

therefore recommend the establishment of a House of Correction for boys and girls under the age of eighteen, whose conduct may be such as require them to be placed there.

#### THE BANKING LAW.

The present banking law, Section 22, imposes certain restrictions with respect to the loaning of money to officers of a bank, and provides that the office of any officer violating the law shall immediately become vacant.

The amount which any one officer may borrow is limited to \$10,000. In the case of the incorporation of a bank with a capital of twenty-five thousand dollars, three officers may exhaust the entire capital. I recommend that the amount which may be loaned to the officers of a bank be limited to one-tenth of the capital subscribed, or to such percentage of the capital as you may think proper.

Section 25 directs the Secretary of the Territory to make a thorough examination into the affairs of banking associations. There is an implied responsibility resting on the examiner to carry out the spirit of the law, without giving him the necessary power to do so. In case he shall find a bank becoming insolvent, he has no power to compel the officers or stockholders to take such steps as will put it in a solvent condition, or to close the bank if they fail to respond.

I recommend that the duties and powers of the examiner be accurately defined, and if he is to be the public agent in such matters that his authority to examine everything connected with the business of the bank be made clear and explicit. The law should require every bank to keep a certain percentage of the deposits available. Under the present law there is no obligation to hold any part of the deposits in reserve.

#### PAYMENT OF INTEREST BY PUBLIC INSTITUTIONS.

During the past two years nearly seven thousand dollars have been paid by public institutions in this Territory as interest on money borrowed, or warrants discounted. This was necessary to be done in some cases to enable the institutions to carry on the purposes for which they were created. In every case the appropriations made for the use and maintenance of these institutions was ample for the purpose, but it was found when the warrants were presented to the Territorial Treasurer he had no money to pay them. I respectfully submit that a fiscal policy which makes it necessary for public institutions to discount the Territorial warrant is defective, and recommend an immediate change. I can find no authority in the statutes for the payment of interest by these institutions from the public funds.

#### RATE OF INTEREST.

Under the present law the legal rate of interest is 10 per cent. The city of Salt Lake and the Territory of Utah have been able to place their bonds at the rate of 5 per cent. Under the circumstances it seems to me that the rate now fixed by law should be reduced to 6 per cent, and I so recommend.

#### ASSESSMENT OF PROPERTY.

The revenue law provides that property other than money shall be assessed at a fair cash valuation. The fact is this requirement of the law has been practically ignored. I am of the opinion the fault is in the administration of the law by the local officers.

The assessors have made the assessment upon an arbitrary basis fixed by themselves, or which they think will be about the standard fixed in other counties, and thus the taxes are not laid upon the fair cash value of the property taxed, nor is the assessment thereupon uniform and equal. The law should be administered according to its terms, and the power to determine the amount of revenue necessary should be left to the Legislative Assembly where it belongs.

Whether justly or not, I am not prepared to say, but there exists among many the belief that the present law, or the way in which it is enforced, does not permit of a close and correct assessment of taxable property; that in the larger counties of the Territory it is practically impossible, for one man to make a correct return of all the taxable property. The assessor should be directed to appoint a deputy in each precinct—persons of discretion, intelligence and integrity, acquainted with the residents and familiar with the property of their respective precincts. To the undervaluation of property and to the amounts that never reach the tax books at all is largely due to the fact of the treasurer not being able to pay warrants when they are presented to him. An assessment of all classes of properties at a fair valuation is the most practicable way of securing equalization.

There is also a belief that corporate and accumulated wealth is not fairly assessed and, therefore, does not meet its just share of the public burdens.

I suggest such amendments to the law as will secure a perfectly just and equitable assessment, and that in cities the assessment be made by blocks, and in townships by sections.

#### BOARD OF EQUALIZATION.

At the last session of the Legislative Assembly, a Board of Equalization was created for the years 1888 and 1889. It was charged with the duty of equalizing the different standards of value, which had been adopted by the assessors in the counties. In my judgment a law should be passed providing for a Board of Equalization to consist of five, seven or more persons as the Legislature may deem proper, who shall serve for a term of two years, and until their successors shall be appointed and qualified. I believe the attention of the people has been directed to the necessity of action in this matter. They are anxious that the burdens of government shall be fairly distributed.

#### STATISTICS.

I recommend that a law be passed creating a bureau of statistics. At the present time federal, territorial county and municipal officers, and

men of every class and calling, are constantly called upon to furnish statistical information with respect to the Territory and its people, which ought to be supplied by a bureau specially created for the purpose. Nearly all the statistics furnished now are gathered by private expense. Our Territory is rapidly growing in wealth and population, and we ought to feel a just pride in securing and preserving, in enduring form, the information which will enable the world to judge us correctly, and which will prove valuable in the future. This bureau should also be charged with the duty of gauging our streams, say semi-monthly, in order to determine the proper distribution of water, with the measurement of snow in the mountains in winter, to warn the farmer of probable scarcity of floods in the spring-time, and the approximate amount, and with making tests of evaporation, rainfall, and temperature in all important localities. All of this information will be of great interest to the agricultural class, and hence the people of the Territory.

#### GEOLOGICAL SURVEY.

I suggest for your consideration the importance of a geological survey of the Territory. There is a widespread opinion that a survey which would accurately show the extent and character of our varied resources would prove of great benefit, and would aid materially in promoting the prospect of the Territory.

We need information respecting our mineral lands, industrial resources; our soil should be analyzed, and we should experiment with our structural material; in short, we ought to get better acquainted with the Territory in which we live.

#### FREE PUBLIC SCHOOLS.

I can present no subject for your consideration of greater importance than the condition of the public schools throughout the Territory. It is the bounden duty of the Territory to give to every child the opportunity of receiving a free public education.

This is denied by the existing school laws. I earnestly recommend that you enact such legislation as will lay the foundation of a system of education that will progress until the highest standard is reached. You will serve your Territory well by so doing.

#### HIGHWAYS.

The highway law authorizes the county courts to maintain and work such public highways as are necessary for public convenience. As a rule the highways throughout the Territory are not in good condition. I believe that smooth, easily traveled roads are of substantial benefit, and that money expended in making them so is wisely spent. If the present laws are not adequate, or if the funds which the courts are authorized to use are not sufficient for the purpose, I recommend such legislation as will meet the case, and suggest the appointment of precinct roadmasters.