GOVERNOR'S MESSAGE.

Gentlemen of the Legislative Assembly:
In entering upon a second term; as Chief Executive of the State I congratulate you, as the representative of the State I congratulate you. tatives of the people, upon the usin our affairs and the marked de upticeable progresslopment of our ed the last four resources which have distinguished the last lottersources which have distinguished the last lottersources which have distinguished the last lotter years of our history. No State thould be more the heartily thankful for abounding the last lotter the hand of an all-wise Provider. Since your at the hand of an all-wise Provider. Since your at the hand of an all-wise Provider the heart prelast meeting the blessings of go. I order, health, generous harvests and general prosperity have pre-Yailed.
You assemble here under happy auspices to consult for the continued prosperity and, by judicious legislation, to promote the common good of our vigorous and proud young commonwealth. It becomes my duty to tender to you such infor-mation of the present state of public affairs as may mation of the present state of public affairs as may appear appropriate to the occasion, and to make such recommendations as may be pertinent.

A detailed statement of the condition of the Chief Departments will be laid before you by their respective heads, to which I respectfully refer you for full accounts of their workings. I here present a condensed statement of the financial condition of the state.

Finances. The balances in the Treasury at the close of the financial year, September 6, 1872, were \$172,597 41, to the credit of the several funds, as follows: General Fund (including \$4,811 28 for advertised warrants), coin ... 2,464 69 Common School Fund (principal, 3683 13, interest, \$1,075 96), currency... University Fund, coin ... University Fund, currency...

1,612 9: Eschent Fund, coin Escheat Fund, currency..... Soldiers' Bounty Fund, coin., Soldiers' Relief Fund, coin.... 14.370 96 Total balance, as above RECEIPTS. Received since, into the Treasury, the sum of \$628,775 01, to the credit of the following funds: General Fund (including one and onehalf mills Relief and Bounty tax), coin. \$460,695 25 currency... Interest, coin 14.046 67 University Fund, coin. University Fund, currency...

State Land Fund, currency ... 25,940 56 Tide Land Fund, coin. DISBURSEMENTS. Paid since, out of all the funds, the sum of \$663,-193 45 to the debit of the following funds: General Fund, coin........ General Fund, currency. Legislative Fund, coin Penitentiary Fund, coin ... Judicial Fund, co Executive Fund, insane Fund, coin Penitentiary Building Fund, coin. State House Building Fund, coin. Common School Fund Loans, coln. Common School Fund Loans, currency. Common School Fund Interest (distribu-

University Fund Loans, coin ... House building transfer), coin... Soldiers' Relief Fund, coin...... State Land Fund (for Lock Bond In Five Per Cent. U. S. Land Sale Fun Swamp Land Fund, coin. State Capitol Bu'lding Land Fund, Tide Land Fund, coin Leaving funds in the Treasury, September 14, 1874, \$138,178 97, to the credit of the several funds, General Fund, coin. General Fund, curre Common School Fund Principal, coin ...

Interest, coin ... entrency University Fund, currency Escheat Fund, colu... Escheat Fund, currency... State House Building Fund, coin State Land Fund, currency Five Per Cent. U. S. Land Sale Fund, cur-Agricultural College Land Fund, cur-Swamp Land Fund, coin., Swamp Land Fund, coin., State Capitol Building Land Fund, coin. Tide Land Fund, coin Total\$138,178 97 Liabilities of the State.

Outstanding Soldiers' Pounty. Outstanding Soldiers' Relief 20,747.00 LOCK BONDS. Payable out of Internal Improvement Land Fund, and Five Per Cent, Land

WAGON HOAD WARRANTS. Payable out of Swamp and Tide Land and Five Per Cent. U. S. Land Sale STATE WARRANTS.

BONDS.

Outstanding, on all accounts, payable out stand against resources in hand sufficient, when available, to liquidate this class of liabilities, so that the only liabilities payable out of the revenue of the State are the outstanding State warrants.

There has been an apparent large increase of outstanding warrants since my last blennial message.
This is owing to the fact that nearly all the warrants drawn on the Treasury from 1858 to 1870 were sus-pended for the reason that they were drawn without an appropriation having first been made for their payment, the Legislature of 1868 having adjourned without making the general appropriations. The Assembly of 1870 provided for the payment of a part only of these warrants while the balance were carried forward to be provided for by the last appropri-ation bill. In addition to the payment of the face of these warrants an addition of thirty per cent, average increase upon their face has had to be paid for interest on account of the suspense.

Again, no building tax was levied for the construction of the new Penitentiary, and the entire cost, except proceeds of convict labor, was paid by warrants on the General Fund, which was sufficient

only for the current general expense, and the de-votion of convict labor to this work swelled the ap-There were several appropriations made by the last Logislature which need not be, and should not be repeated. Our State Constitution limits the indebtedness of the State to fifty thousand dollars. The provision is as follows. Article 10, Section 7.
The Legislative Assembly shall not loan the credit of the State, nor in any manner create any debts or liabilities which shall singly, or in the aggregate with previous debts or liabilities, exceed the sum of finy thousand dollars, except in case of war," etc. not vary the binding force of this restriction. The aggregate of all indebtedness against the State should be within fifty thousand dollar. In fact, it was the evident intention of the free as of our State Constitution that the State should absolutely

come the Legislative Assembly shall provide for levying a tax for the ensuing fiscal year, sinficient, with other sources of income to pay the deficiency, as well as the estimated expense of the ensuing fiscal year." These are positive mandates of our fundamental law. The Legislative Assembly is made responsible that the State befree from debt. I desire to co-operate with you to enforce these requirements literally. The sole reason why executive sanction was refused to the emigration bills of two years ago was that no means was provided to meet the expenditure proposed, and that the general appropriations already made exceeded the revenue. enue, while the General Appropriation Bill could not be modified by Executive action without veto, ing the whole bill at the heel of the session and diseral appropriations already made exceeded the rev-enue, while the General Appropriation Bill could ing the whole bill at the heel of the session and dis-organizing the State Government. You will there-fore appearate the corelative duties of the Legisla-gress making this grant, as far as the same related

building purposes to the resources of the Building
Fund. Let the State tax be reduced to four mills, revenue arising therefrom, and let the other halfmill, taken from the Military Fund, be gransferred

the Interior, bearing date November 9, 1841, calling the property of distinct and complete enaction to the acts of Congress under which we hold these lands, and to the omission of the Land we hold these lands, and to the omission of the Land defective. Its force is limited to land abutting or land abutting or land the property of distinct and complete enaction to the acts of Congress under which we hold these lands, and to the omission of the Land defective. Its force is limited to land abutting or land to the option of the land defective. Its force is limited to land abutting or land to the option of the land defective. Its force is limited to land abutting or land to the option of the land defective.

to create a Sinking Fund with which to liquidate the excess of outstanding warrants.

A more simple, and perhaps in the end a more satisfactory plan would be to let the general taxes stand as they are for the present. Collect the five mill State tax, but confine current expenditure within a four mill revenue, until there shall be no outstanding State warrants, then reduce the State tax one mill. Draw upon the surplus military fund tax one mill. Draw upon the surplus military fund for State House expenditures, as heretofore, until the Capitol can be occupied. Liquidate all military warrants, then repeal the military tax altogether.

LOCK BONDS. The accumulating funds from the Internal Improvement Grant should be placed at interest, and lopment of our authority be given for the gradual liquidation of these bonds as the funds for their payment increase. As the faith of the State is pledged for the administration of the Internal Improvement Fund so as to meet these obligations, prompt and sufficient appropriations to meet the maturing coupons are impera PUBLIC LANDS OF THE STATE.

