

GOV. CRAIG'S MESSAGE

THE STATE'S PROGRESS REVIEWED — EUROPEAN WAR'S EFFECT ON BUSINESS LAMENTED — AN APPEAL FOR STATE-WIDE PRIMARY LAW — RAILROADS AND INSURANCE COMPANIES

To the Honorable, the General Assembly of North Carolina:

The last two years have been an era of substantial progress. The energy of the state has been manifest in her industrial and social development. Agriculture has improved. Trade and manufacturing has increased. The European War has depressed values, and depressed business, but already conditions are improving and the determination and intelligence of the people are prevailing over unexpected disaster. The sudden fall in the price of cotton resulting from the closing of the markets by war, and our unprecedented crops, have caused a shock that demoralized business, and discouraged enterprise. The present crop falls short of its expected value by millions of dollars. This calamity has fallen heavy. It has brought disaster to many that are industrious and worthy. The president of the United States and the secretary of the treasury have demonstrated that the administration at Washington is in sympathy with the producers of the country. They are exercising and are ready to exercise all the powers of the federal government for protection against untoward disaster. But no power of government can defy worldwide economic conditions, and any plan to valorize cotton or to compel all the people by legislation to buy this staple at a price above its market value, is in my opinion unsound morally and economically, and must result in failure and disappointment, whether attempted by the federal government or by the state government. We have been blessed with years of advantageous circumstances, and will triumphantly overcome this reverse.

If the present unfortunate situation can demonstrate to our farmers the necessity of diversifying crops; of producing meat and bread at home, the present misfortune will result to our permanent good.

Within the last two years the principal differences between the people and the railroads as to transportation of merchandise have been adjusted. For years our people suffered from adverse discrimination and excessive rates. While we did not secure on interstate rates the reductions to which we were entitled, the best available adjustment was made. By this a saving estimated at \$2,000,000 a year on interstate commerce was secured. But of far greater consideration is the placing of our enterprises on a friendly competitive basis with the enterprises of the State of Virginia. Industries heretofore attracted to Virginia will remain with us. Our towns and cities feel the impulse and the people will ultimately be benefited.

Charges for the transportation of freight within the state have been fixed by a commission appointed by the Governor in accordance with a statute of the last General Assembly. The railroads have applied the reduced rates fixed by the commission. Interstate commerce will be encouraged to the welfare of all sections of the state. The people have accepted the judgment of the commission as wise and just.

A strong and determined public sentiment brought about these adjustments. The sovereignty of the people was asserted. They will deal fairly and justly with the common carriers, and it is fair to say that the railroads have come to recognize the controlling power of the people and have manifested an earnest desire to conduct the transportation business as public servants in harmony with the people's will, and the people's rights. The railroads and the people are now at peace. But a firm and just control must always be maintained.

I transmit to the General Assembly for careful consideration the reports of the different departments of government and institutions of the state. You will see from these reports that our state institutions, educational and eleemosynary, are performing with efficiency their respective functions, that the various departments of the state government have been administered with ability, economy and honesty. As provided by law, these departments and institutions have been thoroughly audited and investigated by competent experts, and in the honesty of their conduct they are above reproach.

There are problems of grave importance that confront this General Assembly and as commanded by the Constitution, I submit to you my views and recommendations on some of the questions that you will consider:

The Farm.

Our Department of agriculture is doing effective work. The encouragement to better farming, the improvement of rural conditions by the improvement of schools, of roads, of sanitary conditions, by circulating libraries, by farm demonstrations, by scientific teaching, and by every feasible means should be the fixed purpose of this General Assembly. Eighty per cent of our people live upon the farms. Their destiny and the destiny of the state and of all of the people of the state in all occupations is largely determined by conditions that prevail in rural communities. Thence cometh our strength, and thence the crop of men.

Revenue and Taxation.

