

# MESSAGE

OF

## ALBERT B. CUMMINS

GOVERNOR OF THE STATE OF IOWA

TO THE

Thirty-second General Assembly

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JANUARY, 1907

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DES MOINES

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1907

## GOVERNOR'S MESSAGE.

*To the Senate and House of Representatives of the Thirty-second General Assembly:*

### REPORTS.

In the transition from a General Assembly meeting in the even numbered years to a General Assembly meeting in the odd numbered years, the reports of all State Officers, Departments, and Boards, have not been made for the single year intervening since my last message. Such of them as are required to be made are on file and will exhibit in detail the conduct of the affairs of the State committed to these officers, departments and boards.

### FINANCES.

The reports of the Auditor and Treasurer disclose fully and minutely all receipts and all expenditures, and I do no more than to submit them for your consideration.

To aid you in determining the amount that can be appropriated by the Thirty-second General Assembly for payment during the years 1907 and 1908, in addition to sums already appropriated, and upon the basis of the ordinary and regularly recurring expenses of administration, I beg to present the following compilation:

Cash on hand, January 1, 1907.....\$ 731,826.40

### RECEIPTS (ESTIMATED).

Levy 3 mills, 2 years tax (assessed valuation of all property for 1906 (\$634,733,822).....	\$3,880,000.00
Taxes from insurance companies.....	600,000.00
Refunds from counties account State institutions...	1,020,000.00
Fees from State officers and boards.....	550,000.00
Freight line and transportation companies.....	10,000.00
Refunds from State institutions.....	220,000.00

Interest on deposits in banks.....	30,000.00
Collateral inheritance tax.....	320,000.00
Federal aid to Soldiers' Home.....	130,000.00
Miscellaneous sources .....	20,000.00
Interest on delinquent tax.....	20,000.00
<b>Total .....</b>	<b>\$7,511,826.40</b>

EXPENDITURES.

Office Adjutant General.....\$	10,600
Attorney General .....	15,400
Auditor of State (including insurance, bank and building and loan examiner).....	75,000
Board of Control, salaries and expenses, including architect and State agent sal- aries and expenses.....	55,000
Clerk of Supreme Court (salary and ex- pense) .....	13,000
Commissioner of Labor (salaries).....	12,400
Pharmacy Commission (salaries and ex- pense) .....	15,200
Custodian, salaries and employes.....	60,000
Dairy Commission, salaries and expense....	40,000
Agricultural Department .....	7,000
Fish and Game Warden.....	14,500
Governor's office, clerks and expenses.....	42,000
G. A. R. department.....	1,500
Library, salaries and expenses.....	23,400
Historical department .....	32,000
Board of Educational Examiners .....	3,000
Board of Health .....	25,000
Board of Dental Examiners .....	5,000
Board of Veterinary Medical Examiners....	2,000
Collateral inheritance tax enforcement.....	20,000
District Judges, salaries.....	385,000
Executive Council, salary, clerks and expense	20,000
Farmers' institutes .....	12,000
Freight and express.....	11,500
General Assembly, 32d.....	137,000
Geological survey .....	12,400
Historical society .....	15,000
Horticultural society .....	8,000

Iowa Library Commission.....	11,600
Iowa weather service.....	5,200
Mine inspectors .....	17,600
Militia .....	170,000
Miscellaneous Expenses, Code 36-164-165...	131,000
Oil Inspection .....	60,000
Railroad Commission .....	24,000
Providential contingent .....	50,000
Secretary of State, salaries and expenses...	31,500
Superintendent of Public Instruction.....	13,200
Supreme Court, salaries and expenses.....	85,000
State binding .....	48,000
State printing .....	86,000
State University support .....	426,000
State University Board of Regents.....	2,000
State Normal School, support .....	239,000
State Normal School, trustees .....	2,000
State Agricultural College, support, etc. ..	382,000
State Agricultural College, trustees .....	7,000
Treasurer of State, office.....	22,300
Teachers' institutes .....	10,000
Veterinary surgeon .....	13,000
Agricultural societies .....	30,000
Bacteriological laboratory .....	5,000
State entomologist .....	2,000
Sundry appropriations .....	20,000
Support State institutions under Board of Control .....	2,900,000
Unexpended balances:	
State institution accounts.....	373,000
General appropriations .....	355,000
<b>Total .....</b>	<b>\$6,594,300</b>

Estimated receipts, including balance on hand, January 1, 1907.....	\$7,511,826
Estimated expenditures, including unex- pended balance .....	6,594,300
<b>Balance .....</b>	<b>\$ 917,526</b>



# RECAPITULATION.

## Cash and receipts:

Cash on hand Jan. 1, 1907.....	\$ 731,826. 40
Estimated receipts in 1907-1908	6,780,000.00
Total .....	\$7,511,826.40
Expenditures (including unpaid bal- ances) .....	6,594,300.00
Balance, Jan. 1, 1909.....	\$ 917,526.40

To this balance may be added whatever sum you may believe the unexpended balances will be and the result will give you the sum that can be used in what is customarily known as extraordinary appropriations, to be paid out in 1907 and 1908. The table is made upon the hypothesis that the general levy will not be raised above three mills.

## RESIGNATIONS.

I have received and accepted the resignations of Hon. W. I. Babb, of Mount Pleasant, and Hon. Joseph H. Allen, of Pocatongas, regents of the State University. These resignations came to me so recently that I believed it to be unnecessary to fill the vacancies by appointments. I bring them to your attention to the end that you may fill them by election, in the manner provided by law.

## PARDONS AND PAROLES.

I submit to you herewith a statement of all pardons and suspensions of sentences issued during the year 1906. It will disclose fully the ground upon which the action was based in each instance. The files of my office, with respect to these matters, are open for the examination of any person who may desire to be more fully informed.

In a former message, I explained at some length the system of paroles which was handed down to me by my predecessor, and which I have endeavored to perpetuate; and I therefore need not enlarge upon the subject at this time.

I have, during the year named, issued two pardons, and suspended the operation of sixty-three penitentiary sentences and nineteen jail sentences. Thirty-eight persons have been restored to citizenship. Ten commutations have been granted, four of them

for the mere purpose of restoring good time, upon the recommendation of the wardens, and the others mainly for a few days only, in order accomplish some special purpose. Twenty-two fines have been remitted, almost invariably upon the application of the board of supervisors, the county attorney, the auditor, the clerk, and the treasurer. I have, during the year, revoked eight of the suspensions, commonly called "paroles." There are at this time about two hundred men under parole making regular monthly reports to my office. The average amount earned by each man is \$46.12 per month. Substantially all the persons who have been paroled are, in so far as I am able to ascertain, living upright, decent, and industrious lives, and I have no reason to change the opinion heretofore expressed with regard to the efficiency of the parole system in building up character and in making good citizens.

I am more than ever impressed with the advantages that would be derived from the indeterminate sentence; and I know that it would be both humane and helpful to convert the penitentiary at Anamosa into a reformatory, and to establish a separate reformatory for women. It is easy to pass these subjects, for most of you do not come into contact with the suffering and sorrow which follow crime, but if you cherish the belief, as I am sure you do, that reformation is one of the objects of the administration of the criminal law, you can not render your State better service than to give these things the best thought of your minds and the best impulses of your hearts.