> By the act of the Legislative Assembly of October 15, 1862, the Governor was empowered and directed to locate all the lands to which the State was entitled under the several acts of Congress making grants to the State.
>
> The condition of our public land interests, at the time of my entrance upon the duties of the guber natorial office, four years ago, was fully set forth in my last blennial message. Since that period the work of securing the interests of the State, in these public grants, has steadily progressed.

INTERNAL IMPROVEMENT GRANT. The full amount of the Internal Improvement Grant of five hundred thousand acres, held under act of Congress of September 4, 1841, has been selected and finally approved to the State by the Sec-retary of the Interior—the exact quantity so vested being 500,006.59 acres, as per final statement of the Commissioner of the General Land Office, bearing date February 6, 1874. UNIVERSITY LANDS.

By act of Congress of February 14, 1850, admitting the State of Oregon into the Union, seventy-two see tions, amounting to forty-six thousand and eighty acres of land, were set apart and reserved for the use and support of a State University. These land have been fully selected and the quantity of 44,366.81 acres have been finally approved by the Department of the Interior. The limited balance will be approved in the due course of official business, INDEMNITY COMMON SCHOOL LANDS.

The lands taken in lieu of the sixteenth and thirty-sixth sections in each township, held for common school purposes, under authority of the act of Con-gress of January 7, 1853, have been selected as fast as the surveys have been completed in regions where the settlements have preceded the surveys. In all cases where the settlements have not reached newly surveyed lands, at the time of the surveys, the sixteenth and thirty-sixth sections become vested in the State without listing by force of the original grant for common school purposes. The amount of the Indemnity Common School Lands, so far selected and approved by the General Land Office, is one hundred and nine thousand, seven hundred and nine acres. The amount selected and awaiting examination for approval is five hundred and eighty acres. These selections cannot be finally completed until all the public land of the State shall have been surveyed by the General Government. AGRICULTURAL COLLEGE LANDS.

The condition of the land granted by Congres 964 50 5,607 50 by Act of July 2, 1862, providing for the establishment of Colleges in the several States for the benefit of Agricultural and Mechanic Arts, was fully 3,025 75 stated in my last blennial message. On account of obstacles therein set forth, the lands selected under this grant had not been approved, although they had been selected by a Commission created and authorized by the Legislative Assembly at its regular session in 1868 The special Act of Congress touching this subject; approved June 4, 1872, provided, in section second thereof, "that any such selections already made by thereof, "that any such selections already made by said State (Oregon) and the lists duly filed in the proper district land office, be and the same are hereby confirmed, except so far as they may condite with any adverse legal right existing at the passage of this Act." On examination of the lists of these lands for final approval by the Commissioner of the General Land Office, they were found to condite with the Klamath Indian Reservation, and that the quantity of 10 692 acres of the same lay within said reservation. The boundaries of the reservation were not definitely known to the Commission charged with the duty of selecting these.

On the 21st day of May, 1860, the Commissioner of the General Land Office addressed a letter to the Governor of Oregon, proposing the adoption of one or the other of two systems in segregating these lands, in the following words:

"I. Whether the State would be willing to abide by the field notes of the surveys, as designating the lands, or

"2. Whether, in the event of the non acceptance of these notes as the basis, the state would furnish evidence that any lands are of the character embraced by the grant.

"This is important to the State also, as by the sec-773 15 lands, hence the conflict. The amount of 79,235,17 16,986 74 acres of this grant is now finally approved, and the 5,025 70 lands have been offered for sale pursuant to the provisions of the Legislative Act for that purpose 41,452 95 approved October 28, 1872.

The amount to be selected anew, after all rejections for conflict, is 10,764.83 acres. The selection of this balance has not been hastened, for the reason

1,000 00 that lands of a greater value than now obtainable can be listed after the public surveys have been further extended. These lands have not been disposed of as rapidly as was expected when first offered for sale. It is thought by some who are well acquainted with the premises that the limitation of the statute providing 35,617 25 for their disposal requiring sales to be made to ac-tual settlers only, and in quantities of not more than three hundred and twenty acres to each settler, are obstructions in the way of sale.
It is asserted that the lands selected are better 2.854 24 adapted to grazing purposes than to general agricul-ture, and that more than a half-section is necessary Sout 193 45 for a profitable stock ranch, while those who af-ready own three hundred and twenty acres of land are debarred by the statute from purchasing any of the Agricultural College selections.

1.096 00

It is certainly a good public policy to divide the public lands of the State into as many homesteads as is compatible with successful settlement, but the early disposal of these lands, in order that the funds arising therefrom may be made available 2,144 83 for the support of the Agricultural College, would 7,423 27 seem desirable. The minimum price is fixed by the act of Congress making the grant, at two dollars and 21,613 97
21,054 86
21,054 86
10 00
15,850 47
54,945 98
diffly cents per acre. I call your attention to this subject, and suggest an inquiry whether, for the purpose of facilitating sales, a change in the conditions of sale prescribed by the act of October 28, 1872, might not be advisable.

PUBLIC BUILDING LANDS. The quantity of ten sections, or six thousand four hundred acres of public lands, were granted to the State of Oregon by the act of Congress of February 14, 1859, before referred to, which, in the words of the Act, were "to be selected by the Governor of said State, in legal subdivisions, for the purpose of completing the public buildings, or for the erection of others at the seat of government, under the direction tion of the Legislature thereof." Since your lassession these lands have been selected and approved y the local land offices within whose jurisdiction the locations have been made, but final approval y the Department of the Interior has not yet been

had. SALT SPRINGS. The Act of Congress last before mentioned also contains the following provision: "That all salt springs within said State not exceeding twelve in number, with six sections of land adjoining or as contiguous as may be to each, shall be granted to said State for its use, the same to be selected by the Governor thereof within one year after the admission of said state, and when so selected to be used or disposed of on such terms, conditions and regulations as the Legislature shall direct. Provided, that no sait spring or land, the right whereof is now vested in any individual or individuals, shall by this article be granted to said State." No selections of springs or lands having been made under this authority within the stated limit of time, on the 17th day of December, 1860, Congress

passed "An Act to amend the fourth section of the Act for the admission of Oregon into the Union, so as to extend the time for selecting Salt Springs and contiguous lands in Oregon." By this Act it was provided "that the time for selecting the Salt Springs and contiguous lands according to the provisions of the fourth section of the Act entitled 'An Act for the admission of Oregon into the Union, approved February 14, 1859 be extended. approved February 14, 1859, be extended to any time ithin three years from the passage of this Act. any-ning in said section to the contrary notwithstand-ing. This extended time expired December 17. ing. This extended time expired December 17, 1863, without selections of Salt Springs and lands adjacent thereto having been made. The right to these springs and to the lands mentioned in this grant therefore lapsed at that period. There are several Salt Springs within this State of superior character and of great future value, already

known, and I doubt not there are many others ye undiscovered which might be secured to the State if the time for selection could again be extended. The entire quantity of public lands which would The entire quantity of public lands which would enure to the State if the springs could be acquired, would be forty-six thousand and eighty acres. This is a grant customary to be made to the new States upon their admission into the Union, and is of such importance that I suggest that you memoralize Conjugate that I suggest that you memoralize the conjugate of the state of the sta gress to pass an act again extending the limit for selecting the Salt Springs and contiguous lands, SWAMP LANDS.

