

# THE GOVERNOR'S FINAL MESSAGE

## Hanly's Closing Recommendations to Legislature.

### AN IMPORTANT STATE PAPER

In Handing Down to the General Assembly "Information Touching the Condition of the State," Governor Hanly Makes Many Recommendations Concerning Legislation Which He Deems to Be Expedient at the Present Time.

Indianapolis, Jan. 8.—In his final message to the General Assembly, Governor Hanly said:

Mr. President and Gentlemen of the Senate and House of Representatives

Upon your assembling it becomes the duty of the executive to submit to you "information touching the condition of the state, and to recommend such measures as he shall judge to be expedient."

In their majorities your respective bodies are not in political accord. This is a condition that not infrequently effectively prevents much desirable legislation. But the greater part of the business that will come before you will not be partisan in character, and should have consideration quite aside from politics. In every such case it becomes the duty of the majority and the minority to rise above differences and meet each other on the higher, broader plane of common citizenship and the public welfare.

This I shall sincerely endeavor to do in what I here present. The information submitted is the result of four years of close touch with the institutions and the affairs of the state and of painstaking effort, and is, I believe, expressed in accurate figures and reliable statements, while the measures recommended are suggested by the experience and observation incident to a full constitutional term in the executive office. Finances.

The financial condition of the state is exceptionally good. The revenues for the fiscal year ending September 30, 1907, exclusive of transfer funds and including a balance in the treasury October 31, 1906, of \$507,654.60, aggregated \$4,593,333.58; the expenditures were \$3,701,705.97, leaving a balance in the treasury at the close of the fiscal year ending September 30, 1907, of \$897,627.61. The revenues for the fiscal year ending September 30, 1908, exclusive of transfer funds and including the balance in the treasury at the end of the fiscal year 1907, aggregated \$5,217,370.85; the expenditures were \$4,724,253.85, leaving a balance in the treasury September 30, 1908, of \$493,170.00. In this balance there was no advance payment, nor were the revenues for the present year anticipated or impaired.

The revenues for the present fiscal year, exclusive of transfer funds and including the balance in the treasury September 30, 1908, will aggregate \$4,637,152.00. Appropriations heretofore made for this year and liable to be disbursed aggregate \$4,189,121.00, leaving an available balance for specific purposes of \$448,031.00.

From this balance, however, must be deducted the probable expense of the present session of the General Assembly, \$120,000.00, leaving a net balance from the regular revenues of \$328,031.00, available for specific purposes for the present fiscal year.

The 3 cent sinking fund levy made last year will create a revenue during the present fiscal year, coming into the treasury in June, of \$260,000.00. If this fund be transferred to the general fund the net balance available for specific purposes for the present fiscal year will be \$588,031.00.

The revenues, based upon present levies and existing valuations, for the fiscal year 1910, exclusive of transfer funds, are conservatively estimated at \$3,927,888.00. The regular expenditures for 1910 are estimated at \$2,991,326.00, leaving a balance for the fiscal year ending September 30, 1910, available for specific purposes, of \$936,562.00. The 3 cent sinking fund levy made last year, coming into the treasury in December, 1909, and during the fiscal year 1910, will produce \$240,000.00. If this fund be transferred to the general fund the aggregate sum available for specific purposes for the fiscal year ending September 30, 1910, is conservatively estimated at \$1,176,562.00. The revenues for the fiscal year 1911, exclusive of transfer funds based on present levies and valuations, are estimated at \$3,927,888. The regular expenses for the fiscal year 1911 are estimated at \$2,991,326.00, leaving a balance available for specific purposes for the fiscal year ending September 30, 1911, of \$936,562.00.

These estimates are believed to be conservative and reliable. The total funds, therefore, available for specific purposes, between now and September 30, 1911, if the sinking fund revenue coming into the treasury during the present calendar year is transferred to the general fund, will aggregate \$2,701,155. This sum measures the limit of specific appropriations for the term indicated if the revenues for the fiscal year ending

September 30, 1912, are not to be impaired.