There were filed in my office during the year 1906 twenty-three applications for pardons on the part of persons who have been convicted of murder in the first degree and sentenced to life imprisonment. Publication has been made as required by law, in each case, and I herewith transmit these applications, together with the proofs of publication, for such investigation and recommendations as you may be pleased to make.

## ALASKA-YUKON-PACIFIC EXPOSITION.

There is to be held in the summer of 1909, at Seattle, in the State of Washington, an exposition which has been named the Alaska-Yukon-Pacific Exposition. Its primary purpose is to exhibit the resources and capacities of the Alaska and Yukon territories in the United States and Dominion of Canada, with a view to the development of the trade between the United States and these



territories. I have received a communication from the officers of the exposition, inviting the State of Iowa to participate in it, and I submit the invitation to you, recommending its acceptance.

#### JAMESTOWN EXPOSITION.

At the last session of the General Assembly, there was extended to the State an invitation to join in a celebration commemorating the first settlement at Jamestown, to be held during the summer of 1907. No action was taken upon it, and therefore nothing has been done with respect to a representation on the part of the State in the exposition. I still believe that it would be wise and patriotic for the State to make a small appropriation for the purpose of erecting and maintaining a modest Iowa home upon the grounds at Jamestown where our people could concentrate, and in an appropriate way do honor to the event which the exposition is to memorialize.

#### AGRICULTURAL DEPARTMENT.

One of the most gratifying developments of the State has been the wonderful growth of the State Fair, under the efficient management of its board of trustees. Its entire cost to the State, including the donation by the City of Des Moines, has been \$179,509.25, whereas the present value of the grounds and buildings, conservatively estimated, is \$353,530.00. The annual exhibition has not only become a source of pride to the people of the State; but its educational effect can hardly be exaggerated. Like all other such institutions, its needs multiply, and it well deserves liberal assistance from the General Assembly.

During the year, there arose an imperative demand for an extension of the fair grounds toward the south, in the vicinity of the present railway station. Additional buildings are required for cattle, horses, hogs and sheep. These buildings must be situated proximate to the buildings already in existence, and therefore the board of trustees believed that six or seven acres of land (which had been divided into lots) lying immediately south of the present line, ought to be acquired. There was no authority to make any such purchase, except upon condition of a sale of a part of the ground already owned. In this situation, the board of trustees, after carefully considering the matter, unanimously recommended to the Executive Council the sale of forty acres of the woodland in the eastern part of the grounds, not now in use, and with the proceeds

of such sale a purchase of the lots heretofore mentioned. The Council, which had the power under the statute to make the sale and purchase, was deeply impressed with the showing made by the Board, and felt that the further development of the State fair depended upon the proposed enlargement. At this juncture, certain public-spirited citizens of Des Moines, who felt that it would be unwise to sell any part of the grounds now owned, came to the rescue, and themselves purchased the land and lots needed, for a very reasonable price (\$5,875) and deeded them to the State of Iowa, with no other agreement than this: that I would bring the subject to the attention of the General Assembly, and recommend an appropriation that would reimburse them for the expenditure which they have made. I do recommend the reimbursement earnestly. There is no reason why these men should make a donation to the State of Iowa, and they entered into the matter solely because the board of trustees and the Executive Council believed that the additional land was imperatively necessary, and that it must be acquired in time to permit the management of the fair to make arrangements for its use during the exhibition of 1907.

#### STATE BOARD OF HEALTH.

There is nothing in the present law that authorizes the State Board of Health to establish proper regulations respecting the transportation of dead human bodies. In view of the legislation and practice of other States, it has become very important that our Board of Health shall have additional power. I need not enlarge upon the subject, for the need of being in harmony with modern practices will be obvious to the most casual observer. Closely connected with regulations relating to such transportation, is the qualification of undertakers and embalmers to prepare bodies for shipment, and the Board of Health should be authorized to examine persons who expect to perform such work, to issue permits to those who are found to be competent, and to impose and collect such fees as may be necessary to cover the expenses of examination and such other expenses as may be incidental to the added function of the Board.

Having spoken of the Board of Health, I trust you will not look upon it as inappropriate if I mention in this public way the retirement of Dr. J. F. Kennedy, who has been its Secretary for twenty-



two years. He has been a zealous, faithful and efficient public servant, and he carries with him, as he leaves the office which he has so ably filled, the respect and esteem of all who know him.

#### EDUCATIONAL INSTITUTIONS.

The experience of the last year in all the institutions has been most gratifying. They are at this moment more prosperous, more efficient, more distinguished, than ever before. The liberal spirit manifested in the generous appropriations of the half decade just closed is bearing rich and abundant fruit. The fathers and mothers of Iowa who have boys and girls to educate have more confidence in these schools than they had in former years, and therefore the attendance of students is rapidly increasing.

As I have more than once said, our young people are worthy of the best educational facilities that genius, learning, and money can establish and maintain, and we are swiftly nearing the point at which it can be truthfully said that they have as good as the country affords.

Speaking specifically of the institutions, it gives me unqualified pleasure to note that the University has added, during the year, to its student body, a larger percentage than any other university in the country. Its course of instruction has not only been broadened, but at the same time has been made more practical. It is applying more effectually the abstractions of learning to the actual things of life. The fidelity of the board of regents, the leadership of its president, and the earnest, capable work of its instructional force, are all to be commended. I sincerely hope that you will make it possible for the institution to grow until it fully occupies the field which it was established to occupy.

The College of Agriculture and Mechanic Arts is not only maintaining the high standard which was attained under a former president, but the inspiration of its present distinguished head is constantly lifting it up into loftier altitudes of excellence. The conduct of all its departments is efficient in a marked degree, but its agricultural department is especially notable. Every year adds to its victories and makes its supremacy among agricultural colleges still more secure. I sincerely believe that the farms of Iowa have produced, during the past year, an added value, directly traceable to the work of the College, far exceeding all the appropriations ever made for both buildings and support. When material divi-

dends of such magnitude can be declared upon an investment, there ought to be no hesitancy in generously supplying its needs. I do not mention the ordinary requirements for its enlarged functions, but I must be permitted to refer to one matter which I think you may well consider. There are certain fundamental truths in the science of agriculture, of constant application in farming, that can be taught with a fair degree of success by written communication. There are a great many of our boys who can not attend personally upon the courses of instruction given at the college. There are a great many men of mature age who ought to know these things, but who can not leave their work and enroll themselves as students. I believe that a bureau of communication ought to be attached to the Department of Agriculture so as to give these boys and these men an opportunity to learn the common principles of their avocation. If this is done, there will not be a single year in which the wealth added to the State, through the information thus imparted, will not return, by an hundred fold, the money required to maintain the bureau. I hope that no one will construe my recommendation into a desire to lower the standards of education. I understand perfectly that a course of instruction through correspondence must be somewhat superficial and very inadequate, but there is a pressing need for even moderate learning in agriculture, and the subject is peculiarly adapted to courses pursued in correspondence.

