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OF

GEORGE A. CARLSON

GOVERNOR OF COLORADO

BEFORE THE

Twentieth General Assembly

Tuesday, January 12, 1915

DENVER, COLORADO



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# Inaugural Address

OF

## George A. Carlson

Governor of Colorado

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To the Members of the Twentieth General Assembly of the State of Colorado:

Greeting: In my few days' association with you I have become impressed with the fact that the desire of each to serve is intense, and your determination to accomplish is definite and firmly fixed. Colorado is young in history. Her vast resources are yet in the earliest infancy of development. Mighty problems have proven baffling, but I am most highly gratified to find nowhere among you a disposition to quail or cringe. Giant problems are the despair of the weak, but they only serve as a spur to the strong. The complexity of your problems is only matched by your opportunity for service.

### INDUSTRIAL COMMISSION.

Colorado and the immediate parties have suffered much from industrial disputes. Frequent conflicts between employer and employe have occurred, and each conflict has been characterized by increased bitterness, and, in some instances, attended by destruction of property and bloodshed. It, therefore, must be apparent to all that the present methods of preventing and settling grievances between employer and employe are entirely unsatisfactory, and quite frequently disastrous to those directly involved, and to the public at large. It is, therefore, imperative that this legislature earnestly and diligently address itself to the problem of ascertaining and removing, if possible, the causes of these industrial disputes. To preserve peace is but a part of the problem. The causes at the bottom of disorder must be recognized and measures adopted to eliminate them.

Early in our country's history industries were small and industrial competition much less keen than today. Employes knew their fellow employes and were on close, friendly relations with their employer. There was no need of an intermediary agency, established specially to preserve harmony and insure fair dealing between the two. But time saw increasing development of our resources, and out of this development grew gigantic industries and large combinations of labor. Inventions of labor-saving machinery, and the ever-increasing size of industries made a very complex proposition out of what had been a very simple one, and tended to push the employer further and further away from the employe, and the employe from the employer. Certain conflicting purposes of employer and employe clashed, bitterness developed and evidenced itself, from time to time, in strikes, boycotts, blacklists, and lockouts. Colorado has experienced all of these. Amid these epochal changes there was developed no intermediate agency to protect the employer and employe from the excesses of the other. Our own state government acquiesced in the widening breach and made but feeble protest for the inestimable damage done the state by these recurring and violent disputes.

The time has now come when Colorado must cease being merely a negative force. Our state government must become a positive and vital agency to harmonize our antagonistic industrial forces; an agency to stand between employer and employe and compel fair dealing between them. I believe this result can best be accomplished by the establishment of an industrial commission charged with the power and duty of administering laws now existing or hereafter enacted concerning the relationship between employer and employe. Boards and bureaus now existing and designed to deal with certain phases of this relationship lack co-ordination, uniformity, and a definite plan, and should be abolished and their powers and duties delegated to the commission.

This commission should be given broad, general powers. It should have power to administer and enforce laws protecting the life, health, safety, and welfare of employes; to investigate and prescribe what safety devices and other methods of protection are best adapted to render the employes of every department safe; to do all in its power to promote the voluntary arbitration, mediation, and conciliation of disputes between employers and employes, and to avoid the necessity of resorting to strikes, lockouts, boycotts, blacklists, discriminations, and legal proceedings in matters of employment; to establish and conduct free employment agencies and to do all in its power to bring together employers seeking employes and workers seeking employment; to devise and adopt the most efficient means within its power to avoid unemployment and to prevent involuntary idleness; to prevent distress following involuntary idleness; to publish information relating to the work under its jurisdiction; to subpoena witnesses and to examine books.

Power to form an advisory board should be given the commission. Such a board, composed of persons serving without compensation and representing the different interests affected by the commission's rulings, would be able to give valuable aid and suggestion to the commission and tend to minimize criticism of its rulings.