If the sinking fund revenue for the present calendar year is not transferred to the general fund, the funds available for specific purposes between now and September 30, 1911, will aggregate \$2,201,155.00, and will measure the limit of specific appropriations unless the revenues for the fiscal year ending September 30, 1912, are anticipated and impaired.

On the 31st day of October, 1904, the close of the fiscal year last preceding the present administration, the treasury balance was \$60,601.93, but to obtain this balance advance payments from county treasurers had been called and received, and the revenues for 1905 anticipated in the sum of \$154,740.00. But for these advance payments there would have been no treasury balance, but a deficit of \$94,138.07. September 30, 1908, after four years of extensive construction of public buildings aggregating \$3,362,566.90, this deficit was recouped and an actual balance of \$493,117.00 accumulated without calling a single advance payment from any county treasurer or anticipating the revenues of this year a single dollar, and without increasing the total tax levy on account thereof the fraction of a mill.

To this, however, the 3 cent sinking fund levy was transferred to the general fund for the years 1905, 1906 and 1907. This was done without impairing our ability to meet the foreign bonded indebtedness of the state within six months after the privilege to pay accrues, and four years and a half before the debt matures.

Under the two preceding administrations a remarkable record was made in the payment of the public debt. Under the first \$2,216,000.00, under the second, \$3,003,000, an aggregate during the two administrations of \$5,224,000.00.

During the present administration \$407,000.00 have been paid on the principal of the state debt and the last dollar of the debt now payable cancelled. This leaves a total foreign bonded indebtedness of only \$800,000, none of which will be payable until January, 1910, and none of which will be due until 1915. This entire debt can be paid within six months from the date of the privilege of payment obtains, from the sinking fund which will come into the treasury during the present calendar year and the first half of next year.

The institutional needs of the state, however, are so imperative and our duty to those whose care we have undertaken out of feelings of humanity and for the public good, is so clear and consistent that I am impressed with the belief that an act should be passed by you during the present session transferring the sinking fund to be derived from the 3-cent levy for the year 1908 and coming into the treasury in June and December of the present calendar year, to the general fund that it may become available for specific purposes. If this is done the sinking fund from the levy of the present year coming into the treasury during the calendar year 1910 will remain intact. This fund will aggregate \$510,000.00 and will enable the incoming administration to pay \$510,000 on the principal of the state debt within a year after the same becomes payable, and within six months thereafter the fund derived from the sinking fund levy will be sufficient to retire every dollar of the debt and leave the state absolutely unincumbered, except a nominal sum on account of certain university bonds which are really due to itself.

In my message to the sixty-fifth general assembly I recommended the transfer of the sinking fund levy for the year 1908 to the general fund, foreseeing the present necessity and the general assembly passed a bill for that purpose on the eve of adjournment which I was compelled to veto because of an error in naming the year for which the transfer was made.

The transfer of this fund will enable us to complete Southeastern Hospital for the Insane and the School for the Deaf, and to make needed improvements and additions at the State Prison, the Reformatory, the Boys' School, the Girls' School, the Epileptic Village and the School for Feeble-minded Youth, and to provide effectively for the other hospitals for the insane, and begin in a substantial way the institution for the treatment of tuberculosis; also to construct and equip at Purdue University and at the State University additional buildings somewhat commensurate with their present insistent need.

The just consideration of obligations incurred and every dictate of duty assumed demands that these things be done. We are in a position to, and can, if we will, do them all without calling upon posterity to pay any portion of the cost, and we can, at the same time, pay the foreign bonded indebtedness of the state before the expiration of the first two years of the incoming administration.

The transfer of this fund as here suggested will create a general fund somewhat in excess of the specific appropriations imperatively needed; if so the surplus can be applied to the payment of the state debt as such payments may be lawfully made from the general fund.

These state institutions—educational, benevolent and penal—have been upon my conscience every hour since I took the oath of office as governor of the state, as few other things have been, and they will continue to be on my conscience long after I have left the executive office.