The revenue for the last two years has met all the obligations of the state. There is a small balance in the treasury above all demands. This fact must be gratifying to this General Assembly, and to all the people, for it is the first time in many years that this condition has existed. Our revenue system, however, is far from satisfactory. The problem of taxation is always difficult and vital. The government must be economically administered. No extravagance has existed in this state, and none should be tolerated, but we must provide revenue for all appropriations and necessary expenses. With the state as with the individual, the elementary rule of business is to live within your means. North Carolina has ample resources with which to meet all her obligations. Within the last decade the value of all real property has enormously increased, and personal wealth has been multiplied.

We cannot repudiate the obligations of Christian civilization. Now that the land is yielding bountiful harvests, now that the stagnant towns of the last generation have grown into cities of increasing wealth, now that industry is triumphant, now that destiny is unfolding to us in grander revelation—shall we in this day of our strength not fulfill the duties of a progressive state? We must support our institutions of learning by increasing usefulness. We should listen to the appeal of the Confederate soldier, and to those stricken in mind and body. We must provide for the improvement of our rural communities and for aggressive work for the prevention of disease and for the conservation of health. In this new century, when southern ideals have been restored to the union, when southern statesmen have come again to places of power, when the future beckons to renewed effort and life, forward is the order.

Property Not Assessed.

The fault with our fiscal system is that we do not assess our property for taxation. Real estate, and especially unimproved real estate, and real estate held for speculation, have been greatly undervalued, and most of the personal property has not been listed at all. It should be understood that the quadriennial assessment will be for the purpose of lowering the rate of taxation, and with the determination of securing a more equitable and a more complete listing of taxable property. A graduated tax on inheritances should be increased and it should be collected.

Our citizens do not refuse to return their property for taxation because they desire to take advantage of others, but for the reason that they do not desire that other men and other communities shall take advantage of them and of their communities. The property has not been equally assessed for taxation, and for this reason men are actuated by purpose to undervalue property, and to refuse to list their solvent credits. They would be willing to submit to square deal, but desire to protect themselves against inequality.

The personal property of the average man cannot be concealed. The securities of the wealthy can be concealed. The average citizen pays his tax; the wealthy often escape. The Tax Commission should be clothed with plenary powers to enforce the listing of all property for taxation, and to enforce the uniform and just valuation of all property. Every citizen should bear the burden of government in proportion to his ability. This policy should be carried out with unalterable determination.

On a subject related to the business, I recommend that the General Assembly require the State Treasurer to give as his survey for the faithful discharge of the duties of his office a bond executed by one or more surety companies, and that this bond be paid for by the state; that the Treasurer be allowed to put out at interest all available moneys in his hands. This would yield to the state an income of many thousands of dollars a year.

Primary Elections.

It is clear that the people of the state demand of the General Assembly a law providing primary elections for the nomination of candidates. This demand is in accord with the spirit of the age, and has already found legal expression in all the states of the Union with few exceptions. The democratic party, the republican party, and the progressive party in state convention assembled declared that such a law. The democratic party in convention assembled declared that: "We endorse the principle of the legalized statewide primary for all national, state and judicial officers, and we pledge the party to the enactment of such a law as will make this principle applicable to all political parties."

The members of the General Assembly hold their commissions with the pledge to all the people for this reform. This is democracy. It gives to the people the legalized machinery that provides the opportunity for every citizen to participate in the nomination of candidates, and in the selection of the public servants that must administer the government. Political conventions and party allegiances urge the citizen to vote for the nominee of his party. He should have a voice in their selection, otherwise, the great majority really has no voice in the administration of public affairs that are of vital interest to all. The means should be provided for the full and free exercise of this right. The primary should be established by law, and protected by law, and the criminal law shall deal firmly with fraud

and corruption. Our selections must be pure, and our nominations must be by the full and fair expression of the popular will. Abuses have sometimes been practiced under systems not adequate to present conditions, these abuses must be eradicated and provided against. The safety of the state demand it. The preservation of confidence in popular government demands it. The obligation for this fundamental reform is with this General Assembly and with the party now in power.