In addition to the power to issue and enforce general orders, the commission should have power to issue special orders where particular or unusual circumstances would make a general order work an unreasonable hardship upon any interests coming within its scope.

Heretofore, our state government has stood by and allowed industrial disputes to become more and more bitter until finally violence occurred. The state troops were then called out. An industrial commission armed with full information as to the exact conditions in a disturbed employment, with power of mediation and conciliation and offering inducement to arbitration would in most cases be able to suggest a satisfactory solution. In case either side proved unfair, or agreement could not be reached, the public would be in full possession of the facts. This is the application of the commission to a situation grown acute.

Along the lines of preventive work its broad powers to decrease unemployment, to compel safe places of employment, to enforce existing and future laws concerning the relationship of employer and employe would certainly tend to diminish the present industrial unrest, and establish a condition of harmony.

#### WORKMEN'S COMPENSATION.

Complementary to these powers, the commission should have authority to put into effect and administer a system of Workmen's Compensation. Long and hard-fought legal contests, undoubtedly, have contributed much to the bitterness existing between employer and employe. To protect himself the employer pays large sums of money to insurance companies, who in turn assume his liability, and in order to make a profit can pay the employe but a fraction of the amounts so received.

The system of Workmen's Compensation, except in certain cases of serious and willful misconduct, gives the employe a right against his employer to a fixed and definite or easily ascertainable sum on the mere occurrence of an accident in the course of the employment. The amount of compensation is fixed according to the degree of injury or disability and according to the injured employe's earning ability and is not made later than a certain number of days after the injury, thus furnishing funds to the employe or his dependents when they are most needed. It limits the employer's liability, which is now unlimited, in case of injury where death does not follow. It removes the danger of excessive verdicts and of insufficient verdicts. The employe is put to no expense in the collection of the amount of compensation due. Appeal may be made from the commission's ruling to the courts,

but experience in the states where the law is now in force shows that seldom is appeal made. Workmen's Compensation relieves private and public charities from the burden of caring for injured workers and their dependents, relieves the courts of much litigation and tends in a considerable degree to remove the bitterness so frequently following contests in the courts between employer and employe.

#### ECONOMY.

The people are demanding that this legislature increase the efficiency and eliminate the extravagance and wastefulness of the present organization of our state government. It is earnestly urged that early in the session your Financial Committee, or such committee as you may appoint for the purpose, make a thorough survey of every office, board, bureau and department with a view of making known all existing inefficiency and lack of economy.

Many fields of inquiry suggest themselves. As the state has grown demands have arisen for boards, bureaus and commissions to perform certain functions. Each need or imagined need resulted in the creation of a new office. From time to time these needs have changed, ceased to be urgent and in many cases ceased to exist; but the office remained. This multiplicity of offices having different policies and covering the same field has caused executive and administrative authority to become more and more decentralized, until at the present time it is difficult, and sometimes impossible, to execute a unified policy. After such a survey is made, all duplication, lack of co-ordination, unnecessary boards, bureaus and commissions should be eliminated and an efficient, economical organization substituted.

#### BUDGET.

It is highly important that there should be available in collected form accurate statistics on the expense of our state government. This legislature should pass a law making it a duty of the heads of every department to file with the State Treasurer, on or before January 1st preceding each legislative session, an estimate in detail of the amounts required by their respective departments for the biennial period following. The State Treasurer should submit such estimates to the Committee on Appropriations for its information. Provision should be made for the publication of these estimates. The Committee on Appropriations, having the treasurer's estimate of available revenue and the estimates of expense for the biennial period, would be greatly facilitated in its work, and aid in preventing over-appropriation. Publication of these figures would inform the public more accurately on the expense of its state government.