The State Normal School, under the supervision of its unexcelled leader, is pressing forward, year by year, and it challenges the just pride of every citizen. It is furnishing to the State and to the country, teachers of the highest qualifications.

#### CORN GROWERS' ASSOCIATION.

This Association desires a small appropriation to enable it to carry forward more successfully the work in which it is engaged. If I looked upon it as a private affair, I could not be brought to favor the request, but it is really a part of the Agricultural College, and it may fairly be viewed as a branch of our educational system. I believe that the amount it asks would be returned over and over again every year to the farmers, in their increased corn crop.



STATE FISH AND GAME WARDEN.

In his report to me, the State Fish and Game Warden has strongly recommended a radical amendment to our law with reference to hunters' licenses. I have not been able to examine the subject with the care that would warrant me in adopting his opinion and giving it to you as my own. I do, however, bring the matter to your special attention, and ask that you give his recommendation the most careful consideration.

SUPERINTENDENT OF PUBLIC INSTRUCTION.

I have been much impressed with the report of the Superintendent of Public Instruction. He presents many subjects and proposes many changes of the first importance. His recommendations are supported by clear and persuasive argument, and I earnestly hope that every member of the General Assembly will become familiar with his report and carefully think upon the changes he suggests.

INSTITUTIONS UNDER THE MANAGEMENT OF THE BOARD OF CONTROL.

I have no especial recommendation to make with respect to these institutions. I desire only to commend the faithful and efficient administration of the Board during the past year, as in each previous year of its existence. It has, I believe, done everything that could be done for the welfare of those who have been committed to its care.

BACTERIOLOGICAL LABORATORY.

I have taken some pains to become familiar with the work done in the bacteriological laboratory at Iowa City, and its needs for the future. It is my opinion that the General Assembly never made an appropriation of greater benefit to the people of the State than the one which established, and which now maintains, this laboratory. In the development of medical science, such laboratories have become imperative for the proper treatment of disease, and the preservation of life. The demands upon the laboratory at Iowa City are far greater than it can meet, with its present equipment and appropriation. I recommend an increase in the appropriation for this work.

HISTORICAL BUILDING.

When the contracts now outstanding have been performed, the appropriation made by the last General Assembly for the Historical Building will have been expended. It was known when the appropriation was made that it would not complete the building. I have taken some pains to secure the most reliable estimates obtainable for finishing the work, and I am informed that it will require \$80,000.00 to bring the building and grounds to completion. This estimate does not include passenger elevators, furniture, or decoration. The furniture will not require a large expenditure, and upon the decoration you may exhaust a large or small amount, according to your pleasure. It is most important, however, that the building be finished, so that it can be fully occupied.

In this connection, I desire to call your attention to the Hall of Archives, which has already been set apart in the building, and the work of selecting, classifying, and removing to their new location the archives, which are to be taken from the Capitol. The preparation of the new room, you will naturally consider in arranging for the completion and furnishing of the building, but the work incident to placing the archives in the room may be overlooked. The statute of the Thirty-first General Assembly upon this subject, I assume, was intended simply as a beginning, for if you place at the disposal of the director no greater force than is now employed, none of you will live long enough to witness the end of the undertaking. It will require several men several years to do what you contemplate, and I therefore earnestly recommend such an appropriation as may be necessary to carry on the project with reasonable celerity.

DIRECT INHERITANCE TAX.

We now have a statute which levies, under certain conditions, a collateral inheritance tax. The propriety of levying also a direct inheritance tax may well engage your attention. I do not look upon a tax of that character as a method for the reduction of swollen fortunes. I view it solely as another effort to equalize the burdens of society. It ought not to be levied upon small inheritances; but after the proper limit is passed, there is no reason which justifies a collateral inheritance tax which will not also vindicate one upon direct inheritances. I earnestly hope that you will interest yourselves in the subject, and take such action upon it as the best interest of the State requires.



ROSTER OF IOWA SOLDIERS.

I am sure that the failure of the Thirty-first General Assembly to enact a law authorizing the compilation and publication of what is commonly called a roster of Iowa soldiers was a mere mischance. It is a little humiliating to remember that Iowa is one of a very few northern States in which this sacred duty has not been performed. The material out of which such a publication must be compiled is each year disappearing, and it will not be long until it will be impossible to render this acknowledgment to the men whose valor and patriotism are the choicest possessions of the commonwealth.

DESERTION AND NON-SUPPORT.

I repeat my recommendation of a year ago, with increased emphasis, if that be possible, in favor of a law that will make it a crime for a man to desert his family without cause, and to refuse to support, without good reason, his wife and children. We ought to do something to check the rapidly growing habit of repudiating the most sacred obligations which a man ever assumes.

VOTING MACHINE COMMISSION.

While voting machines are not as yet being used in this State to any great extent, the experience of other States has shown that our law ought to be amended in at least one particular. As the statute now is, when the Voting Machine Commission has passed favorably upon any machine, it stands as approved, and may be sold anywhere in the State. It is not always possible for the Commission to discover defects in such a machine, and when such defects are made to appear by use, there is no power on the part of the Commission or on the part of any other officer to revoke the certificate of approval. There should be an amendment giving either the Commission or some other board the authority to cancel the approval, if, in use, the machine is found to be worthless.

CIVIL SERVICE.

The time has come when Iowa should establish such civil service regulations as will insure the appointment of such employes as properly fall within the scope of a civil service system, upon competitive examinations, with advancements and promotions earned by faithful and efficient service. It is not necessary for me to

repeat the argument so well known to you for this plan of appointments to public place. We are all pledged to it, so far as the government of the United States is concerned, and why should we not stand for it in our own commonwealth?

MUNICIPAL GOVERNMENT.

One of the propositions upon which all persons and all parties seem to agree is that the established system of government in our larger cities is hopelessly inefficient. In these days, when franchises to public service corporations have become so important, when the sums expended for public improvements have become so vast, and the expense of administration has so multiplied, the form of municipal government ought to receive the best thought of the General Assembly. I believe there should be a thorough-going revision of our statutes upon this subject. There are wide differences respecting the changes that should be made. My own view is that the representative form of government ought to be preserved. Aldermen should be elected at large, and the city council confined strictly to legislative duties. Power should be concentrated in the mayor, and he should be the responsible administrative head of city affairs. He should appoint the officers who are to administer the law. The protection of civil service should be extended. The compensation of the mayor should be sufficient to call men of the best type and strongest character to the office, and the term be made long enough to enable him to accomplish something. If, however, the term be lengthened, it should be accompanied with the power on the part of the people to remove him from office, through an election called for that purpose upon proper petition.

CLAIM AGAINST THE GENERAL GOVERNMENT.

For many years, there has been pending at Washington a claim on the part of the State of Iowa against the general Government, arising out of the sale of public lands within our limits, wherein the consideration was other than money. Other States have similar claims, and the agents who have been appointed by the several States have been vainly attempting to secure such legislation as will result in the adjustment and payment of the demands. I have given the subject sufficient investigation to warrant the conclusion that our claim is a just one, and that the resistance is not to its merit. The difficulty is that, in the multitude of things which Congress has to do, it is easy to secure delay, and this method



of preventing the payment of an honest debt has now been successful for many years. I recommend the passage of a resolution calling the subject specifically to the attention of our members of Congress, and asking them to see to it that the matter is decisively determined, either for or against us, at the earliest practicable moment.