Insurance.

The law regulating fire insurance should be amended. The rate of insurance which the people of the state must pay and the rules regulating the insurance business are now fixed by the South Eastern Underwriters' Association. This monopoly controls the insurance of the South. There is no competition. The protection from fire of our homes and families, of our property and industry is a necessity. We must have insurance, and we must take this insurance under the present law, from a monopoly exercising its powers unrestrained by law. We paid last year \$3,733,690.17 in premiums to this monopoly. There was paid to the people of the state in compensation for losses by fire \$1,679,250.77. We paid to the companies constituting this monopoly more than \$2,000,000 in excess of the amount returned for losses. This \$2,000,000 was not all profit, for the expense of operating the business is considerable.

The last General Assembly appointed a committee to investigate the working of these companies as affecting the people of North Carolina. This committee found that rates are not uniform, and in many instances too high, and that the rules of insurance are not equitable and just. I send you the report of this committee. However, this may be, this monopoly is a public service concern.

The insurance Department has been ably managed and wisely managed by the Insurance Commissioner. He needs more power that he may serve the people more effectively, and exercise a control over this monopoly just as our Corporation Commission exercises control over the railroads and other public service corporations of the State. The individual citizen has not the power to deal with it on equal terms, and to assert his rights. He must accept the terms proposed or be deprived of necessary protection. The State alone can deal with this monopoly, and the state will be benefited in her duty if she allow these corporations to fix insurance rates and to control without supervision the insurance business by their own arbitrary and unlimited power.

The General Assembly should confer upon the Insurance Commissioner the power to fix maximum rates, and provide by statute for reasonable rates and for uniform rates on each class of property. At present the South-eastern Underwriters' Association, the representative of the combined insurance companies of the south, has the power to fix the terms of the contract between these companies and the people of the state. Millions of dollars are involved in this contract, and if this monopoly, representing foreign corporations, treat the people of North Carolina with justice and equity, it constitutes the one exception in all of our business experience. The people should have a voice in this contract. The Insurance Commissioner should have the power to represent them, and to speak for them. Every argument against state supervision and control of insurance has been made against the control of every monopoly. The failure of all has been demonstrated by the logic of experience.

Highways.

The people have awakened to the necessity of good roads. We realize that they are an indispensable factor for material prosperity and for social advancement. We are building new highways than ever before, and we are expending thereon millions of dollars. It has been estimated by experts that from thirty to forty per cent of the money spent on these roads is actually expended wasted or misdirected. President Wilson at the recent meeting of the American Road Congress in Atlanta, said:

"As important as the matter of providing additional funds may be for roads, and of better maintenance of roads already constructed," "It is clear," continued he, "that we are not getting the results we should have."

This General Assembly should establish a Highway Commission composed of experts, or of men who would make a study of this improvement. They should direct the expenditure of all road money, and they should see that maintenance acts as much attention as construction.

Forests.

The General Assembly should provide for the protection of our forests against ravages by fire and commercialism. The forests provide the rains that water the crops. They supply and conserve the streams that turn the wheels of industry. The failure to save from ruthless destruction our magnificent wooded areas, will work an irreparable damage to ourselves and to our posterity. The lumberman is now denuding the mountains—mowing down their luxuriant cover, as the reaper mows a field of wheat. After him sweeps the conflagration, turning the once magnificent slopes and peaks into vast desolation of blackened ruin. We cannot expect the lumberman to sacrifice his individual interest to the public welfare. The state must exercise her power to

proper regulation to save the forests, and thereby preserve to the state this priceless heritage.

State's Prison.

The State's Prison has been managed with economy, honesty and business efficiency. The report of the superintendent transmitted to the General Assembly shows the condition of the Prison and the operations in which the Prison has been engaged. It shows a balance in the Prison's credit above the cost of maintenance. And in this respect the convicts of the state have done much work on the Hickory Nut Gap Road and on the road in Madison County for which the Prison has no credit.

