STRICT ECONOMY EVERYWHERE IS URGED BY THE GOVERNOR

Enactment of Legislation Curbing Growth of Japanese Colonies in Oregon Also Is Urged Upon Legislature—Continuation of Airplane Forest Patrol and Bond House Regulation Favored.

SALEM, Or., Jan. 11.—(Special.)—The governor's message was as follows:

Members of the Legislature:

Grave responsibilities rest upon this 31st Oregon legislative assembly. I feel gratified that in addressing you I am addressing a body of men that will take into serious and full account the gravity of these responsibilities, that will meet them with only the best welfare of the state at heart, and that will apply themselves to their tasks with a patriotism, a vigor and an earnestness which will mean nothing but a better, a happier and a more prosperous condition for our people.

Under our constitution the governor shall give to the legislative assembly information touching upon the condition of the state, and recommend such measures as he shall judge to be expedient.

We have been passing through an era of great prosperity which has reflected itself generally throughout the state. More recently has come a decline in prices, touching some of our leading products, and many look ahead to the coming biennium with none too optimistic a view. I would not be one to assist in the creation of a psychological panic, nor, on the other hand, would I advise that business be transacted with a feeling that the conditions which have existed during the past few years are to be with us always.

It is our duty to gravely weigh these conditions; to use such vision and prophetic power as we may have been endowed with by our Creator, and in our solemn acts of legislation reflect well upon possible contingencies as well as upon conditions as they now confront us. I think I speak the common mind when I say that our era of high prices is passing; that I feel there may be still a greater slump in business; that employment conditions may be less satisfactory; that there are possibilities of industrial decline and a smaller return for our agricultural and horticultural products, and for the products of our forests and streams. We trust that prosperity will remain, that each of our citizens will have his fair share of it, but I believe we should look ahead to other possibilities and attempt to adjust our acts on the basis of such contingencies.

With faith in the sound, hard-headed business sense of the American people, I must say I look to the future with the utmost confidence. I believe that business, which is now going through a reconstruction period, will soon readjust itself, and the prosperity of this state will continue to flow to its citizens. But this is a time when we should studiously avoid enacting legislation which might tend to unsettle rather than stabilize industry.

Government Cost Increased.

The people of the state by their ballots have increased the cost of state government largely in excess of that allowed under the 6 per cent limitation amendment. Measures adopted by the people at the special election last May carried heavy tax levies, and the expenses of these must be met. Burdens of taxation, already heavy, have been augmented to a great degree, but it removes none of our responsibilities in seeing that our institutions and necessary adjuncts of state government continue to operate efficiently and well.

You, as legislators, by the practice of economy in your appropriations, by a careful scanning of items for those that are unnecessary and unwise, may very materially lighten the situation. The executive and administrative arms of government must fulfill their responsibilities to the people, after you have made appropriations for them, by a sound and economical administration of affairs, based upon efficient management and judicious expenditure. I for one wish to assure you that it will be the aim of the executive department to ever keep foremost the thought that state business must be conducted on a business basis and under strict business management.

With a thought of possible assistance to you I have asked a committee composed of persons well versed in the subject to ascertain possible sources of additional revenues from internal revenue taxation. The direct tax against real property and improvements I understand furnishes about 75 per cent of our state revenue and it is proper and right that those who can afford to pay their just share of government, and who have been so long remiss in being compelled to do so, should be assessed in a fair measure for that purpose. The findings of the committee which I have mentioned will be available to members of the legislature at all times for such assistance as it may give them in their efforts.

Oregon, being essentially an agricultural state, I bespeak your consideration and help in ascertaining ways and means to bring the products of the farm closer to the consumer. Some well defined move in this direction would be of vast benefit both to the people on our farms and to the population of the cities. While the people rejected the state market commission bill, I do not consider that as a repudiation of the idea that there should be a more direct means of disposing of the products of the farm, and legislation tending to curb excessive profits in between the producer and consumer will be a decided boon to mankind.

I need not mention to you that it is a well defined legislative interpretation in this state that the 6 per cent limitation amendment means not only that no greater tax levy shall be made from year to year by the tax levying body than an increase of 6 per cent over the preceding year, but it means as well that the legislature shall confine its appropriations within the available revenues. I shall deem it my constitutional duty as executive to disapprove any items that may be in excess of the 6 per cent limitation. While I feel assured that no member of your body would take any other view of the amendment than the interpretation that has been given it by all legislatures, still I feel I would be remiss if I, as well, did not state my position in that regard so that it may be clearly understood at the outset of the session.

Budget System Discussed.