AN ENLARGEMENT OF THE PURE FOOD LAW.

Last year the General Assembly adopted a measure intended to protect the people from fraud and imposition in the sale of adulterated and unwholesome foods. It is now in operation and I believe that it will accomplish great good.

Those who are vitally interested in the live-stock industry feel that similar protection should be extended to live-stock foods. I have examined the subject with as much care as has been possible under the circumstances, and have reached the conclusion that their views are sound. I therefore recommend the enactment of a law with respect to such foods, having the general scope and purpose of the act of the Thirty-first General Assembly relating to pure food.

THE PROPOSED AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES PROVIDING FOR THE ELECTION OF UNITED STATES SENATORS BY DIRECT VOTE.

In obedience to the direction of the Thirty-first General Assembly, I invited the Governors of the several States of the Union to appoint delegates to a convention to be held in Des Moines for the purpose of furthering the application of sufficient States to require Congress to call a Constitutional Convention, to the end that an amendment may be submitted providing for the election of United States Senators by direct vote. In response to the invitation, the Governors of twenty-five States appointed delegates, and the convention assembled in Des Moines on the fifth day of last December. Thirteen of these States were represented by delegates in person, and the remainder through correspondence. The convention was composed of earnest, high-minded, thoughtful men, and the debates, which consumed two full days, were interesting, instructive, and patriotic. The outcome of the convention was the adoption of a preamble and resolutions, as follows:

“WHEREAS, It is the judgment of this convention that the legislative branch of the general Government should be placed more directly under the control of the people of the several States; and,

“WHEREAS, There exists, and has long existed, a strong popular demand for the election of United States Senators by the vote of the people, and said demand is, in the opinion of this convention, well founded; and,

“WHEREAS, The Constitution of the United States provides only two methods whereby the provision respecting the election of United States Senators may be changed; and,

“WHEREAS, The method ordinarily adopted of Congress, on its own initiative, submitting to the several States a proposed amendment has heretofore been ineffective, owing to the refusal of the United States Senate to submit such proposed amendment to the several States; and,

“WHEREAS, There is no alternative for accomplishing the desired reform, save by an appeal by at least two-thirds of the States to Congress asking that a Constitutional Convention be called; be it therefore

RESOLVED, That while this convention would much prefer that Congress should submit to the several States a proposed amendment to the Constitution for the election of Senators by direct vote of the people, so that the States might pass upon it as a single question; yet, inasmuch as the Senate persistently refuses to submit such amendment, it therefore earnestly recommends that the Legislatures of the several States do, in pursuance of article V of the Constitution of the United States, make application to Congress to call a convention for the purpose of proposing amendments to the Constitution of the United States; be it further

“RESOLVED, That the President and Secretary of this Convention be, and the same are hereby instructed, to transmit duly certified copies of these resolutions to the Chairman of the National Committee, and of the several State committees of the two leading political parties; also to the Governors of the respective states, to each member of Congress, and to the President. That in transmitting the copies to the Governors of the States, the President and Secretary of this convention shall enclose a letter urging each of them to lay these resolutions before the Legislature of his State.”



The Executive Committee will present the subject to the States as rapidly as their Legislatures convene, and its members believe that two-thirds of all the States will make the application to Congress for a Constitutional Convention. It will be observed that the resolution does not limit the scope of the Constitutional Convention finally to be called. This is because it was believed that it is not in the power of Congress to limit the convention to a single amendment.

I am profoundly convinced that Senators of the United States should be elected by direct vote. If there ever were reasons for interposing a secondary elective body between the people and their Senators, they have long ago ceased to exist, and in this age there are affirmative and potential reasons for restoring to the voters the full privileges to which they are indisputably entitled. Four times the House of Representatives in the Congress of the United States has passed a resolution for the submission of an amendment upon this subject to the states, but the Senate has persistently ignored the subject. There is no hope that it ever will take the step necessary to give the States the opportunity to express their desires. Therefore, it has become necessary to pursue the other alternative of the Constitution, and call a Constitutional Convention. I know that there are men who fear such a convention, but their fear is groundless, for it can not be believed that the Constitution will be unwisely amended when it is remembered that the members of the convention, who will themselves be the choicest examples of our civilization, must first agree before any amendment can be submitted to the States, and then thirty-five of the forty-six States must concur before the proposed amendment can become a part of the Constitution. If this be not a sufficient safeguard, we are not fit to live in a free country.

I strongly recommend the passage of a resolution that will be an application to Congress, under article V, of the Constitution of the United States, for the calling of a Constitutional Convention to propose amendments to the Constitution.

#### CORPORATIONS.

My observation and experience intensify the conclusions I have twice announced to the General Assembly relative to the organization of corporations. I take one step further and say that it seems to me that one of the imperative demands of the time is to require the articles of incorporation of every corporation hereafter organ-

ized to be approved by some tribunal, such as the Executive Council, with the Attorney General added, before they are permitted to be filed. Even this measure of supervision would prevent the establishment of a large number of associations either unlawful and fraudulent in their purpose or imperfect in their plan of organization.

I reiterate my recommendation that no capital stock should be allowed to be issued until some State authority had made examination, and until it had been satisfactorily shown that it had been paid for, either in money or in property, at a fair value. The universal practice of issuing capital stock without any regard to the value paid for it is the fruitful source of more injustice and oppression than any other in which corporations indulge. To permit corporations to issue stock as they now do is no more defensible than it would be to license a pirate to prey upon a defenseless people.

It is believed by many of the most thoughtful students of governmental affairs that the time has come for an annual franchise corporation tax. I concur in that belief. You could add greatly to the revenues of the State, and at the same time place some of the burdens of maintaining the Government where they belong, by providing for such a tax.

#### INSURANCE.

The developments of the year have not changed my opinions with respect to life insurance. My message to the Thirty-first General Assembly is as full and complete upon the subject as I could make it. I beg to refer to it as a whole, but take the liberty of now repeating and emphasizing certain parts of it. I then said, among other things:

“ Another grave defect in the methods of life insurance developed by the recent study of the subject is the accumulation of a so-called surplus, which, in a great measure at least, represents deferred dividends; that is to say, the sum which the company, in a vague way, promises to distribute at a future time to its policyholders, but concerning which there is no specific agreement fixing the amount of the distribution. The surplus so existing is not reckoned as a liability, for the reason that no policy, so far as I have been able to ascertain, contains any more positive assurance of distribution than that the policy-holder shall be entitled to such share of the surplus as the directors of the company may determine.



The whole scheme of deferred dividends has a tendency to lead the business away from the field of indemnity into the field of investment—a tendency which is altogether too prominent, and which should be checked by such reasonable regulations as can be prescribed without injuring the legitimate enterprise of insurance; but there is a still more potent objection to the practice.