Some years ago the state gave assistance by convict labor to certain railroad companies to enable them to construct railroads to remote and difficult places not provided with railway transportation. These convicts could have been hired to do work of the same kind at the rate of \$1.50 or \$1.75 a day each. The appropriation of convicts was the equivalent to the appropriation of money out of the state treasury. As direct compensation for the labor of the prisoners, the state has accepted, in accordance with legislative enactment, stock in railroad companies that had no market value. The state has appropriated a value in these convicts to these railroad companies, realizing that the stock taken in payment is probably worthless. The real compensation to the state is to develop rich and inaccessible sections inhabited by a portion of our citizenship desiring and deserving the facilities of communication and transportation with other portions of the state. In this way the state has appropriated as evidenced by stock:

To Elkin & Alleghany Ry. Company \$183,500.00
To the Watauga & Yadkin Ry. Company 18,000.00
To the Statesville Air Line Ry. Company 58,800.00
To the Mattamuskeet Ry. Co. 99,765.00
To the Transcontinental Air Line Ry. Company 17,200.00

Making a total of \$387,265.00
And in addition to the above amounts \$21,564.59, for which stock has not yet been received, making in all \$408,829.59.

These convicts have been appropriated under statutes vesting the power and discretion in the Governor and the Council of State, to decide when such convicts should be appropriated. All of these statutes should be amended so as to clothe the board of directors of the State's Prison with this power and discretion. This power does not legitimately belong to the Governor and the Council of State, it does legitimately belong to the Prison Board. The Governor and the Council of State cannot in the very nature of the situation exercise the power; with a thorough knowledge of the affairs of the Prison and a comprehensive view of its necessities and operations. The Prison Board should have entire charge of the Prison, and all convicts committed to the Prison. The statutes in their present form impose incongruous duties upon the Governor and Council of State. This is no less a desirable or advisable, but is an unwarranted interference with the Prison Board in its management of the Prison.

Public Health.

The State Board of Health has efficiently performed a benevolent work by its agency sanitary committees and inspectors. This department should be provided with means to continue with increasing effectiveness this important work for the preservation of life and for the health and happiness of all the people.

Tuberculosis.

The problem of dealing with tuberculosis is most serious in North Carolina. It has been ascertained that eighteen thousand people are the victims of this disease. Many may have it of whom we do not know. It is an ever present danger that waits about at noon day, and ensuevereth of all the deaths in the state are from tuberculosis.

Montrose was established in response to the demand that something must be done for the afflicted, and to stop the ravages of the plague. In my opinion this institution with its present scope and efficiency is utterly incapable of dealing effectively with the situation. As an institution for the purpose of educating people to care for themselves, and disseminating knowledge of the disease, it cannot be as effective as could a bureau established for the purpose of sending literature to every person in the state known to be afflicted. Such literature could present the standard home treatment to the people, and with more efficacy than could be done by a few patients who are fortunate enough to secure admission to the small establishment at Montrose. There are now about ninety patients in this institution. It is most humanely and most ably managed. Yet, it is altogether inadequate to deal with this stupendous proposition that so vitally affects the people. It has done good in individual instances, but there are thousands in the state who cannot gain admittance, and who will desire admittance when its efficiency is recognized. This institution can never care for those entitled to admission. On the present plan, the whole revenue of the state could not meet the demand. It is one of the highest obligations of the state to deal with this disease, to do all possible to prevent it, and to care those who have it. I hope that this General Assembly can work out a practical method that will be effective.

The State's Institutions.

