

Governor Withycombe Speaks in Favor of Effective Retrenchment

(Continued From Page 1)

I suggest amendment of the tax commission law so that there will be but one salaried commissioner working under the general jurisdiction of the state tax commission. The annual cost of this department need not be more than \$7500 allowing the commissioner \$3000, a secretary \$1800, clerical assistance, \$1200, traveling expenses, \$800, and \$700 for extra expenses. This would effect a saving of \$15,000 in the biennium.

The proposed reduction in the estimated expenses of the department of weights and measures is predicated upon enactment of legislation making this department in some degree self-sustaining. It is suggested that peddlers and traveling agents, exclusive of those who are selling the products of their farms, gardens and orchards, be licensed under the supervision of the scaler of weights and measures.

The penitentiary budget is based upon an estimated average population of 500. It is now apparent, because of the considerable decrease in commitments following the passage of the prohibition law, that the population will not average over 450, so that the suggested saving can readily be effected.

The cut in the state hospital maintenance budget is based upon an expected decrease in commitments during the biennium, and the fact that the present efficient administration of

the institution has been able to refund to the treasury a large amount appropriated for maintenance, unexpended during the last biennium.

Lastly, I have ventured to suggest a decrease in expenditures of this legislature. It should not be difficult to accomplish this, and certainly economy may well begin at home.

New Revenue.

In my opinion there are two feasible sources for new state revenue. The inheritance tax may well be readjusted so that direct descendants would pay one per cent on amounts over the \$5000 exemption, and up to \$20,000, and two per cent upon funds above that amount; collateral heirs, two per cent on all amounts from \$2000 to \$20,000, and above that, four per cent; all other beneficiaries should be required to pay four per cent of whatever money they receive.

In the state insurance department it is suggested that the tax of two per cent on the net premium of insurance companies be changed to two per cent on gross premiums.

It is calculated that the suggested changes under these two heads will bring to the state an additional revenue of \$130,000 annually.

Highways.

State road work embraces some of the most important problems confronting us. The policy of trunk highway construction already under way should not be abandoned. Especially, sufficient funds must be forthcoming so that the state can meet the requirements of the Shackelford bill and thus secure this federal financial aid, which during the next five years, will amount to \$1,819,280.

Having ascertained that many automobiles escape the property tax, it was thought that this tax might be combined with the license. However, such a procedure might be unconstitutional, so I propose a moderate increase in automobile licenses and that the total revenue obtained therefrom be devoted to state road work. It is estimated that an average of at least \$250,000 a year would be available during the next five years, making a total amount available for roads after 1917 of approximately \$500,000 a year.

It is further recommended that a commission of three unsalaried members be placed in charge of the state highway department. The members of the present highway commission agree, I believe, that their other duties are too multitudinous to permit giving proper attention to this important subject.

The commissioners should be appointed by the governor, and one might well be selected from each of the congressional districts. This commission should be empowered to employ a highway engineer, with the exclusive duty of supervising state road work.

Prohibition.

The people of Oregon have decisively approved the so-called "bone-dry" prohibition measure and this legislature is in duty bound to make absolutely effective the provisions and evident intentions of that measure. That it will fulfill its obligations to the letter, I am confident.

So far as the governor's office is concerned, it may be stated that during the past biennium I have actively cooperated with local officers toward the adequate enforcement of the prohibition law, and have found the officers of the various counties and cities deserve high praise for the sincere spirit and marked efficiency with which they have administered the act.

There has been returned to the treasury by my office approximately \$3000 of the \$7000 appropriated by the last legislature to aid in the enforcement of the prohibition and other laws. To permit continuance of the policy of executive aid in law administration, and especially as regards the new and more strict prohibition measure, I am asking for an appropriation similar to that furnished by the last legislature, but of \$5000 instead of \$7000.

Penitentiary Improvement.

The outstanding needs of the penitentiary are better housing facilities and employment for prisoners. The present buildings and equipment are antiquated and inadequate. It is not advisable to provide for a new penitentiary building just now, but a small appropriation might well be made which will enable the warden during the next two years to commence the erection of such a building. The penitentiary makes its own brick and has an adequate labor supply. Much of the rough construction work could be accomplished with prison labor at a minimum cost, creating something of value to the state and at the same time providing needed occupation to its wards.

Flax Industry.

Our laws forbid the sale of prison made articles in competition with those manufactured by free labor. The inception of the flax industry two years ago was largely with a view to alleviating the condition of non-employment, resulting from these laws. It has done much toward this end, as an average of 153 men have been given some employment each month, while the average number employed each working day is seventy-two. In all there has been paid to prisoners for flax work \$8356.