“As is well known, the premium charged by a legal reserve company is made up of two parts: First, mortality; second, the loading for expense. The actual mortality is considerably less than the theoretical mortality, and it might happen that the share allotted to expense is not altogether consumed. From these overcharges in the premium, together with a portion of the interest earned, the surplus is created, and the general promise is to return this surplus to the policy-holder in the form of dividends. I am speaking now of a mutual company, although it is likewise true of a company having capital stock, with the one exception of the diminution in the earnings caused by whatever claim the capital stock may have upon them. No company can safely make any definite promise with respect to the surplus so acquired, for the obvious reason that its extent must always be uncertain. One of the issues in the insurance business therefore is, shall this surplus be ascertained and apportioned and disposed of in some manner at short intervals, or shall it be allowed to accumulate during long periods, and then be paid to the policy-holders in such proportions as the board of directors of the company may think best? It seems to me that every consideration of safety and fair dealing requires that the surplus to be credited or paid to participating policy-holders shall be ascertained and paid, or otherwise disposed of, every year. In so saying, I do not mean, necessarily, that the first or second years of a policy shall be so treated, because the expense of getting the business, with the mortality, quite consumes the premium for those years. If the dividends are deferred for a long period, the policy-holder is absolutely at the mercy of the company. Even if he could override, by a judicial proceeding, the discretion of the board of directors in apportioning the surplus then due him (and the courts have decided that he can not) the cost of procuring the proof necessary to establish his rights would far exceed any benefit that he could derive from the litigation. If, however, the law imposes upon the company an imperative obligation to ascertain and apportion the amount of the surplus due to each participating policy-holder at the end of each year, then the natural forces of

competition between companies, together with the option on the part of the policy-holder to surrender his policy if the dividend be not fair and satisfactory, will protect the policy-holder from any serious wrong.

“I, therefore, recommend that the law be so strengthened as to require an annual accounting between each company and its policy-holders so that at the close of each year the policy-holders will be notified of their respective shares in the surplus of the preceding year. The amendment should also provide for the options which at that time may be exercised by the policy-holder; namely, to withdraw the dividend in cash or to use it for the purpose of purchasing further insurance. In so recommending, it must not be understood that I advocate the distribution, annually, of the entire surplus. It would be unwise to insist that the assets of the company shall at all times be no more than its liabilities. There must be a margin of safety to cover unexpected and extraordinary conditions. There are widely differing opinions with respect to the amount of percentage that should be reserved as the margin of safety, and this divergence of judgment can only be adjusted by your good common sense, to which I confidently submit the whole controversy.”

And again:

“There is more fraud and deception, sometimes intentional and sometimes unintentional, practiced upon policy-holders by reason of the variety in the forms of life insurance contracts than in any other way. There are hundreds of these forms, differing oftentimes but slightly from each other, and these differences are, in my opinion, in many instances created for no other purpose than to enable the agent to found upon them an argument, the fallacy of which can not be detected by the unskilled mind, and the effect of which is to create an atmosphere of mystery about the entire business. There are but few kinds of legitimate life insurance contracts. You can certainly number them on the fingers of your two hands. There is no sense in the almost infinite multiplicity of forms. I believe that there should be standard forms of policies. They should be uniform with all companies. They should be plain, simple, and direct. The obligations should be understood. If we had such uniformity, the people would soon come to know what insurance is, and what the insurance companies agree to do in each of the several forms of contract issued.”



I believe that in the end it will be found wise to prohibit life insurance companies having capital stock from issuing participating policies in any form. The partnership thus created between the stockholders and the policy-holders will always be unsatisfactory. I believe, also, that all the policies issued by a mutual life insurance company should be participating policies, and they should be of such form that any dividends made would be in exact proportion to the contributions out of which the dividends arose. We will never reach the real remedy for the evils which are so manifest until the business is thus simplified.

#### EMPLOYERS' LIABILITY.

The rules of law which in this State govern the liability of an employer to employes are, in many respects, flagrantly unjust to the employes. They need careful revision. At the last session of Congress, a statute was passed which gave expression to an enlightened view of one phase of the subject, so far as interstate commerce is concerned. This statute has recently been declared unconstitutional, solely because the Court believed that the States, and not the general Government, had the power to deal with the matter. Without going into detail, I recommend the passage of a law which will be the substantial equivalent of the act adopted by Congress.

#### LOBBYING AND THE LOBBYIST.

My views upon lobbying and the lobbyist are fairly well known, but I venture once more to express them. Corporations, as well as individuals, oftentimes have a direct pecuniary or property interest in measures that are proposed before legislative bodies. When such measures arise, it is fundamental that they have the right to be heard. To deny them the privilege of submitting either fact or argument to the men who make the laws would be intolerable in an enlightened government. Manifestly, however, the privileges of such representatives should be limited to the submission of such matters as touch the merit or demerit of the legislation proposed, and whenever and wherever any corporation or individual attempts to influence a member by any other consideration, no matter what it is, he commits a crime against morals, and the punishment should be swift, sure, and severe. I understand perfectly that such offenses are not easily discovered, but that is no reason for immunity when they are discovered.

The lobbyist is not and ought not to be in good repute, and therefore I make this distinction. He who comes before you, fairly argues the case given to him, submits his case honestly, and goes his way, is not a lobbyist, and the term, which has become one of reproach, ought not to be applied to him. The real lobbyist is the man who has no concern for the merit of the law which he advocates or the demerit of the law which he opposes. He is the man who attempts to create personal obligations which will influence votes. He is the man who intrigues for combinations in which votes for or against one measure are traded for votes for or against another measure. He is the man who pursues his avocation behind locked doors, and in dark corners. He is the man who wants to win, right or wrong, and puts his desire to accomplish his purpose above his duty as a citizen. Such a lobbyist ought not to be registered anywhere. He ought to be abolished everywhere.

I am glad to say that in Iowa these men are growing every year less conspicuous and less numerous. I hope to see the species wholly disappear, and that the historian of the future may be able to write that about this time the race became extinct.

#### CONTRIBUTIONS BY CORPORATIONS FOR POLITICAL PURPOSES.

That it has become a custom with corporations of various kinds to make contributions to accomplish or defeat the nomination of candidates for public office, and to assist in the election of candidates for public office, is so well known and has been so completely established that I need not pause to prove its existence. There are many reasons, of the weightiest character, which demand an immediate prohibition against such misuse of corporate funds, coupled with a penalty of imprisonment for the violation of the law: First, the growing tendency to use money in political campaigns is subversive of the fundamental principles of good government, for it not only destroys purity of motive, but it overthrows the safety which is always found in individual and independent action. Second, it is a plain theft from every stockholder who does not give his assent to the contribution, and the misappropriation is peculiarly obnoxious because it oftentimes puts the money of a stockholder at work for a candidate whose success the stockholder does not desire. Third, the practice gives to the corporation an influence in public affairs simply because of the money contributed—an influence which is necessarily both selfish and vicious. Corporations should, of their own motion, rigorously exclude them-



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selves from politics, and the most effective way in which to give them strength to resist temptation is to fix a penalty for participation, so severe that the honest course will be the most attractive one. I recommend, with all my earnestness, the enactment of a measure upon this subject that will stop, at once and forever, so odious a misuse of corporate property.