Perhaps one of your gravest responsibilities is to deal with the financial system of our commonwealth. I have long believed that the basis of an economical administration of state affairs is the budget system. We have had such a system in operation in this state since 1915, with splendid results. But there are weaknesses in the system which I desire to call to your attention, and also, in turn, to present what I consider a remedy.

Our budget is prepared on the following basis: The head of each department, institution and activity estimates his needs for the coming year and, except in the case of state institutions coming under the board of control, submits these estimates directly to the secretary of state, who, in turn, compiles them in budget form for submission to the legislature. The secretary of state has nothing to do with these estimates save to act in a purely ministerial capacity and do the mechanical work of compiling. Estimates covering the state institutions are submitted to the board of control by the various institution heads, and before such estimates finally pass into the hands of the secretary of state for inclusion in the budget, they are carefully gone over by the board, and altered, or changed as deemed necessary and wise.

I believe all estimates should be passed upon by some responsible body before they are presented to the legislature and its ways and means committee for their consideration. This body should have such an intimate knowledge of the needs of the state that it could prune estimates down to essentials, and thus enable the legislature at the outset to take stock of its finances and determine to what extent appropriations may be made to cover them, as the final responsibility, of course, for the appropriation of the people's money rests upon the legislature.

Under present conditions there is no central body responsible for the budget estimates, leaving each department and branch of the state government to make such estimates and claims upon the state's finances as they see fit. I recommend that the state board of control be made responsible for all budget estimates, and that each department and branch of the government be required to submit their estimates to this board a sufficient time in advance of the biennial session of the legislature to permit a full examination of all claims. The board of control should be given authority to consider and prune these estimates as it deems necessary for the best interests of the state. After the board has passed upon the estimates they should be filed with the secretary of state for compilation in budget form for presentation to your body. This change in the budget system would give to the legislature the benefit of the judgment of the members of the board of control, who by experience are familiar with the needs of the state. This would necessarily place a heavy additional burden upon the members of this board, and ample provision should be made for providing the board with necessary expert and clerical help to give this matter the close attention which its importance would warrant. Our budget would then be a budget in substance as well as in name, and I am convinced that the results attained from this plan would more than justify any expense that may be connected with it.

Our financial affairs should be subjected to the closest scrutiny. Every just demand should be met as far as it is possible to do so. Every unjust and unnecessary demand should be eliminated. I submit this to you for careful thought. Expenses of state government are growing rapidly. Expenditures should be placed upon the soundest business basis it is possible to attain, and no more firm nor sure foundation can be found for the business structure than a budget carefully prepared under some responsible guiding head.

Institutional Support Scanned.

The first charge upon the public finances should be the care of those unfortunate wards of the state who through some mental or other defect are restrained against their will. While continually confronted with the growth of the state and the consequent increase in the number of wards, this department has liberally supplied wants for such institutions in the past, and I have no fear that the legislature now convening will do other than extend to our institutions all financial support within its means. Realizing that the 6 per cent limitation amendment still confronts us, the board of control in passing upon budgets for these institutions has carefully eliminated everything that it deems unnecessary and unessential.

Our first wish is for ample maintenance so that the unfortunates may be properly fed and clothed, given proper medical attention and all of the necessities required to make them as happy and comfortable as possible under the conditions into which circumstances have forced them.

I would urge that these men, women and children be made your first care above all other considerations in the expenditure of public funds, and I will guarantee for the board of control and the institutional heads careful and conservative expenditure of these funds.

There has been some talk of erection of an additional capitol building. I appreciate to the fullest extent the crowded and cramped quarters in which our departments are housed, and the handicaps under which they suffer because of such crowding, and every consistent effort should be made to alleviate such conditions. But, while we are attempting to care for youthful offenders in a training school, the physical plant at which does not reflect credit to the state; while the institution for the feeble-minded and the state hospitals for the insane are crowded to capacity, and while other institutions are suffering for the same reason, it is of the opinion first consideration should be given these institutions.

Boys' Training School Eyed.

The boys' training school I consider one of the most important of all of the institutions coming under state support. Here is laid the foundation for present reform of future criminals, and present conditions show us the economic fallacy of letting undone any step which may result in turning the youthful offender into a good citizen. The physical plant at the training school is hopelessly obsolete. The building is antiquated, the plan of the institution is medieval, and the "school" of "training school" attached to it is without apology. With the exception of a few successful but limited attempts to provide some vocational training for the boys, nothing is done to prepare them to battle with life by the use of their hands in an honest trade. Academic instruction is given, it is true, and to a measure in a satisfactory degree; but the instruction received is but poor material upon which to remodel a life started under such unfortunate circumstances and such impractical environment.

