

...the proposed... attention of the... of first... navigation is... which, if... removed, the... water commu... most practicable... already entered... the Willamette... and several limited... made for that purpose... undertaking in this... of a canal and locks... Columbia River... of 200,000, but... Monday... to begin the... of the U. S. Eng... J. Con... estimates on... taken, in his report... says: "A permanent... without doubt, be success... at this locality by the... of the rocks, which... on the map, between... rapids and the basin at... The works will be almost... with those at the falls... opposite to Oregon City... will not, in many respects... difficulties." In the special... following condensed state... required character of work and... "Length of canal through... round Cascades of Columbia, 2,000... feet at low water; length of locks... 100 feet; three locks, lift of 7... draught of boats, 8 feet; length... in locks, 10 1/2 feet; height of... other rocks, 150 feet; low channel... between extreme high and low... feet; substantially built, prop... and locks and removal of rocks... General Michler writes: "The very... of the two works, both at... Cascades, especially the latter... which will accrue to Eastern... the construction, can be easily... largely demonstrate. The agree... of tonnage carried on the river... Portland and points above, on the... and Snake Rivers, for the fiscal year... (1874), was 18,239 tons, of which 6,500... of wheat and flour, and it is cal... that there will be 15,000 tons of wheat... to ship from Walla Walla Valley alone... in current year (1875). The wheat... for export this year from the Upper... River will probably exceed 200,000... the general tonnage of the Columbia... ally increased. In mentioning these facts... deserved prominence to the first... improvement by way of locks and... the Columbia River, which, when... up with other works of the kind, of... ways have already been made, will... few leading interruptions to free... on the Columbia and Snake Rivers... distance of 900 miles from the sea, by... channels. When this shall be nec... all of the magnificent wheat... slope of the western side of the... mountains, from the forty-second to... parallel of north latitude, will... for large transportation of its pro... the ocean. This region is the greatest... productive of the uncultivated grain... countries of the world. On this... attention given to this subject by... election in Congress, and to congrat... the State on the beginning of this great... the work, for which your predecessors in... Assembly have so repeatedly memorial... I recommended that this subject again... your attention, and that the hands of... Representatives in Congress be sustained... your continued demands for the completion... of these improvements. Further... movement of the Willamette, which already... bears an immense commerce, should be urged... and I ask your special attention to the... minor rivers of our south coast, which... though of less magnitude, yet they drain... regions of no mean importance, and are... second to none in proportionate importance... to commerce.

CONSTITUTIONAL AMENDMENTS.
In order to enable the Executive to check the introduction of ill advised items of expense into a general appropriation bill, without resorting to a veto of the whole bill, I recommend an amendment to our State Constitution, whereby the Governor shall have the power of disapproving any item or clause in an appropriation bill presented for his approval, without rejecting the whole bill. And I recommend a further amendment, enabling the State to exempt new enterprises, within the State, from taxation for a limited number of years, as an inducement to capitalists to undertake such enterprises. This is the practice in many States, and is sustained on the ground that such new enterprises will create more taxable property, even before they are taxed, than otherwise would have existed. As a matter of economy, as well as public convenience, I suggest a further amendment requiring our general elections to be held on the Tuesday next following the first Monday in November, biennially, being the day fixed for the Presidential election every four years. This becomes the more necessary for the reason that, by late act of Congress regulating the time for holding elections for representatives in that body, this date is fixed, as well as the time for biennial Congressional elections. Unless this change is made, the people will be burdened with the expenses of two general elections in one year at every recurring biennial period. The Legislative Assembly would, in case of such change, properly convene in December of January.

THE LOCKS AT WILLAMETTE FALLS.
On the 28th day of October, 1868, an Act was passed, granting aid to the Willamette Falls Canal and Lock Company incorporated under the laws of Oregon on the 17th day of September, 1868, to assist them in constructing a canal and locks at and on the west side of the Willamette falls. In the preamble of this Act, it is declared that "it is of great importance to the people of Oregon that the obstructions to free navigation of the Willamette River at that place should be removed, and freights carried on said river should be cheapened." This Act granted a subsidy to said company of \$150,000, upon the express condition that said corporation, after the completion of said canal and locks as hereinbefore set forth, shall not, for a period of ten years after the same is completed, charge a greater rate of tolls than seventy-five cents per ton for all freight, and twenty cents for each passenger passing through said canal and locks in steam boats and other water craft. The works were not completed under this Act, the time allowed for their completion being too limited and the amount of aid too small.