The right of this State to the swamp and over flowed lands within her borders, unequivocally granted by Act of Congress, of March 12, 1860, extending to Oregon the provisions of the Swamp Land Act of September 28, 1850, has not yet been folly acknowledged. It is contended by some that this provision refers to funded debts only, and not to the margin of outstanding warrants issued for current expenses. But it appears to me that the form of the liability, does of lands as existing at that time.

of lands as existing at that time: "But little notice was taken of this important grant by the public authorities of this State until the session of the last Legislature, at which an Act was passed bearing date October 26, 1870, entitled An Act providing for the selection and sale of the wamp and overflowed lands belonging to the State

gress making this grant, as far as the same related to Oregon. The usual special instructions sent to fore apageriate the corelative duties of the Legislative and Executive Departments upon this subject. The levy for current general revenue, by Act of October 22, 1864, is five mills on a dollar. The military tax is a mill and a half on a dollar. But, owing to a general misapprehension of the law, four mills only for general State purposes have been collected during the last four years and for some time previously. One mill of the military tax can now be dispensed with as the military fund is now nearly sufficient to pay off the balance of outstanding Military Bonds. Reducing the military tax one mill, it might be well to institute a half-mill building tax, and to restrict, absolutely, all appropriations for building purposes to the resources of the Building Fund. Let the State tax be reduced by formally and the same pre-emption settlement. By this means considerable portions of the swamp lands owned by the State, and which are still vested in the State, had been disposed of as the lands of the United States.

"A letter was addressed by me to the Secretary of

laws. The correspondence upon this subject is herewith accompanying. In this correspondence I General Land Department to execute the Swamp Land laws of Congress in favor of Oregon, as they have been executed in favor of other States under the same laws, and to suspend all action of our local land offices involving adverse possession of these lands until the question of title could be adjusted between the State and the United States. On the part of the Secretary of the Interior and the Commissioner of the General Land Office a willingness has been indicated to enter upon the segregation of the Swamp Lands, but no work has been done in that direction by them, and no instructions have been issued, to the knowledge of the

Since the desired stand Department, and without obtaint. I have not the slightest doubt."
Since the last session of your body a leading decision has been made by the Supreme Court of this state, in the case of Joseph Gaston vs Frank L. Stott, avolving the possession of that tract of swamp and overhowed land known as Wapato Lake, in Yambill and Washington counties. The court, Justice Mearthur, delivering the opinion seems of the court, Justice McArthur, delivering the opinion, unanimously held that the acts of Congress recited, created a grant in presenti and passed a fee simple title to the State of all the swamp and overflowed lands within her orders; and that the State has a right to make seections and to dispose of the lands acquired under his grant before the issuing of the patent by the eneral Government.
This position has been held by the highest tribu-

ials of all the States, entitled to this class of lands under the acts of Congress from which we derive tle, and also by the Supreme Court of the United States. In the case of Railroad Company vs Smith, 9 Wallace, U. S. Supreme Court Reports, page 99, the Supreme Court of the United States in passing upon the effect of the omission of the Secretary of the Inerior to segregate swamp lands in Missouri, as directed by the act of Congress of September 28, 1850, the public domain, the five per centum allowance uses the following pointed language: "Must the State lose the land, though clearly swamp land, because that officer has neglected to do this? The right of the State did not depend on his action, but on the Act of Congress, and though the State might be embarrassed in the assertion of this right by the delay or failure of the Secretary to scertain and make out lists of these lands the right f the States to them could not be defeated by that

The condition of the swamp lands within the State is the same as stated in my message of two years ago, except that progress has been made in segregation by State agents acting under authority of the Board of School Land Commissioners, as diected by statute. The total amount of swamp ands which have been surveyed and selected by of October 26, 1870, is 266,600.42 acres. No instructions of any character have been restates entitled under the swamp land acts of Con- ties, amounts to the sum of \$504,216 46.

ne premises is now reduced to a mere technicality. he Act of Congress of September 28, 1850, the proisions of which were extended to this State by the act of March 12, 1860, provides, "That it shall be the luty of the Secretary of the Interior, as soon as may be practicable after the passage of this Act, to make cause a patent to be issued to the State therefor."

This is important to the State also, as by the second section of the Act, the selections in townships, where the surveys have been completed, are required to be made within two years after the adjournment of the first Legislature convened after

April 26, 1873, referring to this subject, says: "This letter was acknowledged by the Governor February 22, 1861, and information given that he had submitted the proposition, with the inclosures, to the Legislature which convened second Monday in September, 1860, but that the Legislature had failed to determine which of the two propositions submitted from this office should be accepted." On the 3d day of January, 1872, in reply to the objection, raised for the first time in a letter of the Commissioner to me, earing date November 19, 1871, that the State had not elected which of these methods would be the more agreeable; I stated that, by the provisions of the Act of our Legislative Assembly, of October 26, 1870, providing for the selection and sale of swamp and overflowed lands, "the State of Oregon has elected to make selections of swamp and overflowed ands within her borders, by agents appointed by he State, and to furnish evidence that all lands laimed by her are of the character embraced by he grant referred to. But the General Land Office still refuses to pro-ceed because the legislative act did not declare, in

so many words, that the State did elect to select the lands by its own agents, and does not provide for furnishing the General Land Office with any testimony whatever. I have not lately dis-cussed this matter with the Department of the Interior, because I deemed further discussion of no value to the State. The acts of Congress under which we hold the swamp lands do not require any shall be adopted in the segregation. The proposi-tion of the Commissioner of the General Land Office, contained in his letter of May 21, 1860, to the Governor of Oregon, asking the State to elect be-tween two proposed methods, which had before that time been practiced in other States in segregating swamp lands, seems to have been made out of deference to the dignity and interests of the State to fa-cilitate just and satisfactory action in the premises, rather than to clog the successful prosecution of the work. As to the Legislature of this State prescribing the manner of furnishing evidence to the Deartment of the Interior upon this subject, I do not leem it competent for a State to make rules and

regulations for transacting any public business with the Departments of the United States Our legislative act of 1870 most certainly made election to select the swamp lands by agents of the state, because it provided directly that these lands should be selected in that manner, and such agents have been at work in the field performing this duty, from time to time, for four years. To say that the state has not so selected is to deny that a statute is the expressed will of the Legislature.

The reason which induced the Legislature to provide for making these selections by agents of the State was that this important grant might be wholly lost if left to the accidents of the general surveys. To avoid further controversy, and to meet the views of the General Land Office, I recommend that a joint resolution be passed specifically electing to select the swamp and overflowed lands by agents of the State, and instructing the Board of School Land commissioners to furnish such evidence, and in such manner, of the character of these lands as the

Department of the Interior shall prescribe.

All the swamp and oveflowed lands have been listed in duplicate, and reported in that form to the Surveyor General of Oregon, authenticated in manner as prescribed by that office. One of these lists has been by him forwarded to the General Land office. The magnitude of this interest is greater than at first supposed. The southeast quarter of the State, not yet surveyed, and but very little explored. appears, by latest information, to be occupied be-tween its mountain ranges by a succession of ridges, hills, lakes and marshes, all productive and valua-ble. The securing of these lands is the more im-portant for the reason that the residue of their proceeds after paying the Wagon Road warrants is devoted to one of the most important public projects which has attracted notice in this State. I refer to construction of the Portland, Dalies and Salt Lake Railroad.