The percentage of criminals in our penitentiary who graduated from reform schools is so startlingly high as to leave the inference that perhaps, rather than reforming, these schools are turning out finished criminals. A school presents all of the aspects of an economic waste. If we send these boys into the world from the training school, only to receive them back into the penitentiary, the state's burden merely continues and grows from year to year. Aside from any humanitarian standpoint, aside from the social fallacy which permits these boys to become criminals when a large percentage of them at least might be reclaimed, it is a sheer financial extravagance to herd these boys into a cavernous, gloomy institution, practically as devoid of hope as the structure is of sunlight, there to let crime breed and fester and develop.

I feel that one of the gravest responsibilities that rests upon this legislature; that rests upon the people of the state; that rests upon every man and every woman of us wherein any responsibility at all might lie, is in the future of those 140 odd little souls confined in that institution and the thousands of other little souls who will succeed them there as the years pass on.

I will not attempt to outline in detail here what steps should be taken to remedy the situation. They have been outlined before and the last legislature provided for an inspection of the school with the idea in view of securing recommendations as to an entire revolution in the scheme of handling and in the physical plant of the institution. I will pass that phase by saying that now we make scant provision for vocational training for these boys; we make no attempt at segregation; but superficial provision is made for gathering data as to the history of individual cases, and as the physical plant stands today the incorrigibles and those for whom there is a chance become as one under the millstone that is grinding them down, and where one actual criminal enters the institution, more leave it.

I believe the state should rehabilitate its training school and give to the thousands of homeless or worse than homeless boys who will sooner or later become unwilling inmates there a school that will be a school indeed. It should be a school which would produce honest, self-reliant citizens, rather than hardened and hard-boiled criminals, and a school which instead of being reared on the foundations of false economy and false pretenses, would be reared on the solid foundation stones of the right kind of environment and education for development of the minds, the hands and the hearts of its inmates.

State Penitentiary Praised.

It is a pleasure to call your attention to the condition of the Oregon state penitentiary, which I believe to be equal to any time in its history, both as to the physical appearance of the plant and the morale of the men. This is a condition that exists regardless of the fact that but few appropriations have been made for betterments and repairs at the institution during the past several years, due to the fact that on two occasions the electorate were asked to pass upon the question of an appropriation for a new penitentiary and until such decisions were passed the current legislative assemblies doubted the wisdom of expending much money in betterments or repairs on the old plant. Through the initiative of Dr. R. B. Lee Steiner, temporarily acting as warden, and his successor, L. H. Compton, the present warden, vast improvements have been made at the place, largely through betterment funds derived from work at the institution itself. I will be pleased to have the members of the legislature investigate the institution and ascertain what has been done there.

It is deemed essential, and the part of wisdom, to establish an industry at the plant which will keep the men from being idle, which will do away with the necessity of appropriating money for the maintenance of such men as may be employed therein, and which, at the same time, will not compete with outside labor and which, as a deeply important consideration, will allow money to be earned by the men themselves to assist in the support of their wives and children who often become a charge on public charity or the philanthropy of their friends.

After due consideration recommendation is made that an appropriation be provided for the initial investment in a box factory at the prison. Lumbermen engaged in the manufacture of boxes have expressed their sympathy with the movement. It is a well known fact that the supply of boxes is inadequate to meet the demands of our enormous fruit industry and these may be manufactured at a minimum expense and the maximum of profit for the institution, and at the same time be sold at a reasonable cost to the consumer. This plan would seem to offer a happy solution of the prison employment problem without coming in unfair competition with free labor. It is believed sound sense that whatever industry is established should be an industry drawing upon a native raw material and not necessitating shipments of raw materials from abroad or from another state, at a heavy first cost, and with high freight charges. A modest equipment should furnish employment the year around for at least 100 inmates of the institution, and the balance could be provided employment in other lines largely available now.

War Declared on Waste.

The plan is to entirely eliminate waste by delivering the raw logs inside the prison walls, there to be cut into box shooks, and such other products as found feasible, such as chair rounds and numerous other small articles essential to institutional work. The slab wood would be used as fuel by the institutions themselves, with the result there would be no waste.

I am advised by those closely in touch with prison management that such a plant could be operated in a manner which would require the employed prisoner to first earn a sufficient amount to pay for his own maintenance cost to the state and that over and above this amount certain sums, the product of his labor, could be set aside monthly or weekly to be disbursed in the support of his dependents.