Below is a brief statement showing the financial status of the state's flax experiment:

Appropriation utilized for flax:

Permanent plant...\$13,713

Labor, straw, etc....26,229 \$39,942

Value products on hand—

1916 crop:

882 tons flax straw—

10 per cent fiber, 82

tons at 25c per lb. \$41,000

6000 bushels seed at

\$2.40 per bushel... 14,400

Tow, 5 per cent value

of fiber..... 2,050 \$57,450

1915 crop:

756 bushels of seed at

\$2.40 per bushel... \$ 1,814

40,000 pounds of tow

at 5c per pound.... 2,000 \$ 3,814

Less estimated cost of handling

products prior to their sale.

Labor (Dec. 16 to

July 17, inclusive) \$15,900

Ten retting tanks... 1,600

Miscellaneous..... 2,125 \$19,625

Net value of products on hand.... \$41,639

To which should be added

original value of plant, less

10 per cent depreciation....\$12,342

\$53,981

Less present outstanding liabilities..... 10,315

\$43,665

Original appropriation..... 39,942

Apparent profit.....\$ 3,721

The loss sustained during the first year of the flax project was neither unexpected nor extraordinary, as the entire enterprise was experimental and exceptionally unfavorable conditions were encountered. However, as indicated by the above figures, the 1916 crop will show a profit, to date, and the products of the coming season should do even better.

While the financial outcome is a proof of the soundness of the movement, yet the two big outstanding points for congratulation are that many of the prisoners have been provided with work and that we have blazed a trail for the development of a new Oregon industry. Flax will not only prove a boon to the state from an agricultural viewpoint, but the manufacturing inevitably accompanying its increased production will be of far-reaching economic importance.

Another possible utilization of prison labor worthy of your serious consideration is presented in the production of inexpensive agricultural lime—a field of exploitation rich in possible benefits to Oregon farmers. The feasibility of a state lime quarry operated by prison labor merits investigation.

Supreme Court.

The supreme court is constantly burdened with minor cases from which, it seems to me, it should be relieved. Existing conditions encourage litigation over matters comparatively trivial and result in an unnecessary expense to the state, while impairing the efficiency of the court through overburdening the time and attention of its members. I recommend legislation to the end that no appeal may be taken to the supreme court unless it appears in the judgment appealed from that the amount of money thereby required to be paid, exclusive of interest thereon, costs or disbursements, exceeds five hundred dollars, or unless it appears from the judgment roll that there is directly drawn in question in the action, suit or proceeding the title to real property, the personal liberty or marital relation of a party to the litigation, the constitutionality of an act of the legislative assembly of the validity of a municipal charter or ordinance or of the ruling of some board or commission established by law.

Military.

The establishment of facilities for military training in our state university and in Oregon high schools is recommended. This need not be compulsory, but it should be available for Oregon boys, and participation in it should count in their school credits. I believe such training is invaluable for physical development and the upbuilding of disciplined character. It would also afford an opportunity for the application of practical patriotism; those who take the training would do much to make themselves of value to their country in time of military need.

I suggest legislation similar to that existing in several eastern states, which would permit Oregon soldiers on duty outside of the state the privilege of voting in state and national elections. Over 300 of our citizens were deprived of their franchise last November because they were detained in southern California serving their country.

On behalf of the citizens of the state, I hereby express my own and Oregon's deep satisfaction at the splendid way in which our citizen soldiers answered the call to duty last June, when they went with the colors to the Mexican border. Their patriotic spirit and willingness to make sacrifice in a time of seeming emergency deserve recognition and praise.

The passage of the rural credit amendment necessitates the enactment of legislation to put its provisions into operation. As this is vitally important to the entire state, and particularly to agricultural development, especial care should be exercised in

devising ways and means for the most efficient application of the manifold benefits of the reform.

Hitherto the state has carried its own fire insurance. If a building should be destroyed, it was possible for the emergency board simply to appropriate sufficient funds to replace it. Now, however, under the tax limitation amendment, it is questionable if such an appropriation could be made, and it is suggested, therefore, that this legislature investigate carefully the question as to whether or not regular fire insurance should be carried upon state property, and if it should be, whence the funds to pay premiums will be forthcoming.

Labor Commission.

