

## GOVERNOR'S LETTER OF TRANSMITTAL

THE STATE OF WISCONSIN,  
*Executive Department,*  
MADISON, WIS., February 18, 1909.

*To the Honorable, The Legislature:*

On July 24th, 1908, I appointed a State Conservation Commission, consisting of President C. R. Van Hise, Hon. H. P. Bird, Prof. E. A. Birge, State Forester E. M. Griffith, Hon. Wm. Irvine, Hon. J. H. Stout, and Mr. G. A. Whiting.

The Commission held several meetings at Madison, and, considering the short time which has elapsed since the creation of the Commission, it has collected information of so such value that I deem it desirable that you have the benefit of their study and research in the consideration of certain legislation now pending, and which will come before you for consideration.

As the Commission is a voluntary organization, no authority exists by which its report to me can be printed. It is, therefore, transmitted to you in typewritten form, with the recommendation that you cause it to be printed for the use of the members of your body.

The Commission make several recommendations for legislation, some of which have been considered under the title of "Forestry Department" in my message transmitted to you at the opening of the session.

I desire to direct your special attention to what is said by the Commission on the question of the conservation of the undeveloped water powers of the state. Since the organization of the state, the policy of granting franchises, under special acts, to individuals and corporations to dam our navigable streams has been pursued. Such privileges, until 1905, contained no provisions tending to protect the public, except the power to amend or repeal the acts. Since that time a provision has been incorporated in these acts providing for a forfeiture of the franchise rights for failure to exercise them within a limited

period after they are granted, for a forfeiture in case of violation of law, and providing for the protection of the public in the prices to be charged for the sale of the power generated. These provisions, while valuable, do not, in my opinion, fully meet the requirements which the importance of the situation now demands.

The undeveloped water powers of our state are the most valuable of its natural resources. Their value is rapidly increasing with the advanced methods of transmitting power to long distances with but little loss of energy. Capital is fast seeking their control, and it is time now that the state should seriously consider the matter of the disposition and regulation of water power rights; for, in a few years, they will all be utilized, and it will be much more difficult then to formulate a system of effective control and regulation on account of the interests that will be affected. Industrial development should not be retarded, and the state should not desire to adopt a policy with respect to them other than one which may aid, to the fullest extent, their development in the interests of all the people.

It has wisely been provided that our navigable streams and rivers shall be forever open to the free use of all the people of the state. No individual can acquire exclusive ownership of such waters. Our constitution prohibits the granting, by special or private laws, of corporate powers or privileges, except to cities. Some of our acts granting franchises to build dams come dangerously near, if they do not encroach upon, a violation of the spirit of the constitutional provision referred to. In view of these facts, it seems the time has come when some system should be adopted under which all franchises to build dams on our streams should be conferred by general law applicable to all like. Such provision would save much valuable time of the legislature, and a considerable item of expense to the state. I, therefore, recommend:

*First:* That a general act be passed providing that the granting of such franchises be placed in the hands of some state authority.

*Second:* That the powers of corporations receiving such franchises be carefully defined.

*Third:* That the conditions upon which franchises may be granted by the state for such purposes be provided.

*Fourth:* That a small privilege or franchise tax be imposed on each horse power to be utilized, payable annually, so long as the power generated is used.

*Fifth:* That all acts granting franchises to build or maintain dams on navigable streams heretofore granted be amended so as to provide for their expiration at a fixed date in the future, with a provision that all persons and corporations exercising or holding such rights may comply with the general law in respect thereto, and thus bring all such franchise privileges under one general system, taking care in such legislation not to affect injuriously vested rights.

We have undertaken at great expense the establishment of a Forestry Commission, with a view of preserving such of our forests as remain, especially at the source or near the head waters of our streams, and to acquire other lands, not suitable for agriculture, with a view of reforestation.

Preservation of our water powers go hand in hand with forest conservation. The one is dependent upon the other.

It is but just, therefore, that the recipient of water power privileges contribute a small sum yearly to the forest funds.

Payments thus made will then be applied to the preservation of the property of those who pay the tax.

Respectfully submitted,

J. O. DAVIDSON,

*Governor.*