

**BIENNIAL MESSAGE OF
GOV. JAMES A. MOUNT
OF INDIANA, 1899**

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Biennial Message of Gov. James A. Mount of Indiana, 1899 by Governor Indiana

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GOVERNOR INDIANA

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OF

Gov. James A. Mount

OF INDIANA.

1899.

INDIANAPOLIS.

WM. B. BURFORD, CONTRACTOR FOR STATE PRINTING AND BINDING.

1899.

BIENNIAL MESSAGE.

Gentlemen of the Senate and House of Representatives:

The people of Indiana have chosen you to represent them in the Sixty-first General Assembly. They have reposed in you their confidence, and you now enter upon the responsible duty of enacting laws for the promotion of public welfare.

The Constitution makes it incumbent upon the Governor "from time to time to give the General Assembly information of the affairs of the State and recommend to their consideration such measures as he shall deem expedient."

I deem it unnecessary to review the work of the various institutions of the State. The reports of these will be printed and put upon your desks for your examination. The last General Assembly enacted a law providing for the appointment of a committee to visit, examine and report the condition and needs of the various State institutions. In obedience to this law, a committee, consisting of Hon. Francis T. Roots (author of the bill), Hon. Fremont Goodwine and Hon. Strathur Herod, was appointed. With this committee's report, added to the published reports of the State institutions, I think it inopportune to prolong this message with references thereto, but shall give the time to the consideration of other important questions.

STATE FINANCES.

The reduction of the State's indebtedness has continued during the past two years with the most gratifying results. Funds accumulating in the Treasury have been promptly used in taking up outstanding bonds, and a large amount of interest has thus been saved to the taxpayers. Payments on the State debt have been made as follows:

March 29, 1897	\$150,000 00
June 21, 1897	80,000 00
July 7, 1897	190,000 00
Oct. 28, 1897	100,000 00
Jan. 20, 1898	100,000 00
Feb. 10, 1898	100,000 00
July 12, 1898	100,000 00
Aug. 20, 1898	100,000 00
Dec. 30, 1898	200,000 00
Dec. 31, 1898	200,000 00
Total	<u>\$1,320,000 00</u>

The three-cent levy for the State Sinking Fund should be continued until the entire indebtedness has been paid off. With the return of prosperity, this levy can be continued without materially burdening the taxpayers of the State, and it is a self-evident proposition that the speedy extinguishment of all bonded obligations, thereby stopping interest charges, is in keeping with correct business principles and in harmony with the spirit of practical economy. The saving of interest alone, as shown by the above statement, amounts to \$25,150.00 per annum. There is a widespread feeling that the taxes levied for State purposes form the larger portion of the burden imposed upon taxpayers, but this popular fallacy is entirely dispelled by a single statement of facts, by way of comparison. The amount levied for State purposes (aside from the School Fund, which is 11 cents on the hundred, and $1\frac{3}{8}$ cents for educational purposes) is only 17 cents, out of which all expenses of State government, including the Judiciary, are paid—including also payments on State debt—while the average county levy is \$1.47.

These comparisons are cited in the hope that they may awaken the people to a more complete realization of the fact that complaint of oppression on account of taxation is due in large measure to local causes rather than to incompetency, mismanagement or extravagance on the part of those into whose charge is given the administration of the fiscal affairs of the commonwealth.

Much credit is due to the retiring State Auditor, Hon. A. C. Daily, and his efficient deputy, Capt. W. H. Hart, Auditor-elect, for the gratifying financial exhibit I have the pleasure of submitting to your honorable body. The retiring Treasurer, Hon. F. J. Scholz,

has likewise actively co-operated in bringing about these substantial and highly gratifying results, and the detailed reports submitted by these worthy officials furnish ample confirmatory evidence of their notable efficiency in dealing with large responsibilities and their fidelity to public interests.

In this connection it is pertinent to mention that in the prosecution of the Spanish-American War, Indiana advanced to the Federal Government a sum of money approximating \$200,000. This was used in the mobilization, equipment and forwarding of this State's quota of troops, conformably with the call of the President. All claims on this account have been filed with the proper authorities at Washington and are being adjusted as expeditiously as possible. Claims to the amount of \$107,102.55 have already been formally passed upon by the Auditor of the War Department, and a warrant for that amount was deposited with the State Treasurer on December 29, 1898. The remainder of Indiana's claims against the general government are in process of adjustment, and it is confidently expected that complete remuneration will be accomplished within a comparatively brief period. It is gratifying to know that all reports agree that Indiana's pending claims on account of the war are in better shape than those of any other State in the Union.