Such a plan would largely, if not completely, solve the year-around problem of idleness at the penitentiary; it would give the man himself something to work for in a gainful occupation, and in addition would remove from the rolls of public charity the dependents of hundreds of innocents, who are victims of a misstep made by their husband and father. These latter are the people who pay the heavy penalty for man's misdeeds. Seldom, if ever, does the man himself suffer comparable to the sufferings of his wife and children who must move and live in society at large, ostracised because of their loved one's anti-social tendencies, and further suffering under the stigma of having to depend upon public funds or private charity for the sustenance of their loved ones.

This legislature has an opportunity to take a great forward step by the expenditure of no great sum of money and I strongly request that you give most sympathetic consideration to this proposal as it will be further outlined to you by those in touch with prison management.

Prison Flax Plant Viewed.

We still have the flax plant at the prison in operation, as an industry it does not fit prison needs, because it gives employment at only certain times of the year and then to only a limited number of men.

I desire to report to you that after due and careful consideration it was decided that to not allow convicts in the flax fields for the purpose of pulling flax was economically unsound. As a result, during the 1920 flax season, it was insisted that the flax growers provide for the pulling of flax by free labor. This was done to the great detriment of success and a minimum of complaint both from growers and pullers.

The state has largely done its duty in regard to the flax industry. It has demonstrated beyond a doubt that flax may be grown here successfully. The time has come to place flax on the basis of every other agricultural product. The wheat grower, the prune raiser and the numerous other men engaged in agricultural pursuits receive and ask for no subsidy from the state. They are required to employ their own labor and must stand on their own labor problems without the assistance of convict labor. I am convinced that the place for convicted men is inside the walls of the penitentiary, so far as they may be kept there, and working them on the outside, save where it is absolutely necessary, is fallacious in principle and demoralizing in practice.

I would continue the operation of the prison flax plant to handle the crop on the inside of the walls, but would do so only until such time as there has become established and in actual operation a privately owned plant sufficient in magnitude and soundness to give assurance that all of the flax crop will be taken care of through that medium. When such time comes I believe the prison flax plant should be discontinued and the state realize as much as it may from the sale of the plant. I suggest that this legislature authorize the board of control to take such steps at any time such a plant is actually in working operation and ready to handle the crop. My reason for this is based upon the belief that those who would be willing to finance a new private venture may be standing aloof, unwilling to come in and compete against a state plant. If it were written upon the statute books that whenever private capital shows its good faith toward the industry that the state retire from it, an impetus would be given to private capital to develop the industry here on a large scale. It is important that we enact laws for the encouragement of private investments, and I believe such a law, granting this discretionary power to the board of control, might have a highly salutary effect on bringing a material amount of new capital into Oregon.

Prison Wood Camp Discussed.

In conjunction with the statement that wherever possible convicts at the penitentiary should remain within prison walls, I wish to call your attention to what has been done at the prison wood camp. Several years ago the board of control entered into a contract for the cutting of a large acreage of stumpage to furnish fuel for the state institutions, and to carry out this delayed contract the present wood camp was established near Aumsville in November, 1919. Previously a camp had been conducted in another location. On the recommendation of the then warden, Dr. Steiner, a paroled man was placed in full charge of the camp. Up to now approximately 4500 cords of wood have been cut at the Aumsville camp, at a material cost to the state, the men being paid $9 cents a cord for the wood they cut, this being paid them upon their leaving the institution. An average of about 25 men have been employed daily at the camp. Only five of them have escaped during the entire time, and of these all but one have been recaptured and returned to the institution. There have been no guards over the camp aside from the foreman, the paroled man in question.

Despite this splendid record, I believe this situation could be improved if the legislature would allow the employment of paroled men entirely on this work, with no convicts from the inside of the walls allowed there. Now, when a man leaves the institution, unless he has had an opportunity to earn a little money as a prisoner, or had funds when received, he leaves the prison with five dollars and a suit of clothes. If he could be given an opportunity to work at the wood camp for a time at a reasonable wage, until he had earned sufficient money to make him somewhat independent, his opportunities for returning to good citizenship on the outside would be vastly improved; the possibilities of his again committing crime be vastly lessened; the necessity for allowing convicts outside of the prison walls be that much more lessened, and the expense to the state in securing the wood not very greatly increased.

Non-Support Law Scanned.

While touching upon the fallacy in our laws which places men behind prison bars without proper occupation to prevent their own idleness or to provide support for their families, I wish to lay particular stress upon our law which provides the commission of a man of a felony for failure to support his wife and children. I would not condone such an offense in the least. But the state spends thousands of dollars a year bringing these men back for prosecution and places many of them in the penitentiary. That is well and good as far as it goes. But the wrong is not remedied. The law, while intended as a deterrent, works as a punishment only. The man is embittered behind prison walls; the wife and children secure no more support than before the prosecution, save the pittance from public charity awarded by the mothers' pension act, and when the prisoner is discharged he is so bitter against those who sent him to the penitentiary that the wife is again abandoned and the children pauperized, because the man feels he has paid his penalty and refuses to give assistance further.