I am satisfied that it would be economy, and good business that all the institutions of the state with the exception of the State's Prison, should be put under the management of one board of not more than five members. This board should have charge of, and direct supervision of the business management of these institutions. I am satisfied that such a system would save to the state thousands of dollars every year. But, if the General Assembly should not see proper to adopt this plan, I recommend that the General Assembly shall direct that the Governor require that each state institution shall make to him in such form and detail as he may prescribe, a monthly or weekly report, as to their business management and condition. This would give the Governor at all times a clear insight into the workings of our institutions, and accomplish much in the way of economy and uniform business efficiency.

Child Labor.

The last General Assembly enacted a statute compelling the attendance of children upon the public schools. This statute should be enforced. The child cannot work at manual labor to advantage, but his mind is eager for knowledge and most retentive. His character is responsive to culture. The factory is no place for the child. The drudgery of toil is not his rightful inheritance, before his bones are hard, or his muscles are firm. If we grind the seed corn, there will be a failure in the crop of men. We should have upon our statute books a law forbidding children of tender years to work in mills or factories, and limiting the hours of labor of those who are of sufficient age to work. This law should provide that women shall not work at night in the mills. Motherhood should not be condemned to such services. And this law should be vitalized with safeguards for its enforcement. If, in our most progressive centers of industry and thrift, the family cannot live without the work of children and the drudgery of women, then our civilization has broken down, and is a failure.

I commend the mill men of North Carolina for the humane spirit with which they have cared for the health and education of their employees, and the children of their employees.

Western Training School.

The General Assembly should earnestly consider the establishing of additional training schools for teachers for the western part of the state. We are paying out large sums to teachers who by reason of circumstances and lack of convenient schools of proper character and facilities, have not been able to equip themselves efficiently for their work. Salaries paid for inefficient teachers must result in a more serious loss to the state than salaries paid for inefficient work in any other business or profession. We must create facilities which are convenient and within the reach of those who must teach the children of the state. A splendid and well equipped school has been established in the east. For a number of terms the legislature has considered a school for the western section similar to that established at Greenville. The west desires this school located at some convenient point within reach of many counties not yet provided for. Many superintendents have brought to my attention the absolute need of such a school. I earnestly recommend that a school similar to the school at Greenville be established at some point in the western part of the state, located to serve the people of that locality. It would result in the inevitable benefit to the people and stimulate our intellectual as well as material development.

Administration Officers Should be Appointed by the Governor.

It is in accordance to the expressed wishes of all political parties, and the will of the people, for the nomination of state and federal officers, to provide a system of public administration which will be more efficient and more economical. The Governor should be empowered to appoint all the administrative officers of the state, except those named in the Constitution. It would accomplish a reform of immense benefit. President Wilson said: "But all your eyes in one helmet, and march that helmet." The Governor to a large extent is held responsible for the affairs of his administration. Give him the power to select the men that shall direct those affairs. Hold him responsible, and he will be responsible to the people's will. The terms of the present incumbents of these positions would of necessity be affected. They are all able and faithful servants. Their appointment by the Governor would unify the administration and increase the efficiency of the government.

You come as the representatives of the people to write the statutes of a state, pressing forward to nobler achievements. We look to you for the policies that will direct us in the way of substantial progress and enterprise to renewed energy. You will perform your task with fidelity and courage, and may you be guided by the wisdom, and sustained by the strength, vouchsafe to all who are steadfast in the resolve to do right.

LOCKE CRAIG,
Governor of North Carolina,
January 7th, 1915.

INTERNATIONAL SUNDAY SCHOOL LESSON

(By E. O. HULLINGS, Acting Director of Sunday School Course.)

LESSON FOR JANUARY 17

THE CALL OF GIDEON.

LESSON TEXT—JUDGES 6:11-24, 33-40. GOLDEN TEXT—Hebrew is the man whom thou choosest. Ps. 82-4.

