may well engage the attention of the General Assembly. A casual examination of the reports to the State Board of Review shows that many of the assessors of Iowa sadly mistake their duty. It is probably true that personal property fails to bear its just measure of taxation, partly through the weakness or the connivance, or both, of assessors; but the more serious charge to be brought against them, or some of them, is their disobedience of the statute which requires that the true value of property shall be made the basis of its assessable value. In my judgment the compensation provided for assessors is much too low, and as is usual when economy of that kind prevails, many of them do not earn

the meager salary which the law allows. The effort to make taxation just and uniform begins with the assessor, and the General Assembly cannot render a greater service to the state than by diligently inquiring whether there is any method of selecting assessors that will be likely to yield better results than are now before us. While it is not within the province of this address to make specific recommendations to the legislature, I earnestly hope that in the midst of other duties, the Twenty-ninth General Assembly will find time to consider this vital point in our system of taxation.

RAILROAD TAXATION.

No discussion of the subject would be complete without a reference to the taxation of railroad property. The policy of our law which has created a distinct tribunal for the ascertainment of the value of the railroads of the state, naturally introduces a comparison between the values attached to railroad property and the values assigned to other property. Those whose property is valued by assessors, subject only to a limited revision by the State Board of Review, have an undoubted right to demand that the Executive Council, the assessing board for railway property, shall so perform its duty that the railway corporations shall pay their just and proportionate share of taxes; or, to phrase it differently, that the assessable value of railroad property shall bear the same relation to its true value that the assessable value of other property upon the tax list bears to its true value. I believe that the difficulties in ascertaining the value of a railroad are not fully understood or appreciated. It is comparatively easy to fix, with approximate accuracy, the value of a farm or of live stock; but it is not easy to fix the value of a railroad, and especially of that part of a railroad which lies in this state, and which is but a portion of a system extending through many states. Nevertheless, the work must be done, and it should be so done that, as nearly as human power can accomplish it, justice is rendered both to the railroad company and to the general taxpayer. Many plans have been suggested and some have been adopted in other states, which would, if adopted here, relieve the Executive Council of the discretion or judgment which it now exercises. I have not been able to perceive the merit claimed for them in any of these plans; and, moreover, it may well be doubted whether, under our constitution, any plan is available which destroys the discretion and judgment of the

assessing board and its right to give due weight to all the elements or factors which, by common consent of the business community, enter the question of value. I therefore do not advocate a change in the law which would take away from the Executive Council the duty of expressing its honest conviction, after having sought and obtained all the information accessible to it. I do, however, believe that there are amendments to the law which, if made, would greatly facilitate the work of the Executive Council, and render its conclusions more just and certain. The three great factors to be taken into account in determining the value of a railroad are: first, its physical condition; second, its gross earnings; and, third, its net earnings. Passing the first, concerning which the Executive Council has now abundant authority to acquire all the information that exists relating to it, I come to gross earnings. With respect to a railroad that begins and ends in the state of Iowa, there is comparatively little difficulty; but with respect to a railroad which owns or operates a system extending through two or more states, the ascertainment of the gross earnings of that part of the property lying within this state is most imperfectly provided for. Very much the larger part of the railroad property in Iowa is owned and operated by companies with lines extending through other states, and their property in this state is used as a part of a system. The business done upon these railroads is divisible into four classes: First, that which originates and ends in the state of Iowa; second, that which originates in Iowa and terminates elsewhere; third, that which originates elsewhere and terminates in Iowa; fourth, that which neither originates nor terminates in Iowa, but is carried over some part of the state. It is manifest that with regard to all the business save that which originates and terminates in the state there must, in order to ascertain the gross earnings within this state, be established a basis of division; and that I believe should be the work of the legislature and not of the Executive Council. The basis of division being known, it is then clear that in order to do justice there must be a uniform system of accounts kept by the railway companies, so that their reports will furnish the same information, computed in the same manner, from each company. The Executive Council has no authority to so require, and the remedy is in the hands of the General Assembly. With such amendments, and with faithful reports, the assessing board could ascertain, with reasonable accuracy, the gross earnings of a railroad property in this state.

With respect to net earnings, the inadequacy of the law is still more apparent. I have much reason to believe that the phrase, "Net Earnings," has different meanings with the various railway companies. What should be deducted from the gross earnings, in order to arrive at the net earnings, ought to be declared by statute; and such uniform accounts should be kept by railway companies as will enable them to make their reports upon a common basis. With net earnings, as with gross earnings, it is palpable that with respect to those railway companies which have systems doing business in two states or more, there must be some rule adopted for the division of the cost of maintenance and operation. The rule must be equitable, and should be prescribed by law. With the gross and net earnings thus ascertained, many of the obstacles in the way of a just assessment would disappear.