#### ABOLISH CLASSIFIED APPROPRIATIONS.

The present system of classified appropriations encourages the vice of over-appropriations. As a result, departments of government classed below the second class, and having no mill levy

for their support, in many instances have been without funds for as long as half the biennial period. To secure efficient results, each department of government must know exactly how much revenue it has to work with. Otherwise, the operations of the departments affected by over-appropriations are restricted, and in several instances in the past, have been completely demoralized. It is just as unwise and unbusiness like for a state to spend more than its income as it is for an individual or business concern to do the same. The state's revenues can be determined exactly, and appropriations should be kept within the available amount. A canvass of states has been made to determine how many states have classified appropriations, and of thirty-five states replying to the inquiry, only one, Missouri, has any classification. In Missouri, the expense of the legislature is placed in the seventh and last class and as a result, there has not been an unpaid appropriation in thirteen years. The moral is obvious. If every salary suffers proportionately by over-appropriation, there will be little danger of the same. This evil can be overcome by the enactment of a law providing that all appropriations have equal rank as claims against the state's revenues, and that if there is not sufficient revenue to pay all appropriations in full, each separate appropriation shall receive an amount bearing the same ratio to the full amount of the same as the total available revenue bears to the total amount appropriated.

#### PROHIBITION.

At the November election the people decided that on January, 1916, this state is to become dry. The duty now devolves upon you to carry out the people's will by appropriate and adequate legislation. Great care must be taken in preparing this law to avoid legal difficulties and to make it enforceable. If a poor law is drafted, wholesale evasion and consequent lawlessness will follow surely and the taxpayer of every county will be compelled to pay heavy tribute. You should be guided by the experience of other states. After years of experiment Kansas has prohibitory laws that are enforceable and effective.

Certain rights of purchase and sale for medicinal and sacramental purposes are provided by the constitutional amendment and these rights should be safeguarded, but not extended. Wholesalers should not be permitted to sell to retailers for any purpose whatsoever. Adequate means of enforcement and punishment for violations should be provided. Those upon whom the duty of law enforcement will fall ultimately should have the power to discharge fully this duty. Adequate means of law enforcement will prevent the lawbreaker from getting his first start. Inadequate means will provide him his opportunity. Such notices and records should be required to be kept as will make it impossible for anyone to procure intoxicants without the knowledge of the authorities. Peace officers should be given the same right of search as is given now in the gambling statute. It should be made easy to

remove officers who refuse or neglect to enforce the laws passed by you.

#### MINING.

The Bureau of Mines has become chiefly an inspection department. This was not intended to be its only function. The Bureau was established to encourage and aid in the development of the industry. As a part of its duties, it should conduct experiments to ascertain the best methods of treatment of our low-grade ores; it should stimulate and direct prospecting, and carry on general experimental and research work of practical value. Use of the laboratory of the School of Mines should be made by the Bureau. Such a correlation of the Bureau with the School of Mines will provide the former with ample facilities for this work, and without additional expense to the state.

#### PUBLIC LANDS.

The public lands, water power and other natural resources of this state should be opened to development. Thirty-two per cent. of the total area should not be taxed to maintain government over the whole state. Development in the older states came only through private ownership. These states should not deny to the younger public land states rights equal to those that they have enjoyed themselves.

#### PUBLIC DEFENSE.

So long as Colorado is able to make a beneficial use of the water of streams rising within her boundaries and flowing into adjoining states, she is entitled to do so. This right has been questioned in the courts by certain bureaus of the federal government and citizens of adjoining states. If the final decision is adverse to Colorado, widespread ruin will follow in those portions of the state directly affected by this litigation and which depend upon irrigation to grow their crops. It would be a gross miscarriage of justice and a violation and abridgment of this state's rights, if the ruinous theory of those who oppose Colorado's contentions is allowed to prevail. The public importance of these cases makes it vitally necessary that nothing be left undone to establish Colorado's rights in the cases now pending.

The Nineteenth General Assembly provided an appropriation to assure a proper defense. This Assembly should ascertain whether or not additional funds are needed to continue the work, and if so, sufficient appropriation should be made.