TIDE LANDS. The title of the State to the tide lands upon her sea coast and rivers was first brought to public attention in this State in my last biennial message. I then stated that "these lands belong to the State by virtue of its sovereignty, or the right of eminent dothe two classes of property are essentially distinct and different. The former does not depend upon a Upor controversy in other States, and final adjudications | printed. by the highest tribunals have determined the right to be originally in the States. In the case of Pollard et al. vs Hagan, reported in 3d Howard, 212, the plaintiffs held a tract of tide land in Alabama by patent from the United States, which after controversy, was specially confirmed by two several Acts The

soils under them were not granted by the Constitu-tion to the United States, but were reserved to the States respectively. "Secondly. The new States have the same rights. sovereignty, and jurisdiction over this subject as the riginal States.
"Thirdly. The right of the United States to the public lands, and the power of Congress to make all needful rules and regulations for the sale and dis-

plaintiffs the tand in controversy."

thereof, conferred no power to grant to the

In this case a United States patent was set aside, and two acts of Congress touching the title to the premises were declared void, and the right of the State to the tide lands, by virtue of her sovereignty, This doctrine was recognized and enforced by the Supreme Court of California in the case of Farish vs Coon, 40 California Reports, 33. In this case salt marshes had been selected and approved to the State as a part of the five hundred thousand acres granted by Congress by Act of September 4, 1841, for Internal Improvements. The lands had been sold by the State to private parties, and had been improved at great expense, and had been held in private possession nearly twenty years. But the Court set all the conflicting rights aside, and awarded the property to the custody and disposal of the Board of Tide Land Commissioners as lands held by the State by the original title of sovereignty.

I have thus suggested the tenure by which the State holds the tide lands, in order to give a clear idea of the power of the Legislature over them, and of the propriety of distinct and complete enact-

fronting upon or bounded by the shore of any bay, harbor, or inlet on the sea coast of this State. This harbor, or inlet on the sea coast of this State. This limit should be extended to all lands within the State abutting or fronting upon the Pacific Ocean | the same conclusion, and have so stated in a note to

state abutting or fronting upon the Pacific Ocean and upon all waters confluent thereto, and lying between the ebb and flow of the tide.

The body of the act also requires careful revision, embodying more explicit authority for the Board of School Land Commissioners to make disposal of these funds, to be in the nat the State might not suffer

THE FIVE PER CENT FUND. willingness has been indicated to enter upon the segregation of the Swamp Lands, but no work has been done in that direction by them, and no instructions have been issued, to the knowledge of the Executive, in answer to the requests contained in the correspondence. I can state, therefore, as the present condition of this important interest, that the acts of Congress making the swamp land grant to Oregon remain practically unexecuted by the Land Department of the United States. In the meantime, lands unquestionably of a swampy character, are being disposed of by the local land offices, thus absorbing the property of the State and complicating the title to the swamp and overflowed lands within her borders. * * In relation to the right of the State to hold these lands, even without any action of the United States. Land Department, and without patent. I have not the slightest doubt. Since the last session of your body a leading decision has been made by the Supreme Court of this State, in the case of Joseph Gaston vs Frank I. Stott, in the case of Joseph Gaston vs Frank I. The total amount derived from the five per cent. the State shall cease.

Thus far the account of this fund rendered to the State, by the Lepartment of the Interior, has in-cluded the sales only made for cash. It has been urged by several States, interested in like manner as our own, that a percentage of all lands disposed of for a consideration should be included in the account of sales. The State of Iowa has made a special effort before the Commissioner of the General Land Office to secure a ruling to this effect upon existing law, but thus far without success I would appear but just, after having pledged to the several new States five per cent, of the net proceeds of sales of all the public lands within their borders, for the purpose of Internal Improvements,, that in all cases where the public lands mentioned have been disposed of for a consideration to the United States, not immediately beneficial to the State, as in case of Soldiers' Bounty Lands, Agricultural College Land scrip from other States, permanent In-dian Reservations and like permanent disposals of

A proper presentation of this subject by memo-rial of the Legislature to Congress might facilitate the passage of an act recognizing the just right of this State to be allowed five per centum of proceeds of all public lands disposed of within her borders wherein the State was not interested.

COMMON SCHOOL FUND. The Irreducible Common School Fund, arising from the sales of the sixteenth and thirty-sixth secions in each township of the public lands, and from those taken in lieu thereof, had reached two years ago, the sum of \$450,000. The sales of the public lands of the State have been slow during the last two years, owing to the stringency of the money the several deputy swamp land commissioners under authority of the act of the Legislative Assembly been had in these sales, indicating a healthy growth land generally unobstructed by ice in its lower expectations and generally unobstructed by ice in its lower expectations and generally unobstructed by ice in its lower expectations and generally unobstructed by ice in its lower expectations. of the State, and steady increase in the Common No instructions of any character have been received at the office of the Surveyor General of this state, customary to be issued to that office in all states entitled under the swamp land sets of Con-In relation to the management of this fund, I re-

The refusal of the General Land Office to act in | peat my recommendation of two years ago, which "The efficient work of the Board is swelling the mount of educational funds to such importance that more complete provision should be made for the custody and control of funds in the hands of ocal agents, and particularly in reference to the out an accurate list and plats of lands described as aforesaid (the swamp and overflowed lands), and transmit the same to the Governor of the State:

** and, at the request of the Governor moneys in their hands, and for the faithful permoneys in their hands, and for the faithful performance of their official trusts."

UNIVERSITY FUND. The total grant of public lands to the State for the support of a University is 46,080 acres. Of this amount there have been sold by deed and bond, 19,905,55 acres. There consequently remain unsold. 26,174.45 acres.

AGRICULTURAL COLLEGE FUND The fund has just begun to accumulate for the reason that it has been but a short time since the lands belonging to this fund were approved at the acres deeded and 480 acres bonded. The fund arising therefrom is \$1,844 80. LITIGANT LAW.

quired to be made within two years after the adjournment of the first Legislature convened after the passage of the Act; and, where the surveys are yet to be made or completed, within two years from the adjournment of the next session, after notice to the State that the surveys are completed and confirmed."

The Commissioner of the General Land Office, in The Commissioner of the General Land Office, in a communication to the Governor of Oregon, dated a communication to the Governor of Oregon, dated to publish all legal advertisements, and that the rates of publication should be fixed by law. Two years ago a bill was passed repealing this Act, but the repealing bill was vectored on the ground that Two years ago a bill was passed repealing this Act, but the repealing bill was vetoed on the ground that the original Act, requiring a specific undertaking to do the litigant publishing; and, upon the filing of such undertaking, the statute declared that the publisher should hold the privilege during the term of the appointing power. Decraing that this created a vested franchise for the term named I declined to approve the bill. But the term specified in the Act having expired, the Act is now subject to repeal. aving expired, the Act is now subject to repeal, PORTLAND POLICE LAW.

The best method of governing American cities i in unsolved problem. Great abuses have been suffered, both in general management and in the administration of Police Departments. To meet an evident necessity, four years ago a law was passed by the Legislature reorganizing the Police Department of the city of Portland. In the new system the Governor of the State is required to appoint three Police Commissioners, who have full control of the subordinate organization and working of the Police force. This law is in contravention of the general principle of local self-government, and should be changed as some as proportion of the general principle.

be secured to any great city unless it shall have one responsible head, in whom shall be vested all executive of the people, all departments charged with executive duties shall be directly and summarily re-

THE CODE. It is customary in other States, and has been the practice in this State to provide by law for a compilation of the statutes, at least once in ten years, Such a compilation has been made in pursuance of the Act of last Assembly providing "for collecting, compiling and printing the laws of Oregon," ap-proved October 22, 1872. Upon the completion of the work by the Commissioners, and after its examination by the Governor and Secretary of State, and its acceptance by the Governor as required by the statute, the State Printer appeared and demanded the manuscript compilation for printing. The Act referred to required the Governor to advertise the work of printing and binding, and to let the same to the lowest bidder, and to contract with such for the doing of the work.