I am heartily in accord with the proposal to make railroad assessments in July instead of March; that is to say, at the time when the Executive Council has under review the assessment of other kinds of property. I favor such change in the law for two reasons: first, because it will enable the Executive Council to have more fully before it the general basis of assessment of other property, and to put the railroad property upon the same basis; second, because the time between the coming in of the reports from the railway companies and the time at which the assessment must be made, is inadequate for the work that must be done. The Executive Council should have the amplest opportunity, not only to examine the reports themselves, but if such reports fail to disclose all the information which the Executive Council should have in order to fully and fairly discharge its duty, it ought to seek that information from other sources. My final thought in this connection is that the Executive Council should have the power to employ, if deemed necessary, an expert accountant, and acquire through further inquiry the facts which the reports may fail to disclose.

ST. LOUIS EXPOSITION.

There will occur next year at St. Louis the celebration of an event of greater significance to the people of Iowa than any other in the history of America. We were deeply interested in the exposition which took place in Philadelphia in 1876, but we shared that interest with the whole nation. We were much concerned in the Columbian fair at Chicago, in 1893, but we shared that concern with all the people of North America. The centen-

nial anniversary of what is commonly known as the "Louisiana Purchase" relates peculiarly to those states which comprise the territory then acquired. The patriotic citizens of this commonwealth claim for her the highest rank among the states. The commemoration of the act which gives us our title to statehood in the greatest republic of the earth, the event which gives us a place in the azure field of "Old Glory," from which our star blazes more radiantly than any other, ought not to be allowed to pass unnoticed. It would humiliate every man and woman in the state if, at St. Louis, in 1903, Iowa were not, as she is everywhere else, among the first. We may not be able to pass into the treasury the dividends which will, from time to time, be declared upon the investment we make in this memorial; but I am sure that abundant returns will come to us in a more devoted and enlightened citizenship, and in a truer conception of the greatness and growth of our splendid commonwealth.

VICKSBURG MONUMENTS.

It gives me more than ordinary pleasure to mention the proposal to erect an appropriate state monument and suitable regimental monuments in the National Park at Vicksburg. The tributes we render to the patriotism and heroism of the men who fought for the Union in the War of the Rebellion, no matter how great or how noble, will but feebly express the gratitude we feel. Iowa has a peculiar interest in the siege of Vicksburg. The valor of Iowa soldiers everywhere conspicuous was especially distinguished through the dreadful days that preceded the fall of this important stronghold. Our proportionate losses were greater than history records for any other engagement, and it is meet that we should mark the field of patriotic courage with enduring testimonials of our grateful memories.

HISTORICAL BUILDING.

The state has made a beginning in the erection of an Historical building. In the rush of material affairs, let us not forget that important and essential department of the Government which is to be housed and carried on in the Historical building. Many considerations urge the completion of the work at the earliest practicable moment. The proposed division of the state library, which I believe meets the approval of all who have examined the subject, must be delayed until the building is finished. There is no adequate repository for the collection of books, papers, docu-

ments, and other things that relate to the history and growth of the state. As time passes on, much that is now accessible will become inaccessible, and much that is now in existence will be destroyed. I am not permitted at this time to enter into the detail of this, the most interesting branch of state affairs; but must content myself with earnestly urging the speedy completion of the work so well begun.

THE LAW OF NEGOTIABLE INSTRUMENTS.

I have been advised that there will be introduced into the General Assembly a bill covering the law peculiar to negotiable instruments. I have long felt so deep an interest in the attempt to create uniformity throughout the United States upon this important subject that I cannot resist the inclination to mention the matter at this time. In an age like ours, when commerce utterly disregards state boundaries, and in which the business relations of the people of one state are as intimate with the people of another as with their own citizens; and when we reflect that law is but a stumbling block unless it is known to those who are to be governed by it, the diversity of the laws of the several states upon so simple a thing as a promissory note or a bill of exchange is a reproach to a civilized people. It is obvious that the final remedy must be in extending to Congress the power to enact a statute that will be general in its operation throughout the whole sovereignty of the Republic; but in view of the difficulties that lie in the way of an amendment to the Constitution of the United States, the American Bar Association, about three years ago, suggested an effort to secure concerted action in the principal commercial states. The proposed statute was prepared by a competent lawyer, and has already been adopted by three or four states, and will unquestionably, during the present year, be favorably acted upon in several others. It contains no radical departure from the well known principles controlling the subject, and I confidentially believe that nothing objectionable will be found in its provisions. I earnestly hope that it will receive the favor of the Twenty-ninth General Assembly, and that before many years all of the great states of the Union will have taken the step toward uniformity.

OUR EDUCATIONAL INSTITUTIONS.

Of all the sources of state pride, the most constant has been the generality and completeness of our educational equipment

and facilities. We have again and again challenged the country for comparison between our people and any other for education and intelligence. It is to be feared that we have been so well contented with laurels already won that we have forgotten that eternal vigilance is the price of other things than liberty. It is unfortunately true that we have fallen a little behind in the race, and we must gird up our loins and quicken our step.

With respect to our common and high schools, in which we are more deeply interested than in any other institutions of society, I cannot now speak, inasmuch as it would be impossible to intelligently treat the subject within the limits of this address. I beg, however, that senators and representatives will make themselves familiar with the well authenticated statements made by our Superintendent of Public Instruction during the late meeting of the Teachers' Association, and with his report to the Governor. I have been greatly impressed with the recent discussions and I believe that there is an imperative demand for a full and comprehensive review of the whole subject at the hands of the Legislature.