#### AGRICULTURAL COLLEGE LAND FUND.

The Land Grant Fund of the Agricultural College, according to the Federal Act creating the same, must be invested at five per cent. interest. This fund now totals \$182,000, and has been invested in part in state warrants and bonds paying but three or four per cent. interest. Provision must be made to meet the requirements of the Federal Act or the entire fund may be lost.



## FRAUDULENT IRRIGATION SECURITIES.

It is recommended that the laws respecting irrigation districts be investigated and revised. Great injury has been done outside investors and the state through the sale of valueless irrigation securities. The wording of the present laws on the subject leaves opening for unscrupulous promoters to sell worthless irrigation securities by representing that the sums paid therefor are expended under the direction of the county treasurers in the counties included in the particular district. It is unconscionable for the state to permit longer the use of its name in aid of fraudulent stock-selling schemes. Many of the districts of the state are now under a very heavy bonded indebtedness and without sufficient water supply. This often results in ruin to the land owners in such a district, great injury to the credit of the state, and much loss to the investor. Irrigation is of prime importance to the development of Colorado and should be kept a safe field for capital to enter. The wrongs done already are of such magnitude as to menace seriously further irrigation development in the state, and we cannot afford to permit the continuance of this condition. The state should provide an effective supervision over the issuance of irrigation securities so that all stocks and bonds issued represent bona fide and sufficient water supply.

## LAND LOAN ACT.

Colorado adopted a land loan act in 1905, which provides that our school fund should be loaned to farmers at six per cent interest. This law has never been put into effect because it has been alleged that it is unconstitutional in two particulars: first, it takes from the state treasurer the control of funds entrusted to him by the constitution; second, it provides that any county in which a loan is made must reimburse the state for any loss from such loan, by making a tax levy for the purpose.

It is unnecessary to point out that loaning this fund to farmers at six per cent. interest would be of great assistance to them, and hence, aid in the more rapid development of the state. It is, therefore, recommended that this law be amended, or a new law passed, which will overcome the legal objections raised.

It has been charged that the school fund has not been invested in loans to farmers, because the bondsmen of the state treasurer refuse to permit it. If this charge be true, it points out a serious defect in the present method of bonding this officer, and immediate action should be taken by the state to furnish his bond and thus make him free to carry out the laws.

## DRAINAGE.

The federal government has offered to co-operate with this state in draining several thousand acres of water-logged lands in the Grand and Uncompahgre valleys. In order to accept this offer it is necessary that our "district drainage law" be so amended as to permit of contracts with the federal government.

If this arrangement is to be entered into, it is advisable that the necessary amendment be enacted at an early date.

#### INSTRUCTION TO SETTLERS.

The irrigation, and particularly the dry-farming problems of Colorado, make demands for experience and knowledge that are peculiar to the semi-arid west. The farmer coming from the east needs help and direction during his first years here. Otherwise he may waste the most of his capital and earnings on unnecessary experiments. The Agricultural College has accomplished considerable along this line, and should be encouraged and given financial support to continue and extend what has been done already.

#### EDUCATION.

Our higher educational institutions are furnishing efficient plants for the training of our youth. They are doing more than this. They are extending their influence beyond the confines of their campuses and are playing an increasingly prominent part in the social, civic and industrial welfare of the people. The Agricultural College is conducting short courses for farmers. The Sociological Department of the University is conducting thru its extension department a course of public lectures given in different parts of the state dealing with vital civic problems. The School of Mines is proposing a short course for the prospector. These institutions can function still further as public service departments and should be given generous financial aid by this legislature.

While on this subject it is not amiss to say that our schools should give more serious attention to the development of the sense of civic obligation. They should instill into every student the conviction that his or her first duty is loyalty to the state. The strong individualist is not only of no value to the state but he is a man of arrested and contracted development. The sense of loyalty to the state should be developed until it becomes like the devotion to family. This is true education. With such a foundation a nation will endure. If Colorado's people learn Colorado's history and take pride in it, if all native or adopted sons and daughters of the Centennial state will have riveted in their minds the consciousness, and in their hearts the ever present sentiment, that they are mutually related to one great, real, living and throbbing entity—their state—which they are ready to serve and willing to defend, then internal dissension will be impossible and peace, good will and justice will become a reality.