At the session of the Legislative Assembly of 1870, this act was substantially re-enacted, the limitation of time for the completion of the works, fixed by the first Act, having been expressly waived. The second Act provided a subsidy of \$200,000, to be paid out of the funds donated by the United States to the State of Oregon for the purpose of internal improvements. Upon the express condition that said corporation, after the completion of said canal and locks, as hereinbefore set forth, shall not charge a greater rate of tolls than fifty cents per ton for freight and ten cents for each passenger, going through said canal and locks in steamboats or other water craft.

And after the completion of the same, the said corporation shall pass, without delay, through said canal and locks all steam boats, flatboats, barges and other water craft in the order in which they shall arrive at either terminus of said canal.

A modification was made in the second Act as to the character of the State obligation to pay the subsidy, so as to avoid a constitutional objection. The completion of the work was required on the first day of January, 1875, and bonds were required to be given for the completion. The work was constructed of the most substantial character and within the time named, and they have been open and doing business, to the great advantage of the State. But said Willamette Falls Canal and Lock Company, within the past year, have sold and transferred their interest in said

Canal and Locks to the Willamette Transportation and Locks Company, who are incorporated also to the benefit of the State, of all steamboats on the Willamette River, such extent as to direct the rates and freights, and by a combination with the railroad company on either side of the Willamette River, have established a monopoly of the transportation business of the Willamette Valley, and have established charges for freights at a high rate higher than before existed. Since the sale of the canal and locks, the rights of franchise of the Willamette Falls Canal and Lock Company, the company has been allowed to have become disincorporated by proceeding in the Circuit Court of Multnomah County, in accordance with the provisions of the statute in cases of non-user of franchise. Apprehension has been expressed that the canal and locks are now to be closed against public use. I have no notice that any boat has been offered to pass the locks which has not been passed at the regular rates of toll.

In my view of the matter, these works, constructed in part with public funds, are so impressed by the conditions of the act granting the aid that they bear a public character, and there is a public trust attached to these works, and that the trust runs with the property; that neither the changes of that ownership, nor the subsequent dissolution of the corporation which constructed them, can avoid that character nor discharge that trust. Nor do I apprehend that this view differs from that of the present or former owners of the locks.

There are duties to the public, distinctly defined in the Act which gave origin to the canal and locks, attached to their corporate privileges secured by law, an ultimate right of regulation, if deemed necessary, is inherent in the State, to render more secure the public benefits intended to be obtained by the grant of aid. The power of the Legislature to enforce proper rules and regulations in the premises, I believe to be plenary, and I commend this subject to your careful attention.

Had the question been a new one on my accession to the Executive chair, I should have favored the direct construction of these works by the State, so that no question of conflict of interest could arise, and as it is, many of our citizens advocate a purchase or lease of the canal and locks. I will say that no proposition of the kind can, in my judgment, be sustained, unless it is contemplated at the same time to raise, by special taxation, a fund in advance of any requirement for use, in such an enterprise, as a debt would be void under the Constitution.

These works are of the class of river improvements which are customarily constructed by the general Government. They are of that enduring and valuable character and constructed with such engineering skill, that the general Government might adopt them as general public works, or assist in their completion, for the purpose of freeing them from private control.

REGULATION OF RAILROADS.
In my last biennial Message I recommended this regulation by statute of railroads within this State. It was then said: "That the privileges of railroad corporations should be limited to the purposes of their incorporation, as carriers of passengers and freight; that there should be fixed by law a reasonable maximum of rates; that the interests of merchants, millers and shippers should be guarded against wrongful discriminations adverse to them; that prominent points of business on railroad lines should be made stations for shipment and delivery of produce and merchandise; that the roads should be required to be tenaced at all points exposed to danger for want of protection by fences, and that a simple and direct mode of bringing actions at law by parties injured, would appear to be of essential propriety." Experience has given emphasis to this recommendation, and it is now repeated.

STATE CAPITAL.
The Capitol buildings constitute the home of the State. They are emblematic of its sovereignty, and should correspond with its dignity. The structure now occupied has been in course of construction for four years, and has come to such completion as to be, from this date, permanently used as a State House. The work will, on examination, be found equal in character to the buildings generally of the State for a century. The cost of the building this far, in money from the Treasury, is \$1,939,272.02; convict labor, brick and other material from the Penitentiary, \$1,658,677, making the present cost, \$3,597,949.