I would believe in the law which prosecutes such a man because no man should attempt to evade the responsibilities he has brought onto himself when he enters wedlock and brings defenseless children into the world—providing that law compelled him to actually do something for their support after his conviction and sentence. This may be accomplished through the installation of a proper industry at the prison, and the conditions which I have just alluded to are one of the strongest arguments in favor of the installation of the box factory at the penitentiary as previously recommended in this message.

Care of Blind Is Urged.

At the special election last May provision was made for the creation of a school for the blind in Portland. Apparent weaknesses in the law have brought a ruling from the attorney general that the milage funds provided for under this act do not become available until 1922, and, in addition, the act is so poorly drawn as to leave several of its provisions ambiguous and in need of amendment for more certainty in interpretation, particularly as to the extent of the powers and duties of the board of control. Proper amendments might be made to provide for the early functioning of this well-conceived institution.

While upon the subject of the blind I respectfully call your attention to the possible necessity of developing more highly the vocational side of the training at the present blind school. The object of the school, as I understand it, is to give these unfortunate children of blind children to become self-supporting citizens, regardless of the handicap under which they suffer. This is done to a certain extent, but I believe it may be amplified by installation of additional means for vocational training which will give them larger and more diversified fields for the exercise of their developed talents.

While perhaps not pertinent here, nevertheless I wish to say that people of the state who are interested in the progress of the blind are working toward the end of devising means for group employment of the blind in connection with some of our industries. It is a move which has worked successfully elsewhere and no doubt will here. Co-ordination of that work with the vocational instruction in our blind schools, both in the prison and institution and the one to be constructed for the adult blind, will have a far-reaching effect in the solution of this problem. The war, with its trail of permanently blinded heroes, has opened up many new methods for the rehabilitation of the blind which have been used with surprisingly successful results.

It is with a great degree of satisfaction that I am able to report that very few if any of these high-minded blind students ever seek for the bread of charity after leaving the institution. Though most of us could conceive of no worse fate than to be deprived of our sight, we set upon our own resources and initiative with the world dark to our eyes and the sunlight and shadow shut away from us forever, these boys and girls turn bravely to their allotted tasks, work them out cheerfully and provide the means for their own sustenance as competent citizens. Their work should be an inspiration of the most exalted kind. To give them every assistance toward making their difficult road through life easy should be a rare privilege for each of us.

State Hospitals Are Lauded.

Our two state hospitals at Salem and Pendleton have functioned splendidly under admirable management during the past biennium. As all of the wards of the state, the unfortunates confined in these institutions because of mental disorders are worthy of having their existence made as comfortable as possible, and your careful distribution of the funds which are at your disposal I am certain that you will be as magnanimous and liberal as possible to these institutions. They have been operating on a sound basis, both financially and in the large sense for which they were intended, the proper care and treatment of the insane. The state is fortunate in being able to secure the services of such high-grade men as those who form the heads and staffs of these two institutions, and the recommendations which they make to you in regard to the care and management of them are worthy of every favorable consideration you find yourselves able to give.

One important work which has heretofore been neglected in this state is that of keeping a watchful eye on and giving assistance to the insane after they leave the state hospitals. The prison has its parole officer to be an aid to the paroled man but no such function exists for the state hospitals.

It would be an act of great humanity and of splendid business sense to authorize the superintendents of the state hospitals to designate persons for that purpose. The insane are discharged, presumably cured, but often without friends or relatives or securing employment or to help them in any way. The state which confines them for a period of time and breaks off their relations with the world should aid them to find their proper place again when the hospital doors open to release them from restraint.

Aiding Escapes Discussed.

We have upon our statute books an act making it a criminal offense for any persons to aid or abet in the escape or attempt to escape of any convict in the state penitentiary. This act should be broadened in its effect, or parallel statutes should be enacted, making it a similar offense for any person to aid the escape of anyone confined in the boys' training school, the girls' industrial school, either of the state hospitals for the insane or from the institution for the feeble-minded. Such a law or laws would be of great benefit to the institutions and would be for the protection and promotion of the welfare of institutional inmates as well as for the protection and benefit of society at large.

Eleemosynary institutions which care for indigent, homeless or orphan children and which receive aid from the state seem to have been functioning well during the past biennium. A noble work is being done by such institutions and without state aid it would be difficult for them to thrive, and, in fact, many of them would probably be compelled to desist from their philanthropic activities. It is a healthy sign when the public conscience takes cognizance of these little waifs who are turned adrift to float hopelessly upon the sea of humanity unless rescued by the powerful arm of society. I know you will continue to give these the material support necessary for their sustenance and proper development.