The State Printer insisted that he was satisfied to

The State Printer insisted that he was entitled to do the printing, no withstanding this provision of law, on the ground that by the 1st Section of Article 12, of our State Constitution, it is provided that the State Printer "shall perform all the public print-ing for the State, which may be provided by law." Deeming it my province to execute the laws as I posed to advertise for the printing, as by said Act directed. At this juncture a proceeding of mandamus was instituted by the State Printer before Associate Justice (now Chief Justice) Bonham, asking an order that the Governor deliver said copy to him the State Printer to be printed.

Tesentative alone. Justice should be deliver as and faithfulness. him, the State Printer, to be printed. The Governor accepted service, and agreed to a stipulation of facts, and that the court should de-termine the law. On full consideration of the sub-ject, on the 26th day of January last, the following

"The court finds that the act of the Legislative Assembly, approved October 12, 1872, entitled an act for collecting, compiling and printing the laws of Oregon, so far as the same requires the Governor to the lowest bidder, is in contravention of Section one of Article twelve of the Constitution of this State, and so much thereof as void. Therefore, it is for centuries, ordered and adjudged by the court that the plain tiff herein is lawfully entitled to the possession of

Upon this adjudication, which was consonant grant by Congress; the latter does. The title to lands between the ebb and flow of the tide has been in manuscript was delivered to the State Frinter to be

Article 9, Section 2 provides that: "The Legislative Assembly shall provide for raising revenue sufficient to deiray the expenses of the State for each fascal year, and also a sufficient sum to pay the interest on the State debt, if there be any." Section 6, of the same article, provides that: "Whenever the expenses of any fiscal year shall exceed the income, the Legislative Assembly shall provide for large and to be printed by two several Acts of Congress. The defendant held under a deed of Congress. The work seem the State, and proved that the premises were the sided all the lands rendered unfit for cultivation the gundation or overflow within this State, and to prove the United States held:

"Pitted who have proceeded to the field and appoint deputies have been completed and fully vision of Judge Matthew P. Deady, one of the Congress and the State sheld:

"Pitted who have proceeded to the field and appoint deputies field all the lands rendered unfit for cultivation the gundation or overflow within this State, and to be printed by two several Acts of Congress. The defendant held under a deed of Congress and the state and proved that the premises were covered by water at common high tide. The case was carefully executed under the premises were covered by water at common high tide. The case was carefully The three thousand volumes required by the Act dation. The care of the health and morals of the enefit of the sale of the work. The cost of Code printing by the State Printer will, am informed, be about eighteen thousand dollars,

The rates of sale of this work should be fixed by law at a price which will reimburse the State for the expenditure. had never been inserted therein. BOARD OF SCHOOL LAND COMMISSIONERS. The labors of the Board of School Land Commis sioners have been continued with efficiency. This Board is constituted directly by provision of the State Constitution, and is composed of the Govern-

or, Secretary of State and State Treasurer, and charged with the duty of selling the School and University Lands and investing the funds arising therefrom. By section six of the act of October 28, 1868, regulating the sale of these lands and provid-ing for the management of these funds, it is enacted "that the Board of School Land Commissioners shall pay over all moneys now in their hands, or that may arise from the sale of said School and Uni

Board of School Land Commissioners, solely, the duties here specified to be done by County Treasurers. The Code Commissioners have arrived at

Anticipating such a result whenever the question should be raised, the Board has uniformly required all transactions by County Treasurers, touching these funds, to be in the name of the Board, so that the State might not suffer for the want of proper and sufficient securities, and yet an effort has been made to carry out the letter and spirit of this unconstitutional section of said Act as near as circum-

I would permit.

I would recommend that an Act be passed providing for agents in the several counties, to be appointed by the Board, who should act under its direction. Bonds should be required for the faithful performance of duties, and compensation be provided for services.

This interest is too grave a one to be lightly or in-

onsiderately disposed of. The report of the Board. showing specifically the amount of land sold and bonded, and the name of each purchaser, and minutely all its transactions for the past two years, prepared by the Clerk, Thomas H. Cann, is here with submitted. The Board has held monthly sessions to hear and determine all conflicts of right between applicants for land, and between settlers claiming the same land. Full records have been kept of all proceedings, as in a court of record, and duplicate originals have been preserved, in bound volumes, of all deeds executed. As the extra duties of segregating and disposing of the swamp lands, and of the tide lands, as well as other duties, have been also devolved upon this Board by statute, in addition to the duties created by the Constitution, it is probably the most labori-ous organization in the State. The work done by the Board of School Land Commissioners in Oregon is done in other States by Surveyor General, State Land Office, Board of Swamp Land Commissioners, Tide Land Commissioners, and School Fund Com-missioners—all separate and distinct officers, having

mpensation as such. It has been found necessary to employ a Recording Clerk of this Board, under authority of section 12 of the Act of October 28, 1868, and the special provision of the law of last session making appropriation for that purpose.

Previously to 1868 the members of this Board were compensated for their services at the rate of four hundred dollars per annum. The provision making this allowance was repealed at the session of that year, for the reason that the Board was in-operative. All the arrearages of work have been ought up during the past four years, together with e-multiplied duties of that period, in addition to

the legitimate duties of the chief offices of the State; and all without compensation as a Board. SALMON FISHERIES. The salmon fisheries of the Columbia river are assuming such importance that I take occasion to call your attention to the subject. The product of these fisheries was scarcely noticeable four years ago, but last year it approximated one million dollars in ex-port value, and for the season of 1874 exceeds a million and a half.

This river, bearing to the ocean a volume of water hardly less than that of the Mississippi, pure, cool, tent at all seasons, is doubtless the best salmon prolucing river in the world. We have been accustomed to think that this fish product was inexhaus-tible. But the river fisheries of all countries, where the laws have not intervened for their preservation have one uniform history-first, decimation, then destruction. The rivers of the northeast coast of the American

continent were at an early date in our history, rel tively as well supplied with this imperial food fish as the rivers of the northwest coast are now. But through want of public attention, by over; fishing and unseasonable fishing, and by the obstruction of streams with mill dams, having no fish ladders for the ascent of fish, the salmon has become almost unknown in all the rivers of New England, and totally gone from many of them.

At one time the salmon frequented all the rivers of Great Britain, but have been driven out of many of them by the turbid, poison waters from the sewers of manufacturing towns,

By the construction of fish-ways and by stringent

regulations of law limiting fishing to certain sea-sons of the year, days of the week and hours of Scotland and Ireland.

The shad of the Middle States, a fish which, like the salmon, makes its annual incursions from the sea, has been lost to several rivers once filled with sea, has been lost to several rive their roving millions. They were destroyed by reck-less fishing, and cut off from their spawning grounds. D. Ellis, replete with interesting details, is also subby mill dams. A lively interest is now manifested throughout the States bordering on the Atlantie

sea-board, seeking by fish culture, not only to recover lost fisheries, but to create new ones, and to atroduce species of fish valuable for food, not before known in those waters. In Oregon we have, in abundance, two of the best river fishes in the world, the salmon and the trout. To preserve these is worthy of careful legislative

enactments.
Samon fishery constitutes an interest of so much importance that no action should be taken upon it without a complete knowledge of what action is demanded, and a clear conception of the public good in the premises. I therefore recommend the establishment of a fish commission to be composed of prominent and competent citizens, who will be willing to serve without compensation, and who will consider the whole subject and report their views upon it to the next Legislative Assembly. As the Columbia river forms a common boundary between the State of Oregon and Washington Territory, and is subject to the concurrent jurisdiction of both, the commission should be authorized to correspond with the authorities of the Territory of Washington, in order that whatever legislation may be had on the subject, may become the law of both

Governor Hoffman, of New York, who had great opportunities of observation, remarking upon the government of the city of New York, said in his annual message of 1872; "No good government can had been great bloosing to the people of the Willamette Valley, as well as a great addition to the lamette Valley, as well as a great addition to the

sponsible and accountable."
I recommend that the Portland Police Law be so amended as to make the Mayor the responsible head of the Police system of the city.