A special allowance should be further made out of the resources of the one-half tax set aside by the Act of October 21, 1874, to enable the United Building Commissioners to complete and protect the exterior corners, and to cement the walls most exposed to damage by storm after which the building should be carried to completion very slowly, and as the resources of our revenue will admit of.

Estimating the future work to be done with the same economy and success as the past, the entire Capitol Building can be finally completed according to the original plans and specifications of the architects, for an additional appropriation of \$100,000, amounting to a total cost of \$3,697,949. The building is 124 feet in length, 100 feet in width, with transverse sections 140 feet in depth, stories high, above a basement of heavy stone walls. The main tower is to rise 150 feet from basement. The building to be ornamented with Corinthian porticoes, supported by six iron columns each. In this building, besides the large quantities of stone and iron, five millions of brick have been used. The architect's estimate of the cost of this structure exceeds that of any class, and especially public buildings, are constructed within the estimated cost. The expense of this public work will fall nearly two-fifths short of the estimates.

I congratulate the State upon the good work here done, and take occasion to commend the diligence, skill and energy of the United Building Commissioners, who have been from time to time engaged upon it, and of the contractors who have had the same in hand.

INDIAN RELATIONS.
During the past two years the condition of our interior frontier has been generally peaceful, but attention is still necessary to the relations of Joseph's band of Nez Perce Indians, who claim ownership of lands in Waiwawa Valley, in Union County, notwithstanding the general Government has extended its surveys to that region and opened the same for settlement. I have urged upon the General Government the duty of moving these Indians to the Nez Perce Reservation, and giving peace to our eastern borders, which I hope may shortly be done. In other quarters a general condition of peace prevails. The policy of contracting the large reservations within the State to the real necessities of the Indians in occupying the same, should be vigorously urged, so that the extensive regions of fine arable land, now closed to occupancy by settlers, can be opened for civilization.

BOARD OF PILOT COMMISSIONERS.
Our increasing commerce requires that special attention be given to pilotage and towage on the Columbia and Willamette Rivers, and that regulations be just, discriminating and efficient. The report of the Board of Pilot Commissioners is herewith submitted, giving full detailed information of the shipping interests connected with the Columbia River trade. As the business of this Board is accumulating, provisions for clerical aid is recommended.

HEALTH OFFICERS.
Your attention is respectfully directed to the reports of Health Officers, in which general good conduct is manifest.

RAILROAD CONNECTION.
Oregon has no connection with the railroad system of the United States. We are in a manner isolated from the rest of the world, as far as rapid transit is concerned. Your leading lines of railway are projected—the Northern Pacific, the Portland, Ladies and Salt Lake, the Willamette, and the Oregon and California routes, the latter partly constructed. These

proposed lines will all be built within a reasonable time. The next tide of onward progress of the business world will give life and motion to all of these enterprises. Either one of them completed, would add new life to the State, nor lowest Pacific coast. In relation to either of these projected roads, I am still firmly attached to my own position in relation to subsidies, by which bonded debts are created either against the State, or counties or cities. I believe such debts unconstitutional. Whatever aid may at any time be granted to such enterprises, should be from resources in hand, or raised in advance of use in a constitutional manner.

BUREAU OF AGRICULTURE.
In my first biennial address to the Legislative Assembly, six years ago, I took occasion to call attention to the treaty between the United States and China, commonly known as the Burlingame Treaty, and to develop the objections which exist to that treaty and to the immigration of Chinese to our shores. The views then expressed have been strengthened by the experience of the Pacific States. The treaty is mainly objectionable on the ground that it departs from the customary province of commercial treaties, and invades the States, setting aside their ordinary and rightful control of police and sanitary regulations, and denies them the power to reject the influx of persons of degraded and vicious character. The treaty should be negotiated, and a treaty for commercial purposes, only, should be concluded in its stead. I recommend that, by memorial, you strengthen the movement recently inaugurated at Washington for this purpose.