In this there is no politics, but there

is in it an appeal to civic pride and

to humanity that cannot well be denied by a civilized and Christian people. I am profoundly impressed with the conviction that in the degree you fall in this, you will fall in your obligation to the people you represent.

#### Governor's Emergency Contingent Fund.

During the fiscal year ending September 30, 1907, there was expended by the governor's emergency contingent fund the sum of \$27,365.34 less \$11.82 returned to the treasury, leaving an unexpended balance of \$254.48. The expenditures were for the following purposes and in the following amounts:

Completion and furnishing two new cottages at the Northern Hospital for the Insane \$6,150.49

Southern Hospital for the Insane ..... 14.01

Maintenance, Boys' School ..... 2,256.21

Maintenance, Girls' School ..... 3,388.87

Maintenance, Women's Prison ..... 6,226.55

Expenses in the case of McCormick vs. State ..... 1,426.65

In the case of Samuel Peters ..... 11.76

Investigation of Elkhart Insurance Company ..... 12.75

Investigation of State Life Insurance Company ..... 1,917.80

Expense of Tuberculosis Commission ..... 540.15

Expense of Committee investigating Auditor's office ..... 145.00

Expense incurred in the closing of the Dearborn Park Casino, in Lake County, Indiana ..... 816.57

Expense in French Lick litigation ..... 1.45

Aid to flood sufferers under authorization of special act of the 65th General Assembly ..... 4,457.08

For the year ending September 30, 1908, there was expended from the Emergency Contingent Fund \$26,113.42 less \$146.53 returned by committees having in charge the distribution of funds contributed to the flood sufferers, leaving an unexpended balance of \$4,033.11. Said expenditures were in the following amounts and for the following purposes, to-wit:

Maintenance, Boys' School ..... \$2,743.73

Maintenance, Girls' School ..... 8,944.95

Maintenance, Women's Prison ..... 3,539.22

Electric wiring, Soldiers' Home ..... 2,245.00

Furnishing and equipping two cottages at the Eastern Hospital for the Insane ..... 4,095.84

Expense in the prosecution of the White Cap cases in the Bartholomew Circuit Court ..... 3,225.50

Expense in the disbarment of George Kurtz ..... 10.89

Expense in Dearborn Park Casino case ..... 355.00

Expense in French Lick litigation ..... 365.48

Expense in relation to State lands ..... 43.96

Records for State Finance Board ..... 318.00

Expense incurred in Muncie strike riot ..... 8.50

Expense incurred in litigation by the State vs. J. O. Henderson ..... 219.35

Governor's Civil and Military Contingent Fund.

For the year ending September 30, 1907, there was expended from this fund the sum of \$1,606.90, leaving an unexpended balance of \$7,559.74. These expenditures were in the following sums and for the following purposes:

Expense incurred in prosecution of French Lick litigation ..... \$249.31

Expense in Dearborn Park Casino case ..... 155.00

Expense in the prosecution of the white cap cases in Bartholomew County ..... 402.23

Expense of National Guard account Tell City strike ..... 800.36

For the year ending September 30, 1908, there was expended from the Civil and Military Contingent Fund the sum of \$7,251.87, leaving an unexpended balance of \$2,768.13 less \$20.00 returned to the treasury. These expenditures were made for the following purposes and in the following sum:

Expense of National Guard account Tell City strike ..... \$ 311.83

Expense of National Guard account powder mill explosion at Fontanet, Indiana ..... 1,260.23

Expense of National Guard account Muncie riot ..... 3,119.73

Expense of investigating "Night Rider" depredations in Dearborn, Switzerland and Ohio counties ..... 680.00

Expense account special election in White, Newton, Stark and Jasper counties ..... 21.21

Expense in French Lick litigation ..... 510.97

Expense in the prosecution of the white cap cases in Bartholomew County ..... 1,007.75

Legal opinion in Vincennes University bond matter ..... 200.00

Expense of National Guard account on account of Aveline hotel fire at Fort Wayne ..... 140.75

Claim of the One Hundred and Sixty-First Regiment, Indiana Volunteer Infantry.