I and and reland. I would therefore suggest, that in case that the fish commission is authorized, that the Board be charged with the duty of examining whether or not a fish way could be constructed at the falls of the Willamette at limited expense, to manding the Military Division of the Pacific, under date of Pabruage 12 1871 and of Pabruage 13 1871 and of Pabruage 14 1871 and of Pabruage 15 18

PILOTAGE AND TOWAGE ON THE COLUMBIA AND WIL-Your special attention is called to the necessity of more suitable and certain regulations of pilotage and towage on the Columbia and Willamette rivers, It is most important to our rapidly increasing e-m-merce that these regulations should be just, discriminating and efficient.

HARBOR MASTERS, The number of foreign ve-sels destined to arrive a ballast, at the ports of Portland and Astoria, for e purpose of transporting the surplus products of this state, suggests the necessity of enactments providing for the regulation of these harbors, and the appointment of harbor-masters. No considerable compensation will be necessary.

REPRESENTATIVE FROM CLATSOP COUNTY. The people of Clatsop County have elected a Representative to the present Assembly without author-ity of the last General Apportionment Law. It is claimed, in this case, that the County was districted with Tillamook County in the election of a Representative, while she was entitled, under the rates established in the late apportionment law, to a Repfind them upon the statute book. I declined to de-liver the manuscript to the Public Printer, but pro-

are set forth with care and faithfulness. Our State Prison, during the past four years, has been brought up to a much higher standard of dis-cipline and productive industry than was at first ect, on the 26th day of January last, the following anticipated. Four years ago the State was without a conclusion was reached and made of record in the tenantable prison. The prison grounds were unimbeen drained, cleared of brush and worthless trees, fenced and reduced to cultivation. A new prison closing the Modoc Indian war. To General Frank closing the Modoc Indian war. let the printing of the laws therein provided for to the lowest bidder, is in contravention of Section has been built, complete in all its appointments, and so substantially constructed that it will stand A water power of immense capacity has been ereated almost wholly by the employment of prison

main, independent of any title from the General Government." But in the public mind these lands are confounded with the swamp lands. The titles to and scientifically constructed that it is not liable to future damage by flood or time. The canal is of earthwork of uniform grade through a clay subsoil. It crosses but one depression requiring a culvert, which is passed upon an arch of masonry, the uniform earth embankments being kept up. The old wooden prison buildings have been utilized as work

> prisoners, the success shown in securing to the State cheerful and productive labor, the evident progress made in reformatory discipline all prove the competent and faithful public officer.
>
> The subject of prison reform has a broader bearing and a wider interest than is generally supposed.
>
> Many become interested in its progress and look upon the result with the single view of its effects upon the unfortunate prisoner alone. But the welfare of the State is affected in several aspects of the case, Society must receive to its bosom all discharged convicts. Do they come as persons capable of be-ginning new lives and of becoming industrious citizens? Or do they come as hardened criminals,

Wm. H. Watkinds, Esq., is worthy of high commen-

In leading prisons, in the older States, where special measures of reform have not yet been adopted, the proportion of discharged convicts, who return to prison life, is stated to be from 70 to 90 per cent. During the last four years in our penitentiary the proportion of returns has not reached 4 per cent,

versity Lands to the County Treasurers of the counties in which the lands are located and shall be loaned by said Treasurers," etc., etc.

This section came under the adjudication of the Supreme Court of this State, at its present session, and was held by the court to be void for the reason that it was in direct conflict with section 5 of Article VIII. of the Constitution, which devolves upon the

I join in the recommendations of the Superintendent's report, and desire to call attention to that portion of the report which refers to leasing convi-labor. The time has arrived when action must be had upon this subject. After years of trial in the older States the system now adopted in the best reg-ulated prisons is that of leasing to contractors the labor of the prisoners, in numbers to suit the classe of business in which they are to be employed, at : certain per diem rate, the State furnishing shops for mechanical labor, with the power, and the main line of shafting connected with the power, the State reserving its control of the prisoners, and their sup-port and discipline.

No important manufacturing interest can be es-tablished at the Fenitentiary by contract for labor unless there is special authority of law for long-time contracts. The preparation of flax for foreign shipment has been introduced as an experimen, and has proved a success; so much so that the parties engaged in the business desire to engage the labor of a number he business desire to engage the moor of a number of convicts on long lease, for the prosecution of this important branch of industry, for the first time in-roduced into Oregon last year, at the prison. I specially commend this enterprise to your consider-

Many other branches of manufactures mentioned the Superintendent's report can at once be intro-nced in case continued leases of labor be author

The compensation of the Superintendent is, with ut doubt, low, when taking into consideration the duable and responsible services performed by The reports of the Penitentiary Building Commis mers, showing the accounts of the final comple-n of the buildings, and the expenditure of the propriation, accompanies the Superintendent's report; also the report of the Prison Chaplain, Dr. C. H. Hall, and of the Prison Librarian, Dr. E. R. Fiske. These gentlemen have labored for the good of the prisoners devotedly and without compensation, in the true missionary spirit. The suggestions in their reports are worthy of consideration by the As

Under the care of the Prison Physician, Dr. A. M

Belt, whose report also accompanies that of the Su-perintendent, the health of the prison has been re-markably good. The Physician says: "The prisoners have been nearly exempt from the evil effects of solitary vices that are so common in prisons. This is due largely to the excellent rules of the institution, securing wholesome diet and regularity of labor, exercise and rest."

It is befuting here that I pay a tribute to the memory of one who, from the establishment of the Penitentiary at the seat of government to the time of his death (which occurred since your last meeting, was its voluntary charlain. The Pay Mark ing), was its voluntary chaplain. The Rev. Alvan F. Waller, one of the earliest missionaries of the Methodist Episcopal Church in Oregon, for more than thirty years witnessed the progress of this new community—first the colony; then the Provisional Government; then the organization of the Territo-rial form under the United States; and, afterwards

the state. Through all these stages of successive development he has left the impress of a strong mind and a ceaseless energy upon the landmarks of our He took the greatest interest in, and gave most valuable assistance to, the later efforts at prison re-form. In the words of the Superintendent's report, "He visited the prison through sunshine and storm alike—the prisoners during health and sickness, and followed their remains to their last restingplace, giving them the benefits of Christian sepul ture without pay or expected earthly reward." He

rests well whose work is well done. HOSPITAL FOR THE INSANE. The report of the Superintendent of the Hospital for the Insane is herewith submitted. Dr J. C. Hawthorne, the Superintendent, has been connected with the care of the insane in this State ever

since the first establishment of a State Asylum, twelve years ago. The institution during the past two years has been conducted with the same care and humane treat ment, and with equal success in the recovery of un fortunate sufferers from insanity. The whole number of patients now in the hospital is 11st public and 2 private. Of these 140 are males, and 55 are females. The report is full and instructive, and is worthy of careful consideration. It is but justice to the Superintendent to say that his management of the superintendent to say that his management of the geology of Oregon is here presons of the year, days of the week and floats to the superintendent to say that its institution is a high credit to Oregon. The sented, showing our state to be a field not only of run of salmon, once much diminished, has of late contract of the last four years has expired, and it years been increased in several of the rivers of Scotland and Ireland.

will be the duty of the Legislature to make further but one which will probably develop great wealth provision for keeping our insane.