If the schools of this state do their part well there is not much that the rest of us need do. If they illy do their part then there is not much that the rest of us can do.

#### COUNTY UNIT SCHOOL SYSTEM.

A thorough investigation has shown that we are not getting the best results possible from the money spent on our rural

schools. The average daily attendance of these schools is but forty-four per cent. of the children of school age. A teacher in a country school must teach several grades and many subjects, and usually has more pupils than are allotted to a teacher in the city schools. This condition calls for an experienced and highly efficient teacher. At the present time the country schools, in many instances, are nothing more than practice schools for young teachers who, after securing necessary practice, secure positions in the city schools.

Again, there is little uniformity of method in the different schools. This is directly attributable to the existence of the antiquated district system. Further, the area of a county is often so great that the county superintendent cannot supervise effectively. Other objections are that county school buildings are often constructed without proper provision for lighting and ventilation; that school supplies are bought at retail prices. To allow these conditions to continue is neither fair to the pupil, nor to the taxpayer who supports the school. It is accordingly recommended that the district system be abolished and that the county system be established.

City schools, in most instances, are highly efficient, and this is due in a large measure to the fact that all city schools are controlled by a central board of education. A number of states have adopted the county board system after extended study of and experience with the district system. The United States Commission of Education strongly urges this change. A county board composed, as in the city, of public spirited men and women, serving without compensation, could compel a larger attendance, offer more attractive inducements to experienced teachers, provide uniformity of method and courses, adequate supervision, could purchase supplies at wholesale and obtain a general high efficiency in the country schools.

#### CO-OPERATION WITH FEDERAL GOVERNMENT.

Colorado is upon a good basis of co-operation with the United States Department of Agriculture. There exists a mutual spirit of friendliness and helpfulness that has done much to foster improved methods of agriculture in the state. This Department has rendered valuable assistance to the Agricultural College and the eight county agriculturists. Colorado should establish the same close relation with the other departments of the federal government. A closer co-operation with the Department of the Interior would be of especial advantage and should be encouraged.

#### ROAD FUND.

During the coming biennial period, the state road fund will receive approximately one million dollars. To secure the most economic use and the best application of this fund, the present road laws should be amended. Investigation will quickly disclose to you necessary changes.

## INSANE ASYLUM.

The overcrowded condition of our Insane Asylum demands prompt relief. To meet this most pressing need, sufficient appropriation should be made to purchase additional land and erect necessary buildings.

## INDUSTRIAL PEACE.

We have not a sufficient conception in this state of our essential unity. Every merchant, every manufacturer, employer and employe, farmer and miner, is closely linked by common obligation and mutual interests. There is a common ground upon which these different elements must assemble if their several interests are to be advanced. If they will not search for and find this common ground, no one of them can live and prosper. The spirit of destruction has been too strong; the spirit of construction far too weak. The destructionist has stifled industry and emptied the hand of labor.

Capital and labor, clasp hands! This will not only bring you mutual happiness, but it will increase your opportunities. There is sufficient intelligence here; there is here a spirit of justice strong enough to unravel every perplexing difference between you. In this era of civilization neither capital nor labor should go back to the dark ages to get the weapons with which to carry their point. Henceforth Colorado will not tolerate it. Capital and labor help us build. We need your energies, your intelligence. If you differ among yourselves, or as to governmental policy, you have your legal and peaceful remedy. To this you must restrict yourselves. If heretofore a too intense spirit of industrialism has prevailed, let it be supplanted by a bigger, broader spirit of statehood. Out of our many ills and sorrows, let us build a reunited, Greater Colorado.

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