I have entered into detail in regard to some of the state institutions wherein conditions existed to which I wished to call your more especial attention. The girls' industrial school, the state school for the deaf, the Oregon state tuberculosis hospital and the state institution for the feeble-minded all have been conducting their work during the past biennium for the purposes for which they were intended in a manner to meet with the approval of the board of control. I have no need to tell you that each of these institutions is carrying out a highly deserving work; that each one is entitled to your time and careful thought in the consideration of their needs and that none should be slighted in granting the funds necessary for the continuation of their highly beneficial work during the next two years.

Traffic Regulations Vital.

The use of motor vehicles has grown to such tremendous proportions that not only our city streets, but our state and county highways frequently are congested with traffic and danger to life and limb becomes greater daily.

Laws never can wholly eliminate this danger. But they may become effective to a large degree in saving the lives, limbs and property of our citizens and very earnest consideration should be given in the way of traffic regulation. Many will be offered; many will be untenable and undesirable, but none should be passed over without careful thought. If measures of any kind may be adopted which will result in the saving of one human life, or the saving of one individual from being maimed and mangled, they should be accepted gladly and readily.

I am informed that there is a concerted movement on foot for the adoption of uniform traffic laws throughout the states. To this end the secretaries of state of the states of Montana, Idaho, Washington and Oregon recently met and formulated a code of traffic regulations, with the purpose of urging its adoption in their respective states. The intention of this action is to secure the greatest possible convenience to the motorist, so that in moving from one state to another state he may not be required to conform to a different code of laws prescribing and restricting his activities. If we are to take a step in line of uniformity in this direction we must co-operate with these states to the fullest extent, else we shall fail in any such effort.

The matter of traffic regulation is one of immense and growing proportions. Its possibilities are so great as to forbid any detailed recommendations in this message but I am confident that you will give the careful consideration to the subject which it deserves.

Japanese Question Is Eyed.

How to meet the Japanese situation in this state is one that will come before this legislative assembly for consideration and possible determination.

As in other Pacific coast states murmurings have long been heard in Oregon that the Japanese, an alien race of differing ideals and aspirations from our own, are gradually acquiring a tenacious foothold within the confines of the state, and that unless their progress is curbed they will become yearly more and more of a menace to our institutions. This is a question too widely discussed and upon which our people have too well-formed ideas to evade the issue.

Realizing the importance of the subject and the magnitude to which it has grown in the minds of the people, I caused an investigation of the situation to be made personally by the Hon. Frank Davey, a member of your honorable body and a capable, conscientious and honest investigator. He went into the subject with open mind and for the purpose of securing a fair and impartial statement of the Japanese situation as it exists in those localities of the state where the Japanese problem is uppermost. Mr. Davey has compiled a report giving ideas and expressions as gathered from various citizens in the communities which he visited and also covering generally data as to the progress of that race in Oregon, industrially and otherwise. Copies of this report will be submitted to each of you for your information.

In my opinion steps should be taken by means of proper legislation to curb the growth of the Japanese colonies in Oregon; to preserve our lands and our resources for the people of our own race and nationality. The attitude of this state should be issued that it is the sense of the people of Oregon, speaking through their representatives, that this state is a state with a government of Americans, by Americans and for Americans, and that Americanism is the predominant asset of its citizenry.

Here in Oregon the pioneer blood flows more purely and in a more nearly undiluted stream than in any other state of the union. As a pre-requisite, we look down the years from those hero's fathers who braved the perils and the trials and tribulations of pioneer days, it should be preserved unsullied as they gave it to us. I believe in that pioneer blood. I believe the little band of men of men voted at Champoeg that the soil of this state should come under the dominion of the American flag they intended that whosoever should come to Oregon should come as Americans, or should become a race that should be assimilated into a nation which believes in the traditions and ideals for which we have fought.

Culture Declared to Be High.

The Japanese are a race high in culture. They have made remarkable progress since Commodore Perry, an American, first opened to them the door which showed them the dawning rays of a western civilization. They are a courteous people, a high-minded people, a people of education and progress. But they are not our people. We cannot assimilate them and they cannot assimilate us. Oil and water will not mix. I would live in peace and amity and concord with them, but it would be a peace and amity and concord which extended the hand of friendship across the sea. So long as Japanese and American attempt to till their acreage side by side, so long will there be enmity and distrust. Centuries hence have shown us that Mongol and Caucasian must each work out his destiny alone.