As required by statute, a report of pardons granted during the biennial period just closed, together with the reasons for such pardons, is herewith furnished for the information of your Honorable body. A less number have been granted in proportion to the number of prisoners than during any like period heretofore. I have sought to examine and act upon each case presented with impartiality and with an effort to execute the trust which I hold for society, with faithfulness. By a moderate exercise of the pardoning power, and by encouraging prisoners to shorten the term of their imprisonment by merit marks, under the statute, for good conduct and extra work, a better discipline is maintained.

THE MODOCINDIAN WAR. On the first of December, 1872, the country was startled by the news that the Modoc Indians belonging to the Klamath Indian Agency had risen in arms and fallen upon the unprotected and unsuspectius settlements on Lost river, and had, on the 29th and 30th of November, ruthlessly murdered eighteen unoffending citizens, pillaged their property, and committed their dwellings to flames. There were no available United States troops within succoring The salmon has seldom frequented the waters of the upper Willameter river, not being able to pass the falls at Oregon City. It was anticipated that the salmon would pass to the upper Willamete through the canal and locks lately con tructed at those falls for the purpose of navigation, but it is assortained. nas arrived when the change can safely be made. Peace and good order have been maintained in Portland since the adoption of the present system. No change should be made without making the Police force responsible to some controlling authority, of the responsible to the seen of distress, to report what force its accompany of mounted voluntoers in Jackson country, and John E. Ross was commissioned as Brigadier for the purpose of navigation, but it is ascertained that the fish will not follow slack water channels.

Some responsible to some controlling authority, and orders were at once given for the mustering of a company of mounted voluntoers in Jackson country, and John E. Ross was commissioned as Brigadier for the purpose of navigation, but it is ascertained that the seand consequently will not present himself at the fish will not pre burying the dead and in offices of mercy to the sur

vivors. This was the initiation of the Oregon Volunteer Service in the Modoc Indian war of 1872 and 1873, which during the checkered fortunes of Indian hostilities in southern Oregon, during those years. employed five companies in all. date of February 13, 1874, a copy of which is here-with submitted. I also submit the official reports of Major Gen. John F. Miller and of Brigadier Gen. John E. Ross, of the oregon State Militia, touching operations in the field during this service. At the last session of Congress our delegation there procured the passage of an Act virtually assuming the expenses of the State incurred in this service; and, during the month of July last, Inspector General James A. Hardie, of the United States Army, under instructions of the Secretary of War, visited Oregon to examine and report upon the accounts, engendered in the support of these volunteer troops.

There are good grounds for expecting that a in-

of emergency, and have turnished property for such service, should have the guarantee of the State for their compensation.

I desire especially to present the case of the volunteers who were promised, by their officers, and by the Executive the exertion of their influence to secure to them the pay of two dollars per day for their services. This rate of pay has been entered their services of the State, at limited expense, might be desired to correspond with appointed voluntary commissioners abroad, and to publish authentic information concerning the resources of the State, at limited expense, might secure to them the pay of two dollars per day for their services. This rate of pay has been entered upon the muster rolls. It is extremely doubtful whether this rate will be allowed by Congress. The stronge though most just, under the circumstances. The immigration of the best classes will be freedom from

State should make good the full pay of these volun-All honor is due to the officers and men of this service. In the winter months, in a mountainous district, where storms are severe, they served without tents and often short of blankets and ration for the reason that on so sudden emergency, such could not be supplied. Their services were valu-able to the State and to the United States and tended greatly to assist in closing the war. having been subject to overflow, and remaining at seasons wet, were unhealthy. The prison farm, consisting of one hundred and fifty-seven acres, has been drained cleared of hundred and fifty-seven acres, has eral Jefferson C. Davis, of the Army of the United

Wheaton, and the officers who served under him, our acknowledgments are due for their gallant and soldierly services from the first, and for their generous conduct toward the Oregon Volunteers. A reso-

county, they were taken out of the jurisdiction of hostilities. He petitions for reimbursements of this State by force, under the direct order of the President of the United States They are now fugitives from the justice of this State. As soon as the unlawful detention ceases, they are liable to be re-The efficient management of the Superintendeut, unlawful detention ceases, they have a first turned on the requisition of the Governor of Ore-The claims of our citizens in Southeastern Oreon, whose property was destroyed by the savages it the time of the massacre, are most just. These settlers had no part in the cause of the and were all innocent of offense toward the Modocs.

A memorial of the Assembly setting forth in a clear light public opinion here on this subject might assist our representatives in Congress in their efforts or an appropriation to cover these claims,

WALLOWA VALLEY. Joseph's band of Nez Perce Indians, after having of 1855, disposing of all their lands except a reservation on which they agreed to live, refused last the expenditure.

An impression has prevailed to some extent that the decision of the court pronouncing one clause of the recited Act to be void, annuls the whole Act This is an error. The body of the Act is as valid, and as operative, as though the condemned clause had never been inserted therein.

Citizens? Or do they come as hardened criminals, to return again to a life of crime? If the former, the State gains a productive member of its body, not to be a public expense, but to assist in bearing the common burden. If the latter, the released convict again becomes a prey upon society and his road leads back to prison, there to be a tax upon the lands formerly released by the tribe. These lands eve of an outbreak to assert its right to the Wallowa lands formerly released by the United States and opened for settlement. Many of our citizens had settled there. As a peace measure the President of the United States made an executive order setting aside these lands as an Indian reservation. The Indian Department caused the property of the settlers to be assessed with a view to their removal. At this juncture I transmitted to the Secretary of the Interior a communication reciting the full history of the treaties in controversy, asserting the right of this State to the jurisdiction of these lands and the lands and where the land under water is owned by the State, providing for the cession timits of the States, without procuring the cession limits of the States, without procuring the cession in figures of the States, without procuring the cession in time in the States, without procuring the cession in the States, without procuring the cession limits of the States, without procuring the cession in Jurisdiction required by the Act of Congress of May 15, 1820. It is now understood that the States was purisdiction over lands covered by navigable waters within their territoral limits."

The Secretary requests, in the interests of commerce and navigation, that the Governor will recommend to the Legislature of this State "The passage of a general law ceding to the United States and on a vigation required by the Act of Congress of May 15, 1820. It is now understood that the States was purisdiction over lands covered by navigable waters within their territoral limits."

The Secretary requests, in the interests of commerce and navigation, that the Governor will recommend to the Legislature of this State "The passage of a general law ceding to the United States and the law of the States and the states and order and The exact number of discharged prisoners, during that period, has been one hundred and seventy-nine, and the number who, after discharge, have been convicted of crime and resentenced has been this State to the jurisdiction of these lands and the out six.

The Superintendent reports but one convict now at the Wallowa regions, and gravely protesting against large, by escape, since his superintendency, and that no escapes have taken place within the last two as unauthorized by law. Senator Kelly and the late years. This is remarkable in view of the fact that Representative Wilson had filed their protests in the

poses. A copy of my communication on this sub-

ect to the Secretary of the Interior, bearing date July 21, 1873, is herewith submitted.

STATE PRINTING. The Constitution has the following provision con cerning the State Printer: "He shall perform all the public printing for the State which may be pro-vided by law. The rates to be paid to him for such printing shall be fixed by law, and shall neither be increased nor diminished during the term for which he shall have been elected." You will perceive by this that you cannot legislate upon the rates of printing to be done by the present State Printer during his term, but a carefully considered Printing Act for the future might be matured and passed. In such an Act distinct provisions should be incorporated defining what work shall be done by porated defining what work shall be done by a retiring State Printer at the close of his term, and what work shall be done by the new incumbent, as this has become a subject of standing controversy under the present law.

EQUALIZATION.