THE STATE DEBT.

FOREIGN DEBT.

ITEM.	PRINCIPAL.	INTEREST.
Three per cent. registered bonds, School Fund, refunding loan, dated June 18, 1889, due June 18, 1909.....	\$3,825,000 00	
Interest payable semi-annually, June 18 and December 18: principal and interest payable at the office of Winslow, Lanier & Co.....		\$114,750 00
Three and one-half per cent. registered refunding bonds, temporary loan, dated April 1, 1895, due April 1, 1915.....	585,000 00	
Interest payable semi-annually, October 1 and April 1; principal and interest payable at the office of Winslow, Lanier & Co., New York....		20,475 00
Three and one-half per cent. registered refunded new State House bonds, temporary loan, dated May 1, 1895, due May 1, 1915.....	500,000 00	
Interest payable November 1 and May 1; principal and interest payable at the office of Winslow, Lanier & Co.....		17,500 00
Total.....	\$4,910,000 00	\$152,725 00
Five per cent. State stock certificates due and interest stopped.....	\$4,469 99	
Two and one-half per cent. State stock certificates due and interest stopped.....	2,145 13	
Total.....	\$6,615 12	

DOMESTIC DEBT.

(Non-negotiable.)

ITEM.	PRINCIPAL.	INTEREST.
Five per cent. bonds held by Purdue University, at Lafayette, Ind., due April 1, 1901.....	\$340,000 00	
Interest payable quarterly.....		\$17,000 00
Five per cent. bonds held by the Indiana University, part of the principal of Permanent Endowment Fund belonging to the Indiana University.....	144,000 00	
Interest payable semi-annually.....		7,200 00
Total.....	\$484,000 00	\$24,200 00
Foreign debt.....	\$4,910,000 00	
State stock certificates.....	6,615 12	\$152,725 00
Domestic debt.....	484,000 00	24,200 00
Total State debt.....	\$5,400,615 12	\$176,925 00

REFORM IN COUNTY AND TOWNSHIP GOVERNMENT.

The need of reform in laws and methods of county and township government is manifest to all. There are not the proper safeguards around the powers delegated to County Commissioners. They have power to levy taxes, make contracts, spend money and make allowances and audit the books. Section 7850 of Burns' Revised Statutes of 1894 gives too much discretionary power to the county board. The State Statistician, in answer to questions, finds that some counties have purchased court libraries. The Auditor answers that the judge requested it and the County Commissioners made the purchase and paid for the same from county funds. There is no law for such expenditure. The taxpayers of the county would condemn the purchase of court libraries at the county's expense. This only illustrates what may become the results when too large powers are granted. The prodigality with which county funds are expended in some counties is the outgrowth of following precedents on the ascending scale. Attorneys employed by commissioners in county litigation are not infrequently paid fees five times as large as would be paid for like service rendered to an individual client. Judges of

the court are often extravagant in their allowances. My attention has been called to the disparity in such allowances by different judges for like service. The people should be kept informed as to the expenditures of their public servants. The expenditures and the contracts of the township should be so guarded as to give to the people complete information as to the official acts of all persons who have them in charge. Governor Chase, in his message to the Legislature spoke of "three township trustees who, to his personal knowledge, in two years expended \$40,000 for township supplies, the one-half of which was spent for articles of no benefit to the schools for which they were purchased." The expenditures of the township officials last year for "out-door relief" amounted to \$375,206.92. This enormous expense is startling, and reveals the dangerous methods and lack of proper regard for public moneys. The system in vogue in many townships fosters pauperism and puts a premium upon vagrancy. The township trustees appoint the Road Supervisor, and upon the ability of this official in large degree is contingent road improvement.

The forthcoming report of the State Statistician will reveal in township government a great disparity of costs per capita. Townships similarly situated vary in the cost to the inhabitants several hundred per cent. The same report will show a difference in the total county expenditures that varies from 79 cents to \$15.16 per capita, or a disparity of nearly two thousand per cent. It shows a county of a little more than 32,000 inhabitants expends for county purposes five times as much money as another county of more than 70,000 inhabitants.

The cost of enforcement of criminal laws varies from 3 cents per capita to 29 cents.

The expense of elections, etc., repairs, and all other expenditures, varies from 31 cents up to \$8.32 per capita.

The radical difference of cost in counties similarly situated reveals the need of change. The people have a right to know that these differences exist, and they have a just reason to expect a change. I believe it safe to conclude, if proper safeguards are placed about these offices, wise business and economic methods adopted by counties, courts and townships, there could be a saving of 20 per cent. of present taxes for county and township purposes.