We have before us now the fourth apostasy and servitude of Israel, one which seems to have affected chiefly the four northernmost tribes (v. 35). In preparation for the call and work of Gideon, the sixth judge, "the children of Israel cried unto heaven," and God sent unto them a prophet who encouraged their lagging faith in Jehovah and turned them back to him (6:1-10). The now impoverished and overriden Israelites, who had enjoyed prosperity after their former deliverance, had again done evil and must first judge their sin and obey the voice of Jehovah before they could receive a message of hope and deliverance through one of Jehovah's prophets.

God's Call to Gideon.

1. Gideon in Prayer, vv. 11-13. That the "angel of Jehovah" was a manifestation of Jehovah is clear from a careful reading of verse 13. There the first use of the word "lord" is not capitalized, whereas in a second instance it is capitalized. This angel was a foreshadowing of the incarnation in Jesus of Nazareth. He is clearly identified with Jehovah (see Judges 2:1, 2; Gen. 16:10, 13, R. V.). It was thus that Abraham saw "my day" (John 8:56). "The angel of the Lord" at no time appears after Jesus came, as the revised text shows. The nomadic Midianites brought ruin to Israel as the bitter fruit of its sin. Then was uttered the cry for relief (Ps. 130). The father of Gideon is passed by, for he was a worshiper of Baal (v. 25). They who bear the vessels of the Lord, those through whom he works, must have clean hands. God's call to Gideon came to him (1) while he was alone, as he was threshing wheat in the hiding place of a winepress, for he dare not thresh in the customary open place of a threshing floor. This call came to him (2) as he was faithfully performing his duty, that one nearest his hand (v. 11, Ex. 3:1, 2; Luke 1:8, 9).

2. Gideon in Doubt, vv. 13-16. Gideon's thought must have been one of amazement as well as of doubt. His question, "Why then is all this befalling us?" was a most natural one and one that men even now are asking when they are in great trouble. Suffering and misery are not all to be laid at God's door, though he permit it, but chiefly at the door of sin (Ps. 77:7-9; Isa. 40:1, 2). It is possible that Gideon had not yet recognized his heavenly visitor (cf. v. 21). The name Gideon means "Hewer" or "Tree-feller" and indicates, as all eastern names do, something of his personal character or appearance. Hence the significance of v. 14. The Lord in the person of the angel looked upon him and said, seeing all of his natural qualifications, but with the emphasis upon the "Go in thy might . . . have not I sent thee?"

Gideon Was the Agent.

3. Gideon Assured, vv. 23-25. Gideon's first act on being assured of this heavenly communication was one of worship (v. 23). His second one was to take ten ephods and set up a shrine to the starry host, thereby demonstrating the idolatry of his father and the folly of relying upon him for deliverance. The Midianites at once laid their hands upon Gideon, and he fled and hid himself in the cave of his father, who seems to have been a man of a different character from Gideon's father. He was a man of a different character from Gideon's father. He was a man of a different character from Gideon's father.

4. Gideon's Caution, vv. 26-40. Some men said that he never entered his plight to preach without trembling, and Gideon would have been more than human, even after assembling his army had he not been absolutely free from doubt. We should never have an "if" before any of God's promises, and Jews misrepresented those of his day when they demanded a "sign" (wonder), but Gideon proved his heroism in part by his caution. Gideon was afraid of himself but was sure of God. One assured of God's leading he was willing to lead 300 men against the overwhelming force of his enemies. If such a demand was a weakness God dealt with it with marvelous patience and tenderness, just as he condescends to treat our weaknesses. The very life of the nation is at stake, everything depends upon Gideon's success or failure. Caution and courage are never far apart. Caution is the soul of courage. The fleece suggests a "figure of foreign Israel"; the dew, the presence of the Holy Spirit. In the old dispensation the dew rested upon Israel while others were dry. In this dispensation Israel is dry while the dew of God rests upon the nations.

"When God calls lift your soul in prayer and follow in the direction it leads. As you lift your soul before God it will wax or wane. If it waxes, abandon it; if it waxes, follow it, though all hell attempt to stay you." W. B. Meyer.