By an act of the Sixty-fifth General Assembly \$16,674.61 was appropriated to reimburse the members of the One Hundred and Sixty-first Regiment, Indiana Volunteer Infantry and of Companies A and B, colored infantry, for the sum paid for counsel fees out of the allowance made to them by the Federal government. Of this sum there still remains a balance in the treasury of \$2,648.82. Of the original sum, \$35,023.86, placed in the hands of the governor for distribution, there still remains undistributed, \$5,736.04. Both these funds are being distributed as rapidly as the persons entitled to receive the same can be found and proof of their claims made.

There is no law requiring the gov-

ernor to act as custodian of this fund, but I have distributed it through the adjutant-general of the state, insofar as distribution has been made, simply as a matter of good will to the members of these organizations, that the expense of distribution might be saved them. Their individual claims are small, often but a very few dollars. The balance of this fund, \$5,736.04, I shall turn over to the succeeding governor, if he is willing to accept the trust, that the distribution may continue without cost to the claimants.

#### Claim of the 161st Regiment, Indiana Volunteer Infantry.

The original fund has been kept in bank since it came into my hands, as a fund to be checked against as distribution was made. Interest thereon has been paid by the bank at the rate of three per cent per annum, amounting in the aggregate to \$812.77.

The appropriation of \$11,674.61 made by the general assembly has made good the whole sum allowed by the general government. Every member of either of the organizations interested has received or will receive the full share of the whole allowance due to him. It has therefore seemed just to me that the interest accruing should be paid into the state treasury to reimburse the state in part for the appropriation so made. The interest does not belong to me. The claims of the members of these organizations are being paid in full through the generosity of the state and the free services of its officers, without cost to them for counsel fee or even of distribution. I have, therefore, paid the interest accruing \$812.77, into the state treasury for the use of the state.

#### State Avenue Street Assessment.

The purchase price of that portion of the site of the present school for the deaf sold to the city of Indianapolis during the preceding administration has been fully paid and the property transferred by deed of conveyance to the city of Indianapolis.

Prior to such transfer said avenue from Washington street to English avenue was improved with a brick roadway and curbing under proceedings begun and had before the Board of Public Works of said city. The property sold to the city abuts upon this improvement and was assessed for its construction in the sum of \$2,448.26, with interest accrued thereon, now amounts to \$2,629.34.

As the state still occupies the property and will of necessity continue to occupy it until the new buildings for the school for the deaf are ready for occupancy, and the improvement was constructed and the assessment levied before the deed of conveyance was executed, it is just that the state should pay the assessment. I, therefore, recommend the appropriation of a sum sufficient to pay principal and interest, and that the same be made payable to the American Construction Company, the contractor constructing the improvement.

#### Claim of John R. Warren.

The purchase price of that portion of the site of the present school for the deaf sold to the city of Indianapolis during the preceding administration has been fully paid and the property transferred by deed of conveyance to the city of Indianapolis and from other sources, exclusive of townships, civil and school, will equal, if not exceed, the interest accruing to the counties, making a total saving to the people of the state of more than \$440,000.00.

The county of Marion interest on the county fund aggregated \$11,817.11, while the total interest collected by the county for the school city of Indianapolis and from other sources, exclusive of townships, civil and school, equals \$17,352.37, a total collection of \$29,169.50.

The financial gain indicated by these figures is not, however, the most valuable result of the operation of this law.

Under this act sixteen monuments and fifty-three markers have been constructed and placed in position.

The markers are of granite, and are of substantial size. The monuments are of the same material, beautiful in design and distinctive in appearance.

These were dedicated on December 29th. The dedicatory ceremonies were participated in by the governor of Mississippi and many of the people of Vicksburg. The report of the proceedings of the commission was prepared and will soon be submitted.

The reports of the Commissions having in charge the construction of monuments at Chickamauga and at Sh