The state labor commissioner is now largely duplicating the work of the industrial accident commission. The factory inspection activities of the former might well be handled by the auditors of the accident commission, who cover identically the same ground with practically the same end in view, while the accident commission is also concerned with the same statistical data as the labor commissioner.

I suggest, therefore, that at the expiration of the term of the present commissioner, the office of labor commissioner be abolished and its duties be transferred to the industrial accident commission. As labor is directly represented on the commission, the principles of whose operation are based upon cooperation with the employe, there would be no lessening of protection for its interests, which most certainly merit and must have adequate recognition.

The change would save a considerable amount in office expense and would make available for other purposes the \$25,000 now collected in fees and used to meet the costs of inspection, and it is suggested that the transfer of the inspection work be made at once.

With further reference to the general subject of labor, it seems to me eminently desirable from the standpoint of all concerned, that steps be taken to the end that industrial disputes may be settled so far as possible through arbitration. If a commission vested with official authority, could be created, which would command the reasonably united confidence of labor and employers, it might well devise ways and means which would go far toward alleviating the losses inherent to industrial disputes in which the principle of conciliation is ignored.

Sterilization.

The prevalence and increase of feeble-mindedness and mental disease is one of the greatest problems confronting modern society. It is estimated, for instance, that probably two per cent of Oregon children are mentally deficient. There are hundreds of adults, of course, who are mentally incompetent and whose unrestricted propagation simply means the creation of more human wrecks. I am more and more convinced that the reproduction of the mentally unfit is absolutely wrong. Through our shortsighted inaction we are populating our state with imbeciles and criminals, insuring ever-increasing public expense and opening the way for disease, sorrow and tragedy for generations yet unborn.

To amend this situation, I earnestly urge the passage of a sane sterilization act. Its application should be zealously safeguarded. The feeble-minded, the incurably insane and the criminally insane should be operated upon. Each case, it seems to me, should be considered by a commission, or jury, composed of the members of the state board of health, the superintendents of the two state hospitals, and the superintendent of the feeble-minded institution.

Crippled Children.

It is especially desirable that the needs of our indigent crippled children be given consideration. Perhaps they best can be cared for through county institutions. In connection with this increasingly important subject I refer you to the first report of the Oregon Child Welfare commission, and I recommend that there be established at the state university a child welfare department in connection with its extension activities so that the important work conducted under this head may hereafter have official recognition. It is also suggested that the state board of health operate a child hygiene division, devoted to the study and improvement of conditions surrounding the children of the state.

Insurance.

As twenty-five separate bills relative to insurance were presented in 1915, the last legislature wisely decided to place the codification of insurance laws and the enactment of new measures before the mature consideration of an insurance code commission. This commission, after exhaustive study, has made its report. The subjects covered are of vital importance to every citizen of the state, and I recommend the commission's recommendations for adoption.

To combat the increasing statewide loss by fire, a fire marshal bill has been prepared. Twenty-six states already have fire marshals, and it is found that the department more than pays its way in reducing the cost of insurance and in direct elimination of fire waste. Because it is good economics and is recommended by those who have given the subject thorough consideration, the passage of a fire

marshall law for Oregon is urged.

The insurance department, as does also the corporation department, merits commendation for its businesslike and economical administration during the last two years.

I desire to commend highly the administration of the state industrial accident commission. There will be presented to you some minor revisions in the laws governing it which merit your approval.

Fish and Game.

The working of the fish and game commission, under the provisions of the bill passed by the last legislature, have been most gratifying. The commission has conducted its affairs efficiently, and, I believe, given satisfaction. Certainly the public-spirited attention to their duties shown by the commissioners deserves commendation.

The commission itself is submitting a report and recommendations to you. Without going into details covered elsewhere, it seems desirable to mention here two important points which should be covered by legislation this session:

A new fish ladder is vitally needed at Oregon City, and a moderate appropriation to meet this requirement would be a wise investment.

It is believed that the angler's license fee, which is now \$1, should be increased to \$1.50. There has been a decrease in licenses paid during the last few years, and, on the other hand, there is a rapidly increasing need for restocking of our fishing streams upon a generous scale. It is my expectation that the increased revenue from this source would be devoted almost exclusively to the propagation of trout for the upbuilding of our angling resources.

State Fair.

The state fair is recognized not only as a large event in Oregon life, but also as one of real importance from educational and statewide development standpoints. The big need of the fair is a coliseum, where stock shows and other gatherings can be held in the night, or during inclement weather. Such a building would, I am sure, pay for itself in a few years by attracting increased attendance. The exterior structure might at least be undertaken now and the interior left more or less unfinished at the outset, as I have suggested in connection with the budget figures.