NORMAL SCHOOLS.

Of the three educational institutions directly in charge of the state, I refer first to the Normal School at Cedar Falls. It would be impossible to exaggerate the concern we all feel for the proper training of those who are to engage in the work of teaching. The mere possession of the knowledge that is to be taught is not the most important part of a teacher's equipment. We have long ago passed the period of controversy respecting the necessity of training the teacher to teach. It is also accepted as an established fact that the capacity of the present school at Cedar Falls is inadequate to accommodate those who should and who can take the course of instruction now required. Nothing but the disabilities of poverty can be pleaded in defense of the failure of the state to furnish additional facilities. Iowa cannot make this defense, and I confidently predict that the session of the General Assembly just begun will not close without supplying a want so keenly felt.

IOWA STATE COLLEGE OF AGRICULTURE AND MECHANIC ARTS.

The Iowa State College of Agriculture and Mechanic Arts holds, and ought to hold, a high place in the affections of the people of this state. If it ever failed to recognize its true position in the societies of learning and culture, that day has gone by,

and it is at the present moment one of the best exemplifications of the science of agriculture, of the mechanic arts and of kindred things known to the United States. Under difficulties which have not confronted all its competitors, it has won its way to the front, and now enjoys a reputation that confers honor upon its Board of Trustees and its faculty. The science of agriculture and analogous pursuits have in recent years received a marked impetus. The wonderful progress in the learning which relates to the farm, and the dairy is doing more, and will do more, to put money into the pockets of the farmer, the stock raiser and the dairyman, than any other branch of educational training. Other forms of study and research are necessary, but this form pays its dividends in gold. The knowledge, zeal, and devotion of the present Secretary of Agriculture, all of which he is employing with an energy never equaled, will, in my opinion, do more to promote the material welfare of the people of the United States than the work of any other officer of the government, national, state or municipal; and it is our duty to aid him in his developments and experiments in every practicable way. Our Agricultural College was never more favorably circumstanced, and it should, both as to buildings and support, be so strengthened that it may have an even chance with other colleges of like character.

THE STATE UNIVERSITY OF IOWA.

The established policy of this state concentrates all its colleges of higher learning, save those already mentioned, in the State University. It is, and ought to be, a cherished object of devotion and admiration. I confess that while I have the deepest solicitude for the growth and betterment of our Normal school and Agricultural college, my affection lingers last and longest upon the State University. In an educational way it is the monument which marks the position of the state in the world of culture, and around it there should cluster our choicest memories and our fondest hopes. In considering it we should remember that it is easier to form character than it is to reform it, and that formative institutions precede in point of importance reformative institutions. Government has no higher function than to prepare men and women to become good citizens. Generosity and liberality should distinguish the provisions made for the university, and inasmuch as it is the institution intended to represent our appreciation of education in its higher and specialized forms, it should be all that money can create or genius

devise. Iowa is not poor, and there is no extravagance in any provision which will enable the State University to do the most and the best work of which a university is capable. I have given some time to the investigation of the subject so near my heart, and I assert with confidence that there is no school in the Union that has made more progress, achieved better results, or done more work with the same means. The fact that it is a state institution precludes its growth through private benevolence, and philanthropy, and I trust that you will feel that the full responsibility for its destiny lies with you. In this day of eulogy and rejoicing respecting the high position which this state has worthily acquired, it is not gratifying to our pride to remember that we are doing less for our university than Michigan, Indiana, Illinois, Wisconsin, Minnesota, Missouri, and Nebraska are doing for theirs. We ought to march in the very van of the procession of education, and it is humiliating to see states less able to keep the pace passing us in the ranks. We are not accustomed to look at the backs of our comrades in any march, and I trust that we may speedily take our proper position in the advancing column. The boys and girls of our state have a right to the best opportunities of our civilization, and we will fail of our duty to coming generations if we deny the right. The university should have buildings, which, in the beauty of their architecture, the permanence of their construction, and the convenience of their arrangement, are the best types of the class to which they belong. It should have a constant support that will relieve its management of apprehension, and enable it to secure and retain the most accomplished instructors and varied equipment to the end that it may gather into its roll of pupils the largest possible number of young men and young women, and may be fitted to give the most efficient help in the development of the mind, the growth of skill and the creation of character.

Senators and Representatives, I conclude my first utterances as an officer of the state, with the thought often expressed but never exhausted. It is the quality of our men and women that has made the republic of the United States great, powerful, and prosperous. Bountiful as Providence has been, her treasures would still be unexplored and undeveloped had not the manhood and womanhood of America towered above the standard of other nations. If we would preserve and increase the honors we already wear, we must see to it that no child shall be born without hope, no boy or girl mature without care, and no man or

woman die without opportunity. Property must have its protection, but men and women are worth more than property. We are appointed to do justice, absolute, even-handed justice; and to the test of this, the divinest attribute of humanity, let us bring every legislative or executive act.