In this connection, I desire to submit another suggestion. I recognize that there must be some expenditure of money in every political campaign, whether for nomination or for election. There are legitimate purposes for which money can be expended, and to this extent, when contributed by individuals, there can be no criticism of the practice. We will all agree, however, that the expenditure of money in political controversies has passed beyond a fair and reasonable limit. Other countries and other States have attempted to restrict the use of money within honest bounds through that very efficient corrective—publicity. I think the State of Iowa should do likewise, and I strongly recommend a law that will require not only political committees, but candidates for nomination and for election, to publish their expenditures.

#### PRIMARY ELECTIONS.

The wisdom of establishing a system for the nomination of candidates for elective offices has not only been thoroughly debated in prior general assemblies, but has been maturely considered by the people of the State. Declarations upon the subject will be found in the platforms of the two principal political parties which preclude doubt with respect to the opinions of an overwhelming majority of the voters. The experience of each year, as it passes, emphasizes the imperative need of a thorough-going reform in the methods of nominating candidates.

We have long tried the plan of unregulated caucuses and conventions, and the defects discovered in this system have been so manifest that there is a universal demand for something better. I therefore earnestly recommend, as I have recommended before, an efficient primary election law. I recognize that there are differences of opinion with respect not only to the scope but the details of such a law, but I sincerely hope that these differences may not be so broad nor so fundamental that they can not be reconciled. I have given much thought to the subject, but shall not impose upon you at this time more than a statement of the essential features which a primary election law should contain.

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First, it should embrace the nominations of candidates for all elective offices, whether State, county, municipal or district, including the office of Senator of the United States. Second, it should provide for the nomination of candidates for these offices by the primary vote, and should not remit nominations, under any circumstances, to a convention except in the event of a tie. Third, the primary election for all political parties should be held throughout the State on the same day and at the same places. Fourth, there should be some fair test of party affiliation.

I know that there are some thoughtful students of the subject who believe that a nomination by a mere plurality is unwise, and I grant that there may be instances in which the concurrence of a majority would be better, but to require a majority in all cases would be to make no substantial change in the present system, for conventions would still be compelled to nominate candidates. If, therefore, we are to advance at all, it seems to me that we must adopt nominations by pluralities.

I am aware, also, that there are many persons who, with the utmost sincerity, believe that certain offices, such as Judges of the Supreme and District Courts, Attorney General, Clerk and Reporter of the Supreme Court, and Superintendent of Public Instruction, should not be included. I do not share the fears which lead to this conclusion, and yet I am quite willing to concede that if there are to be exceptions to the full and complete operation of the law, they should be along this line rather than any other.

I leave the subject with you, confident that you will deal with it as becomes its vast importance, and in accordance with the spirit which so universally prevails.

#### EXPRESS AND TELEGRAPH COMPANIES.

The Twenty-eighth General Assembly passed an act providing for the taxation of the property of express companies, which the Executive Council has, since its passage, been attempting to apply. The object of the statute is to ascertain a taxable mileage value of all the routes of a given express company, and then take the proportion in this State as a basis for taxation within the State. Unquestionably, the General Assembly had in mind the ordinary railway lines over which express companies do their business on land. The fact is, however, that some of the express companies have ocean routes, of tremendous distances but of little value, and



it is contended, year after year, that in ascertaining the value of the routes in Iowa the Council must take into consideration the ocean lines as well as the land lines. To do so would be to reduce the taxable value of the lines in Iowa to an absurd point, but the letter of the law gives some strength to the argument. I recommend a careful revision of this statute, so that all doubt respecting its interpretation will be removed, and a fair valuation clearly imposed.

I can see no good reason why the general policy that the Legislature has applied to express companies should not also be applied to telegraph companies. If it is equitable to ascertain the value of express routes by ascertaining the value of the property as a whole and then taking a mileage proportion of it, it would be no less equitable to determine the value of the telegraph lines in the same manner. The mere cost of constructing a telegraph line is no criterion of its worth for the purpose of taxation. I recommend the passage of a law that will set up the same criterion for telegraph property that you have established for express property.

I have long believed that both express companies and telegraph companies should be brought within the jurisdiction of the Railroad Commission, and that the Commission should be given the same authority to prescribe rates for telegraphic messages and for the carrying of express matter, and to supervise the management of telegraph and express companies, that it now has with respect to railroads. I commend this subject to you as one well worthy of your attention.

#### RAILROADS.

Inasmuch as I feel compelled to make a series of recommendations that touch, directly or indirectly, the railroads within the State, I must be allowed a brief preface. There has been, within the last three or four years, so much discussion concerning the relations of the railroads to the people, that those who manage railroad property and those who own railroad stocks and bonds seem to fear that there exists a violent prejudice which will result in unjust legislation. I can not believe that the fear is well founded. The discussion has been the natural outcome of the marvelous increase in commerce, and the plain attempt of railway managers to reap the largest possible profit from the unparalleled traffic of the time. These managers, while they admit as a mere abstraction the proposition that a railroad has not the liberty or license of private property,

can not and will not accept it as a rule of conduct. They still believe, apparently, that they have a right to capitalize not only present earnings, but hopes for the future. They can not and will not, save theoretically, recognize that all persons and all localities must be given the use of transportation facilities upon like terms under like conditions.

There is no disposition upon the part of the people generally or of any legislative body to take away from railway corporations the management of their property, or to deny them full and adequate compensation for the service they render. I say to you, and I hope you will bear it in mind when you come to consider the recommendations I shall make, that you could not inflict a more fatal blow upon the people of this State than to adopt such legislation as would deprive our railroads of the opportunity to earn a fair profit. We are dependent for our material well being upon the transportation afforded by the railroads as we are upon the air we breathe for the continuance of life. Railroads will not and can not serve the people efficiently unless they are reasonably compensated for the work they do. The spirit of confiscation is not in the people of Iowa, and it is not in this General Assembly. The railway companies may dismiss all fear of injury. It is incredible that the calm wisdom of this or any other legislative body in a country like ours will impose such restrictions upon the use of railroad property as will render it either unprofitable in operation or unfairly interfere with the control of its owners. The whole history of legislation upon this subject proves conclusively the truth of my assertion. Notwithstanding all the acts that have been passed regulating the operation and limiting the compensation of railroads, whether by the States or the United States, the railroads have steadily grown in mileage and increased in revenue until they pay dividends and interest upon stocks and bonds aggregating nearly one-seventh of the entire wealth of the Nation. Experience has abundantly shown that, with the privileges granted to them by the law, they can take care of themselves much more effectually than legislatures and congresses can take care of the people.

Concluding this general review, I come to specific things.

#### PASSENGER FARES.

In my message delivered to the Thirty-first General Assembly, I had the honor to recommend the passage of a law that would require railway companies to "sell mileage books good for 1,000 miles



and upwards, at a flat rate of two cents per mile, good until used ;” and I said in that connection “ if purchased by the head of a family, there is no reason why it should not be used by any member of the family ;” and again, “ The man who travels little is at present at too great a disadvantage as compared with the man who travels much.”