To further irrigation development the enactment of an adequate and workable irrigation district law is eminently desirable. The interests of the sections affected will be best served, I believe, through the conduct of irrigation enterprises by the settlers themselves, so far as possible.

Local Economy.

The growing desire to keep down taxes is to be commended, especially because it surely indicates an increased public interest in community affairs. The very best way to get efficiency in public administration, whether it be district, municipal, county or state, is for the citizens affected to take an active hand in what is going on.

I welcome, therefore, these campaigns for lower taxes and improved public administration; the latter, in its best sense, carries with it the former. But so far as the state is concerned, we should realize that only about one dollar out of every ten paid

in taxes, in an average county, goes to state expenses, while the other nine are devoted to the costs of the county, school, district and city. This is no apology for state extravagance. Such as exists should be eradicated. But it does mean that by far the largest and most fruitful field for economies lies near home. No doubt this legislature will devote serious attention to economical reforms in some of the laws affecting expenditures of this nine-tenths of our taxes.

Publications.

In smaller fields of possible economy, it seems well to mention the rather abundant output of reports, which are published from time to time by the various departments. Occasionally there is useless duplication in the subject matter covered. Often editions are larger than warranted, and the value of the report itself, as well as the size of the printer's bill, would benefit if the subject matter was reduced. It is also occasionally true that officials take advantage of their printing appropriation for the issuance of matter designed primarily for political purposes. I suggest that means be devised whereby all publications handled by the state printer be supervised by the state printing board to the end, at least, that duplications and waste be eliminated.

Another economy of comparatively minor importance relates to the state purchases of postage stamps. Any large corporation perforates all the stamps used by its employes. This makes extremely difficult, if not impossible, the use of state-owned stamps for personal purposes. It is a businesslike reform which should be instituted.

Pioneers.

Among items of deserving legislation which perhaps cannot receive action now because of financial restrictions, but which merit future realization, I commend to your attention the following:

The pioneers who founded Oregon deserve recognition. A practical and useful monument to their accomplishments would be the erection of a state historical building to accommodate the valuable records and souvenirs of the state's early days, which now are poorly housed and in danger of loss by fire.

At Champoege on May 2, 1843, was held a gathering of unique significance in the western history of the United States, marking the official birth of Oregon. The anniversary of this occasion is celebrated each year. It seems eminently fitting that the state should recognize the significance of these annual meetings and the event they commemorate, by giving financial aid to the erection of a modest building at Champoege.

With these suggestions for the present and future, I close this message, which marks the completion of half of my official journey as governor of Oregon. During the two years of my administration I have given the best I have to the service of the citizens who honored me with this office, and during the coming biennium, if Providence permits, I pledge them a continuance of earnest effort for sane, constructive administration. And I assure you, gentlemen of the twenty-ninth legislature, that you will find me ever ready to cooperate with you for the betterment of our beloved commonwealth.

Want Ads.

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FOR RENT—Modern cottage for rent, 2310 Pennsylvania avenue. Inquire of Dr. Richardson.

FOR RENT—Furnished rooms heated, with or without board. Only one block from postoffice. Mrs. E. C. Tuckey, 906 Washington. 12-30-17

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FOR SALE—Old Papers.

OLD PAPERS—For sale at The Observer office, 25 cents a bundle.

FOR SALE—Printing.

OLD PAPERS—For sale at The Observer office, 25 cents a bundle.

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FARM SALE BILLS—Get prices on farm sale bills at The Observer office.

Wedding invitations, announcements and calling cards printed at the Observer Job Printing Department. 10-28-17.

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BUTTER LABELS—For sale at The Observer office.

WANTED—RAGS

WANTED—Clean cotton rags. Call Observer.

STRAYED.

LOST—A Heifer Calf, one and one-half years old, light Jersey, branded Lary S on left shoulder. Phone Farmers 267. 12-5-17

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RELIABLE DRESSMAKING—Will call, plan, design and fit work in your home. Phone Black 3512. 1-6-17

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Seven-room house on Sixth St., in splendid condition, good basement, plastered, side walk, sewer and street improvements all paid, nice lawn and shade trees. The price is \$2500 on this property, there must be a payment of \$1000 the balance can be arranged either in monthly payments or otherwise.

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Within one mile of the Union high school, a well improved 60-acre farm, splendid water rights, alfalfa and everything needed. The land is all good and the price is attractive.

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