CLERICAL AID.
The work of the Board of School Land Commissioners is a solitary one, requires the services of two clerks—one devoted to the work connected with the sales of the public lands, and the correspondence connected with the same, and another recorder of the Board; the other, to take charge of the loans of school funds and the correspondence connected with this most important branch of the public service. This as the case now stands, is a very onerous one, and must be promptly and vigorously met. The Agricultural College and the Common Schools to be constantly loaned, and the interest to be collected and paid over for the support of those schools. These two clerks have been employed during the past two years, but one of them has been detained to perform the additional duty of book-keeper for the Treasury, without additional compensation, for the reason, that by the course of the last Assembly toward the State Treasury, that department of the State administration was left without any provision for a book-keeper or clerical assistance of any kind. In fact the Treasury department was disorganized. I respectfully urge upon your consideration, and authorize the Board for the employment of a book-keeper in the State Treasury.

The clerical labor of all the departments have been characterized by diligence, integrity and faithfulness to the public interests, and I am gratified to commend them as such. The fiscal management of the Institutions for Mutes and the Blind, has been conducted during the past two years by the Governor's Private Secretary, without additional compensation.

ELECTION OF UNITED STATES SENATOR.
Among the important duties devolving upon the present Assembly, is that of electing a Senator to represent Oregon in the Congress of the United States, for the term of six years, from the 31st day of March next. In the performance of a duty of so much dignity, honor, and responsibility in legislation, it is not necessary for me to comment upon the weight of this duty.

THE CENTENNIAL EXHIBITION AT PHILADELPHIA.
The grand exhibition at Philadelphia in commemoration of the one hundredth anniversary of our National existence, to which the nations of the world have accorded an invitation to be present, has not been without significance to Oregon, and without distinction to her people's products. Under the Act of Congress authorizing the President of the United States, on the 16th of March, 1876, to appoint, for each of the several States, a Commissioner, to assume the general management of the Exhibition, I had the honor to nominate for Oregon, James W. Vinton, of Baker County, as Commissioner, and Andrew J. Dufar, of Multnomah County, as Commissioner alternate, who were duly appointed. The former having been so much engaged in private business as not to be able to attend the Exhibition, the duties of Commissioner have been devolved on the latter. And I take special pleasure in thus publicly commending the devoted manner and distinguished success with which these duties have been performed.

No test of superiority in products can possibly be more satisfactory than an immediate comparison of such products in a general exhibition where the best of all countries are collected together. This opportunity for Oregon has occurred at Philadelphia, and, unless universal effort is made, our Commissioner will have the Exhibition with honor and premiums for several of the leading products of our growing soil. The occasion offers an opportunity to the State, and will greatly assist in adding population. The appropriation of \$4,000, made four years ago to defray the expenses of the Commissioners in attending the meetings of the Board at Philadelphia, has now been exhausted. The article placed on exhibition have been collected by the personal exertions of patriotic citizens, in a voluntary way, and limited sums of money have been subscribed by the citizens of Portland and other localities, in aid of the enterprise.

But there exists a considerable margin of necessary expenses connected with the exhibition which have been assumed and paid by individuals, and have not been collected by the State. In addition to this, so honorable, useful and successful services have been rendered by the Commissioner at Philadelphia, should not remain unremunerated. The assumption of these expenses by the State, and an allowance of a reasonable sum, is especially recommended to the Commission, as especially recommended to the Commission in the premises will be laid before your honorable body.

On the request of the Board of General Managers of it, that the Governor of each State appoint one of its citizens to be, during the exhibition at Philadelphia, an advisory body of the nations of state history and an account of its progress, soil, climate and resources, as a distinctive feature of the occasion, I appointed Hon. Henry H. Giltry, to speak on behalf of Oregon. The duty was performed with honor to the State and credit to himself. This address will be published among the permanent transactions of the exhibition.

ORGANIZATION OF STATE INSTITUTIONS.
The last six years has been distinctly a period of organization in this State. Within this time we have constructed the new Capitol building in part finished, and now occupying. We have built a permanent penitentiary and established upon the most approved system of reformed discipline and sanitary arrangements. A State University has been founded and is now open for students; an Agricultural College has been instituted and successfully maintained for four years. Institutions for Mutes and for the Blind have been established and successfully conducted. The Asylum for the Insane, though in private hands, has been greatly enlarged and well adapted to the most humane care and treatment of this unfortunate class. A vigorous and well adjusted system of common schools, with a Superintendent of Public Instruction, has been inaugurated and sustained. In addition to commerce, encouragement has been given to the establishment of steam tug boats at the entrance of the Columbia River, which assistance is no longer necessary, on account of the growing importance of the commerce of the State and the further assistance in the matter. Our laws have been carefully collated and published in form available for general use, and many other matters of public benefit have been accomplished which are incident to a settled condition of society. In a word, we have become an organized State.