It is a Constitutional provision (Article 9, Section 1) that "the Legislative Assembly shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, both real and personal. This undoubtedly contemplates a system of general equalization. There is positive public wrong, as well as unfaithfulness to the Constitution, in allowing a leading class of property like cattle to be assessed in the different counties at widely different rates, varying from SS to Sel per head arrange and railroad line. from \$8 to \$21 per head average, and railroad lines of equal value, from \$3,000 to \$8,000 per mile, as appeared by the tax rolls of last year.

The work of the Board of Equalization, organized

under the Equalization Act of two years agoshaving been affected by a judicial decision, was not enforced. The members of the Board have resigned.

To secure equality and justice in the assessment and collection of taxes has been a troublesome matter in all the States. A satisfactory system is diffi-cult to arrive at. Our present tax laws lack system and should be reformed. The defects in former Acts, pointed out in my last biennial message, were not remedied by the legislation of two years ago. I herewith lay before you the reports of the Board of Equalization which discuss the whole subject

STATE CAPITOL. In the construction of the State Capitol, of the appropriation of \$100,000 there has been expended the sum of \$00,990. This sum has been paid in cash, as the work progressed, from moneys set aside for that purpose from the Military Fund. There are, in the Commissioners' hands, materials (chiefly iron, tools

and necessary articles), paid for, the amount of \$12-298 49.
There have been applied also, in construction of the building, convict labor, brick and other materials from the Penitentiary, the amount of \$22,603 80. he cost of the work now in place is \$110 se2 60.

The work done is within the original estimates of ost, which is very unusual in buildings of this cost, which is very unusual in buildings of this kind. The foundation, which is massive, is of basalic rock, embedded in a substratum of indurated clay, and haid in hydraulic cement. The whole foundation work is subdrained by deeply covered ditches, relieving it entirely from possibility of being affected by our rainy season. The balance of the work is in sight, and will speak for itself, both as to plan and architectural style, which, I think, will challenge your approval. The standing walls should be carried up to an even line this season, and securely covered before winter.

and securely covered before winter. The Commissioners will lay before you, with their eport, an estimate prepared by the architects, showing the cost of enclosing the building and finishing o much of it as will furnish convenient room for ublic occupancy, leaving the main tower, the both wing and the basement story to be completed at a future day when the State is older and our population larger. Less than the sum already expended will accomplish this. The skill, conscientious diligence and success of the Commissioners deserve commendation. The architects have given special attention to this work, and the structure is sufficient evidence of their architectural accomplishments.

GEOLOGY. The preliminary report of the State Geologist and gold as our sister State. I commend the gestions made in this report to your favorable

AGRICULTURAL COLLEGE. The Agricultural College has been evidently con-ducted with great effort to reach the objects of its organization The corps of instructors is composed of gentle. men of high attainments in science and of successful experience as educators. I hope the Assembly will provide means for sustaining this valuable in-stitution until the lands granted by Congress for its support can be made available for that purpose.

Pursuant to the Act of last session of the Legislative Assembly, locating the State University at Eugene City, a building destined for the occupancy of this institution has been creeted and inclosed, but not finished inside. The structure is a substantial brick building three stories high and well calcuated for the purpose designed. The University endowment accumulating from the Congressional Land grant, will reach one hundred thousand dollars within a few years, and I am informed that there is also a donation of property of the value of twenty-five thousand dollars more from a private citizen, contingent only upon a successful and permanent of surjection of this institu essful and permanent organization of this institu-ion at Engene City. I recommend that reasonable

further time be given to complete this building, inpfull compliance with the terms of said Act. INSTITUTIONS FOR MUTES AND THE BEIND. The schools established for mutes and the blind have been successfully conducted. I lay before you a very full and interesting reports of the superintendents and teachers of these institutions, also reports of the Board of School Land Commissioners and the Board of Education, giving full details of the management and fiscal accounts of the same. The Private Secretary of the Governor, Hon. Henry H. Gilfry, has, during the last two years, devoted much personal attention to the general interests of these schools, and has made all the purchases of supplies and disbursed all the moneys in detail for their current support, free of charge, in addition to the full performance of his own official duties.

COMMON SCHOOLS. The Superintendent of Public Instruction will lay before you a report of his conduct of that office since its creation.

The duties of the Superintendent have been faithully discharged, and the difficulties of organization under a new law have been overcome with a good degree of success.

The Board of School Land Commissioners should

be enabled, with more certainty, to collect the in-terest on the Irreducible Common School Fund, to be used in the current support of schools, IMMIGRATION. I have been in receipt of valuable communications and papers touching the subject of immigra-tion. Several plans are proposed for the assistance There are good grounds for expecting that a favorable report will be made. The whole amount of the first and second services, as reported to General Schofield, is \$130.728. I think it but just that those who have mustered into military service at a time of emergency, and have furnished property for such service, should have the guarantee of the State for the state for the service. An omnission of emigration, consisting a formula of the assistance of the assistance of the state of our public finances will not admit of the expenditure of a large sum of money in this interest, however desirable. We need population, but it will be certainly wise to act within our resources of revenue. A commission of emigration, consisting a formula of the assistance of the assistance of the state of our public finances will not admit of the expenditure of a large sum of money in this interest, however desirable. We need population, but it will be certainly wise to act within our resources of revenue. A commission of emigration, consisting a first or the assistance of the assistance of the assistance of the assistance of the emigrants who desire to become citizens of Oregon.

The strongest inducements which we can offer for debt and low taxes. The communications and papers referred to are herewith respectfully sub-

FOREIGN ATTORNEYS. Attention has been called to the fact that our statute, providing for the admission of attorneys to practice in the courts of Oregon, permits no one to be admitted except he be a citizen of the United tates, and of this State. As our Constitution admits to the privilege of suffrage, all persons of for-cign birth over twenty-one years of age, who shall have declared their intention to become citizens of the United States, and shall have resided within this State for one year, it appears but just that such should be admitted to practice as attorneys in our courts, if otherwise qualified. I recommend that privilege be so extended by Legislative enactment.

ADJUTANT GENERAL. Previously to 1870 the Adjutant General was alous conduct toward the Oregon Volunteers. A resolution of thanks would not be inappropriate, in the premises, as the peace of our entire eastern frontier was involved in the success of the Modoc campaigns.

As to the Modoc outlaws who committed the massacres of the 29th and 30th of November, 1872, and who now stand indicted for murder in Jackson country that were taken out of the intrividual of the massacres of the 29th and 30th of November, 1872, and who now stand indicted for murder in Jackson of the peace of the Modoc Indian personal expense, during the late Modoc Indian personal expense. these expenses. I lay the petition before you with the recommendation that these expenses be

QUARANTINE. The quarantine lews have been strictly enforced. There can be no contagion by ships from infected ports has been materially lessened. Five vessels have been quarantined, and all suspected vessels boarded and examined, during the last two years. Our pure atmosphere is not apt to communicate contagious diseases readily. With the enforcement of good health regulations our State will be comparatively free from pestilence. I refer you to the accompanying report of the Health Officer at Astoria. ESSION OF LANDS TO UNITED STATES FOR LIGHT-

HOUSES. A communication from the Secretary of the Treasury has lately been received by me, stating that under the impression that the General Government had jurisdiction over the navigable waters within the United States and the land covered thereby, lighthouses have from time to time been creeted on submarine sites within the territorial limits of the States, without procuring the cession or the State, providing for the cession to the United tates of the land also." The communication is accompanied with a form of a bill which will be sufficient and shisfactory in the premises. These papers are respectfully submitted with a recommendation to your favorable This request is a recognition of the title of the State to all lands under navigable waters within her boundaries, which is similar in character to the right by which we hold the lands on our sea coast lying between the ebb and flow of the tide. It is