A bill embodying this recommendation passed the House of Representatives, but in the committee of the Senate, counsel for the railways contended that it was unconstitutional, because it authorized discrimination. The argument seemed to be convincing, and although I do not concur in the conclusion, I feel impelled to lay aside the remedy then proposed. It must be assumed, therefore, that if those who travel little are to be relieved of the unjust burden which they now bear, the relief must come through a general reduction of all passenger fares. There is much reason to believe that, in the Western country at least, passenger traffic at the present rates is less profitable than freight traffic at the present rates. The representatives of the railway companies, during the last session, insisted that the average actual rate paid by passengers in Iowa was not more than two cents per mile, some of the roads showing a fraction higher and some a fraction lower than two cents. In making this computation an arbitrary division of certain large expenses was assumed, and as I understand it, free transportation was not included.

This condition has been brought about by the railroads themselves, through mileage books, credentials, and other reduced rates to privileged classes. When it is remembered that the vast majority of those who travel a great deal pay but two cents per mile, and that the travel of all those of our people who pay three cents per mile is necessary to bring the average up to two cents per mile, the extent of travel which pays less than two cents per mile assumes tremendous proportions. Granting, for the moment, that it would be unfair to reduce the revenue from passenger service a single penny, it is still manifest that the adjustment is hopelessly wrong. It costs the railway company just as much to carry a passenger who has purchased a 2000-mile book, per mile, as it does to carry a passenger who has bought a single ticket for 100 miles ; indeed, I think the former costs a little more, for the use of the mileage book entails more expense in the maintenance of extensive bureaus for identification, auditing and rebating, than the sale of tickets at stations. The only advantage derived by the railway company is

the interest upon the payment in advance, and this does not warrant any appreciable reduction in the rate.

If the practice of making low rates for excursions, conventions, meetings of associations, and the like, is unprofitable, the railway companies can easily abolish it. For my part, I can see no justice in the custom which compels the farmer and his family, or the merchant and his family, as they go from place to place, either for pleasure or for business, to pay a part of the cost of carrying men to conventions or to gatherings of any kind ; and much less can I perceive the wisdom of making our people pay, as they move about engaged in their ordinary affairs, for losses incurred in taking trainload after trainload of pleasure seekers to points of entertainment or amusement, or land seekers, as they journey to distant states in the hope of finding riches that they could more easily discover at home.

These things, however, are entirely within the control of the railway companies. If we give them an opportunity to take two cents per mile from everyone who rides upon their trains in Iowa, and they avail themselves of the opportunity, as they can, their revenue from the passenger traffic will not be reduced a single dollar ; on the contrary, according to universal experience, it will be increased. If, on the other hand, the railway companies, with the right to demand two cents per mile from all who travel, find it advantageous, by reason of ulterior and extrinsic benefits, to reduce the rates under certain circumstances below the maximum, and thus diminish the average rate actually received, they can not assert that the law has done them an injustice. I stand firmly upon the proposition that the travellers who are now paying three cents per mile are paying the fares of other travellers who are abundantly able to pay their own ; and moreover the burden is laid upon the people who are least able to bear it. It is discrimination which can not be defended, and which ought not to continue. It will not be forgotten, either, that the prohibition against passes already in force, and an enlargement of the prohibition of which I shall speak presently, and which I hope will shortly be in force, will add materially to the revenue of the railway companies, and will help greatly in maintaining the average at or above its present point.

What I have said has been upon the hypothesis of a strict division between the earnings of the passenger and freight traffic. I do not concede, however, that the proposal for two-cent passenger



fares is to be tested wholly by any such criterion. I prefer to look at the earnings of the railroads in Iowa as a whole, and if they are found to be more than they should be, it is not very material to inquire whether a two-cent passenger rate will or will not be, in and of itself, profitable. The chief business of railroads in this State is the transportation of freight, and it clearly appears from the arguments laid before you last winter that they regard passenger traffic as incidental, and do not attempt to make it the source of any considerable net earnings.

The gross earnings of all the railroads upon business done in Iowa for the year 1905, not including interurban railways, was \$62,792,307. In ascertaining these earnings, Iowa is given a mileage proportion upon all interstate traffic. It is not safe to accept the report of any particular railway company respecting the amount expended for maintenance and operation, inasmuch as the variety in the methods of bookkeeping destroys the value of any one report. It is fair, however, to resort to averages, and according to the computations made by the Interstate Commerce Commission, the average percentage of gross earnings for maintenance and operation throughout the United States is a little less than 68 per cent. If we assume 68 per cent as the fair proportion (and I am of the opinion that the assumption will do the railway companies no injustice) the net earnings of our railroads upon business done in Iowa for the year 1905 were \$20,093,538.24. This sum will pay 6 per cent interest upon \$334,892,304. It will pay 7 per cent interest upon \$287,050,546. The last assessment fixed the actual value of the railroads in the State at \$249,348,780. The Executive Council, however, chose to apply the same proportion of value as it believed had been applied to farm property; namely, about four-fifths. Increasing the value by the addition of one-fifth, the result is an actual value of \$299,218,536. It will be remembered, however, that in reaching this value the Executive Council was largely influenced by the gross and net earnings, and in a less degree by the amount which had been expended in the construction of the properties. It is manifest that when you come to determine whether the net earnings are too great, you can not take as a basis a valuation founded upon such earnings, but must adopt some other method. If it be asserted that it is unfair to take the gross and net earnings of a single year, it may be of interest to inquire what these earnings have been during the last five years.

In 1901, the gross earnings were \$56,079,943; in 1902, \$56,466,305; in 1903, \$58,466,340; in 1904, \$57,396,848; and in 1905, as before stated, \$62,792,307. The average gross earnings for these five years are \$58,240,348. Using the percentage for ascertaining net earning heretofore mentioned, the result is \$18,636,911.36, for the average net earnings per year during the last five years. This sum will pay 6 per cent interest upon \$310,615,189. It will pay 7 per cent interest upon \$266,241,591. These rates of interest are sufficiently liberal when you take into consideration the fact that practically one-half the capitalization of railway properties is represented in bonds, the average interest upon which is about 4 per cent. The ascertainment of the sum upon which the earnings of railway companies should make a reasonable return is not easy. If you accept the basis presented by the actual investment you can approximate the proper capitalization very quickly. I have heard it stated by the representatives of railway companies before the Executive Council, over and over again, that the average actual cost of the railroads in Iowa did not exceed \$20,000 per mile. There are now 9,827 main track miles in the State, which, tested by this theory of value, are worth \$196,540,000. The net earnings of 1905, as you will observe, were sufficient to pay more than 10 per cent upon such a valuation. The average yearly net earnings for five years would pay 9.48 per cent upon this valuation. If you take the cost of reproduction as the proper test, an average of \$25,000 per mile is about right. Upon this basis, the railroads are worth \$245,675,000. You can compute in a moment the percentage of interest which the net earnings would pay upon this sum. It will not be overlooked, of course, that any considerable reduction in earnings would, in all probability, result, and ought to result, in a reduction in the value of the property for taxation.

I submit these suggestions to you to be reviewed by your mature judgment, and to be used for the purpose of beginning an inquiry as to the justice or injustice of any action that you may take that will lessen the income of the railway companies, whether from the passenger or the freight service. It is a subject which invokes a high sense of responsibility, and it demands for its consideration all the obligations of an official oath. I know that you will examine it, and act upon it without fear, favor, prejudice or oppression. For my own part, I am deeply convinced that a reduction in the passenger rate is fully warranted, and I therefore earnestly recommend the substitution of a two-cent rate for the existing three-cent rate.