GENERAL PROGRESS.
Under the adverse circumstances of general depression of all material advancement in this State is steadily gaining in strength and is surely preparing the way to assured prosperity. Our mines of gold and silver now furnish the annual product of two millions of dollars. New coal mines have been discovered and developed. Our lumbering interests have been enlarged. The export value of our salmon fisheries exceeds two millions. Exports of cranberries and apples and other fruits are greatly increasing, and I know of no department of agriculture but what is taking upward strong hold of the soil, and becoming a vigorous handmaid to general progress. Our commerce is becoming developed, and our products have a name and character abroad. Gentlemen of the Assembly, let us enter upon the second century of our Nation's history with courage, and with confidence in the destiny of our State and country, and let the next Centennial year witness and enjoy the good works which we have done, as we know and rejoice in the good works of the Fathers of the Republic who wrought a hundred years ago. Let us reaffirm our devotion to the principles of the Constitution. Let us clothe ourselves afresh with the virtues of the patriots of 1776, and take upon us the Roman yoke, with more than Roman significance, of eternal vigilance for the honor of the Republic.

L. F. GROVER.

SALEM, September, 1876.

R. H. DEARBORN,
Durbin's Block, Salem, Oregon.
MANUFACTURER OF
CONCORD
LEAD, WHEEL & HACK
HARNESSES!
Warranted California Leather.
CARRIAGE & BUGGY HARNESSES
Of Pennsylvania Leather.
Bearskin, Ranger & English
TELEGRAMS.
EASTERN STATES.
SAVANNAH, Sept 11.—Total interments since last report, 33; of yellow fever, 20. The Benevolent Association asks for aid to assist them in providing for the sick and destitute.
NEW YORK, Sept 11.—12:30 A. M.,—An unlooked for outbreak of yellow fever was discovered this evening at the Albemarle hotel.
The work of charging with explosive the columns which uphold the roof of Hell Gate began this morning. It is expected that 120 pounds of explosive material will be stowed away in the holes drilled before night. Orders have been given to have 12,000 cartridges at the wharf this morning, so that the work can be carried on without cessation.
CHICAGO, Sept 11.—The Tribune's LaCrosse, Wis., special says, about 5 o'clock this evening the boiler of the Keoduk and Northwestern Line Packet Co.'s mill at LaCrosse, exploded with a terrific report, totally demolishing the mill and machinery, worth from \$20,000 to \$30,000, and killing the engineer, Edward Andrews. Several persons were badly wounded—two fatally.
For two days past the Indian Commissioners have been quietly awaiting developments, and it is hoped that Red Cloud will be prepared to make some response to morrow to the propositions made by the commissioners on the 7th.
A number of Indians from Spotted Tail agency came in yesterday. It is said that the Indians of this agency are waiting for Spotted Tail himself, and that whatever he favors they will do.
ST. PAUL, Sept 11.—The Pioneer Press' special, dated Sioux expedition Camp, at mouth of Glendive creek, Sept. 5th, says: The recent order of Gen. Sheridan designating the 5th Infantry and the battalion of the twenty-second as the garrison of the new post, and directing these troops to help themselves for the winter, has practically put an end to the campaign for this season, as far as the Dakota column is concerned. The season is so far advanced that with the utmost industry the troops will hardly have time to shelter themselves before severe weather sets in, and consequently the organizations designated to remain have been detached from the marching column and set at work. The navigation of the Yellowstone has been suddenly closed by the rapid falling of the water, and the supplies for the new post, instead of being conveyed to their destination by steamer, must be hauled in wagons from Fort Buford. The question of subsistence for the troops who are to remain has become so grave that all supplies brought up for the active column must be devoted to the use of the cantonment, in order to provide against the danger of actual suffering; consequently our small army is to be sent home.
BOSTON, Sept.—11. The election in Maine is progressing quietly and earnestly. The weather is pleasant and voting unusually active.
The Herald says advice from different parts of the State indicate that the total vote of the State will reach nearly 130,000.
PORTLAND, Sept. 11.—At 11:30 this morning the vote stood: Republicans, 859; Democrats 113. At noon, Republicans, 1,417, Democrats, 1,305. Last Fall the vote was: Republicans, 2,399; Democrats 2,606; scattering, 4.