There should be peace between the two nations, but conditions as they now exist can serve no other purpose than to eventually lead these two nations to a rupture of serious eventuality. I believe the Japanese should work out his destiny in Asia, in the continent which God has allotted him, and under God we should work out our own destiny on the American continent.

This may be the most momentous question to consume the time of your deliberations. Whatever you do with it, I know you will act with the high idea ever before you that first, last and always we are American citizens, and that what is to be done will be done with the express resolve to preserve this state as foremost in its loyal allegiance to the flag which we all revere.

Law Enforcement Upheld.

Under our constitution it is the duty of the executive to take care that the laws be faithfully executed. A modest appropriation was made by the last legislature for the payment of expenses of special agents employed by the governor in law-enforcement work. Emergencies required that this be materially enhanced through the emergency board. When activities of radicals were rampant, this office, at the request of some leading citizens, conducted thorough investigations of those activities and co-operated to the fullest possible extent. Other extraordinary situations made a drain upon the funds, including an investigation of the state penitentiary affairs, made under the direction of the attorney-general and the grand jury.

The larger share of the funds were expended in enforcement of the prohibition law. This office had investigations made in every county of the state, and in addition thereto investigated, either through its agents or through the proper law-enforcing officers of the various counties, every complaint made to it. In this connection I wish to say that I have found the district attorneys and sheriffs of the various counties ready to respond and co-operate for the advancement of law enforcement. It must be understood that sheriffs very frequently labor under a heavy handicap, particularly in the enforcement of the prohibition laws, as they are well known in every community of their respective counties, and their appearance is a signal for discontinuance of operations. We have endeavored to answer appeals for assistance from sheriffs where we could.

The executive office is asking for an appropriation of $10,000 for the biennium in the continuation of the employment of special agents.

To give greater latitude in this work, however, I ask that the laws be amended so that all of the fines collected for violations of the prohibition law be placed in the county funds as a special fund for the prosecution of law-enforcement work, to be paid out on the approval of the district attorney and to be expended at his direction. This would provide district attorneys with a fund whereby they could collect evidence in prohibition cases and employ special agents at their discretion. It would be an added incentive to the agents to carry on their work successfully, as the greater the number of convictions the longer the work could continue. Some such plan as I have suggested I believe the only equitable adjustment for the financing of this work, and at the same time will be the only successful way in which sufficient funds may be raised to stamp out illicit manufacture and sale of liquor.

The problem has become much greater since the national prohibition act went into effect. Before that time our main problem was to capture and convict bootleggers who secured supplies of whisky from other states. As the source of bonded supply dwindles the army of bootleggers becomes greater, and our principal problem now is to deal with the moonshiner and his emissaries who dispose of his wares. Their name is becoming legion and the federal government cannot do the work alone.

I would be opposed to any alteration of the prohibition laws which would make them less effective. If they can be amended so as to bring about better enforcement results I will welcome such changes and be glad to give them my hearty approval.

Roads and Highways Important.

Under the direction of an able and self-sacrificing highway commission our permanent road programme has advanced during the past two years steadily toward the desired goal. The people have spoken in no uncertain terms as to their desire for good roads. The Oregon plan for financing road building through bonds, the interest and maturity of which are paid off through the revenue derived from motor vehicle licenses and the gasoline tax, has so far more than justified itself, inasmuch as returns from such licenses are in excess even of the estimates of the most ardent advocates of the plan.

The path of the highway commission by no means has been altogether as smooth as the roads which it is laying. Prices for materials have been high, freight rates increasing, labor conditions far from satisfactory as far as road building is concerned; contractors hesitant because of fluctuating prices on commodities and labor, and numerous other difficulties have arisen to make progress difficult. Gilt-edge Oregon bonds have sold below par because of an abnormal condition of the bond market. Yet, under a heavy demand from all classes of people, as amply indicated by the vote at the special election last May, those who are paying the bills desire roads and more roads as rapidly as they can be constructed. The commission has gone ahead with the work, overcoming these heavy odds, and while no one connected with the administration of the commission's affairs attempts to deny there has been some waste, some possible extravagance, some excessive costs in various sections, I believe the work has been done as expeditiously and as economically as human wisdom would allow under the abnormal conditions and times confronting the state and nation, and taking into consideration misinformation published by those fearing the money that the roads be forthcoming. We must also bear in mind that, as long as human nature is as it is, as long as minds are constructed along different lines and track in different grooves, there will be disagreements over highway projects and highway work, as there are disagreements over every other subject under the sun. These disagreements many times seem large to us, because we are dealing with a large subject, happening to be close to the minds of the people. To give to the greatest number the best that we can; to give as nearly a dollar's worth of road for a dollar's worth of money as human ingenuity and human limitations will allow, and to furnish as durable and as satisfactory a system as perishable materials will permit, must be our first duty and object. I am confident that such is the aim of our highway commission, and I am equally confident the legislature will seek to see nothing else done. I am equally confident we will have your active and hearty co-operation in bringing about such results.