FREIGHT RATES.

What I have already said is sufficient in so far as the income of railway companies is concerned. The Railroad Commission has already adequate power to fix schedules of maximum freight rates. The schedules and classifications announced in 1889 have not been changed essentially during the eighteen years that have since intervened. In the meanwhile, the manufacture and commerce of the country have been revolutionized; and I believe it to be true that the present adjustment of rates is grossly unfair to the manufacturers, farmers, stock producers, and distributors of the State. They do not have a fair and even chance in the struggle for business. It may be worth your while to institute an investigation, which, with your plenary powers, might develop many things which the Railroad Commission can not discover, and which would greatly aid in the readjustment of rates. As you know, it is the almost invariable custom of railway companies, in bringing shipments of any kind into the State, to make rates to the State line, and then add the rate of the Iowa distance tariff to the point of destination. This practice results in great hardship to our manufacturers and distributors in their efforts to compete with their rivals situated beyond the State. To give point to this phase of the intricate subject, I take the liberty of giving you the substance of two letters which I received during the time I was writing this part of my message:

“ In 1906 there was shipped from Chicago to Fairfield for the Loudon Machinery Company, 29 cars of bar steel, having a total weight of 980,741 pounds.

Distance from Chicago to Fairfield, 256 miles.

Distance from Chicago to Burlington, 206 miles.

Distance from Burlington to Fairfield, 50 miles.

Rate from Chicago to Fairfield, 13 cents per 100 pounds.

Rate from Chicago to Burlington, 5 cents per 100 pounds.

Rate from Burlington to Fairfield, 8 cents per 100 pounds.

Freight charges for hauling these 23 cars 206 miles, \$490.37.

Freight charges for hauling these 23 cars 50 miles, \$784.59.

In this particular case, the freight for one-fifth of the entire distance—the part in Iowa—is \$294.22 more than for the other four-fifths of the distance—the part in Illinois.”

“In 1906, the Iowa Malleable Iron Company, of this city, shipped in 1,597 long tons of pig iron. Most of this, if not all, came from Chicago.

Rate from Chicago to Fairfield, \$2.40 per long ton.

Rate from Chicago to Burlington, \$1 per long ton.

Freight from Chicago to Fairfield on 1,597 long tons . . . \$3,832.80

Freight from Chicago to Burlington on 1,597 long tons . . 1,597.00

Freight charged from Burlington to Fairfield on 1,597 long tons . . . . . 2,235.80

Freight on 1,597 tons for hauling 50 miles in Iowa . . 2,235.80

Freight on 1,597 tons for hauling 206 miles in Illinois. 1,597.00

In other words, the freight charges for hauling 1,597 tons of pig iron 50 miles in Iowa are \$638.80 more than for hauling the same tonnage 206 miles in Illinois.”

I understand perfectly that nothing that you could do would affect a through rate, but if it is to be the settled policy of the railroads to make the interstate rate, so far as Iowa people are concerned, by adding the local distance tariff from the State line to the point of destination, it is possible to so adjust our rates that less injustice would follow their application in that manner.

At the present time, there are no joint rates upon local traffic. The law gives to the Railroad Commission the authority, upon special application, to establish a joint rate, but there is no authority to prescribe a general schedule of joint rates. The constitutionality of the existing statute was at one time questioned, but the case in which it arose was determined upon another issue, and therefore the validity of the law is still undecided. I recommend the subject to you as one worthy of the most careful consideration. It is believed by very many of our manufacturers, as well as by a large proportion of our general shippers, that the law should be amended so as to confer upon the Commission as complete power to establish a schedule of joint rates, embracing all railroads and all traffic, as it now has to promulgate a schedule of rates over single lines.

DEMURRAGE.

Two propositions will be admitted without controversy: First, that it is the duty of every railroad company to provide itself with sufficient motive power and enough cars to carry the freight offered



to it with reasonable promptitude, and to furnish these facilities without discrimination to the shippers who ask for them; second, it is the duty of shippers and consignees to load and unload cars with reasonable promptitude, to the end that each car may perform the maximum of service. Shippers complain, and in recent times the complaint has been emphatic, that the railways do not furnish cars as they should with reasonable diligence, and do not move them, when loaded, with sufficient speed; and that they do discriminate between their patrons. The railway companies complain that shippers and consignees are not careful in loading and unloading cars when furnished, and to correct the latter evil they impose a penalty for detention, which is called, in railway parlance, "demurrage."

It seems to me consistent with good policy that the penalty should be imposed upon both sides. If the railway companies are remiss in their duty of furnishing cars and moving them, they should pay for their delinquency, and if the shippers and consignees are negligent in returning cars to service, they should pay for their fault. I recommend the enactment of a law that will create a sufficient motive in both carriers and shippers to do their full duty in this regard.

#### FREE TRANSPORTATION.

A year ago, I gave to the General Assembly my views upon this subject, and I beg leave to refer to my former message for a full expression of the evils which attend the practice of granting free transportation to favored persons and classes. The act which was passed by the Thirty-first General Assembly was a step in the right direction, but I respectfully submit that it did not reach the end toward which the public judgment so firmly advances. Its prohibition is not broad enough to abolish some of the most objectionable phases of the custom. Since its passage, Congress has legislated upon the subject, in so far as it relates to interstate carriage of passengers, much more effectually. I believe that the law of Iowa should be amended so as to conform to the law of the United States, and I recommend the enlargement of our statute so that what is unlawful for a railway company to do as between the States will also be unlawful to do within the State. I recommend further that you make such a definition of bona fide employees as will preclude the issuance of passes to persons whose connection with the company is either formal or created chiefly to give opportunity for free transportation.

#### HOURS OF CONTINUOUS LABOR IN RAILWAY SERVICE.

I invite your earnest attention to the danger incident to the practice of allowing or requiring men in the railway service to work continuously so long that they can not exercise the care essential to their own safety and to the safety of the traveling public. The history of railroad accidents is full of warning upon this subject. The operation of railway trains demands a vision not dulled by loss of sleep, a memory not impaired by physical weariness. It demands that all the senses be alive and keen. It is well established that many of the most deplorable accidents have resulted from the failure of men who were at their posts for twenty-four, thirty, thirty-six and even forty-eight hours without the chance for adequate recuperation.

To require such continuous work is inhuman to employees; to permit it is an offense against the public. The fault is not with the railway companies alone, for there are employees who seek an opportunity to thus increase their wages; but whoever desires it, there is a higher consideration than either profit to the employer or compensation to the employee. The public safety overrules them both.

I recommend the enactment of a law that will fairly and reasonably limit continuous service of employees engaged in the movement of railway trains.

Gentlemen, I have now performed as best I could the duty which the law imposes upon me. My responsibility ceases and yours begins. I transfer these subjects to you in the full confidence that in so far as I am right my recommendations will find approval at the seat of your judgment, and with the consciousness that in so far as I am wrong they will fall under the weapons of your fair debate.

Respectfully submitted.

*Albert B. Cummings*