More funds through bond issues will be needed by the commission and the people have authorized you to grant such funds. The question of changing the road map undoubtedly will come up for your consideration. I would earnestly urge that you co-ordinate your work with the commission in this regard, that you meet with the commission on common ground. The commission has made a scientific and exhaustive study not only of the road situation but of the manner in which the funds may be so as to give the largest returns to all of the state. I am pleased to abide by the commission's judgment in these matters, and if any changes are contemplated I would suggest that they be made by and with the commission's sanction and consent, that such be the logical and proper way to bring about the largest and best results for all concerned.

Timber Resources Estimated.

Oregon has about one-fifth of the nation's timber supply within its borders and more standing timber than any other state. While it is now third among producing states it will soon be first and its annual lumber payroll is approximately $50,000,000. Timber is one of our greatest resources and assets and we should look ahead to its conservation and production to the best of our ability. To denude our forests without looking ahead to their replacement would be a calamity to the commonwealth.

Our state board of forestry, which in the manner of its composition and its functioning is probably the most advanced in the Union, has recently adopted a forestry policy unparalleled by any other state and which represents a definite and exceedingly forward looking programme. The board itself will see that this policy is brought to your attention in detail, but among other things the board advocates state forests, assistance to farmers and timberland owners in management of their properties, taxes reforestation, co-ordination of all potential forest lands and a campaign of education looking to better understanding of our forest problems. As chairman of the state board I appreciate what care and thought have been given to the outlining of these plans and the immense value which they may be to the state.

Fire prevention is one of our greatest problems and one of the most important in the preservation of our forests. Ample aid should be given that branch of our forestry work. Our climate and the species developed here are highly favorable to rapid growth and natural reforestation. In maintaining our fire prevention work on a high plane we are not alone protecting our great existing forest resources, but we are assuring rapid development of timbered areas for future use. In those areas fitted to natural timber growth and not essentially fitted for agricultural development we find that the forests will naturally reassert themselves after cutting, if fire does not prevent. Consequently the key to solving the reforestation problem for Oregon may be found in our efforts to prevent fire and to keep fires from destroying the new growth. Proper fire prevention will mean a natural reproduction of our forests during the course of a reasonable number of years. It is one of our most solemn duties to protect and preserve its numerous assets and to augment it and replenish it while we may. I am certain this legislature will not slight the demands which will be made upon it from that direction. Every effort is being made by the board to secure a continuance of federal assistance for fire prevention; timber owners themselves bear a great share of this expense, and the burden of the cost is by no means borne by the state alone.

Aerial Fire Patrol Favored.

One of the most successful phases of forest fire prevention work in Oregon during the last two years has been the aerial forest fire patrol, manned by aviators of the United States army, working under the direction of the war department and the state and federal forest services. We hope to see that patrol extended all over the Pacific northwest. No appropriation is being asked for this from the state, although the emergency board granted assistance in the sum of $5000 last year, only a small portion of which was used. The patrol is financed by the federal government and gives to army aviators the finest possible kind of practical training. While exact figures are not obtainable it unquestionably has saved hundreds of thousands of dollars of fire losses to the state of Oregon during the past two fire seasons. The aerial patrolman may see over a great area, while the land patrolman has greatly restricted vision and a greatly restricted area to patrol. The aerial patrolman may cover hundreds of miles in a day to the tens of miles covered by the patrolman on foot. The aerial patrol is the greatest single step yet taken in advance in forest fire patrol work, and, while we are asking for no money from the state in carrying on this work, it will receive the constant and continued co-operation of our forestry department, and we do ask the earnest moral support of each of you in connection with any measures which may come before the federal government for a continuance and expansion of this work.

Accomplishments of the aerial fire patrol in Oregon during the past year may be summed up briefly from a report of the air service of the war department. This report shows that from July 1 to September 15, inclusive, 412 patrols were made out of Eugene, Or., covering 27,668 minutes of flying time; with 1,988,090 square miles of land patrolled; 34,535 miles flown by the planes and 648 fires discovered. Out of the station at Medford, Or., from July 1 to September 15, inclusive, 71 patrols were made. The flying time for these patrols required 16,265 minutes, with 974,151 square miles of territory patrolled and 32,720 miles flown by the planes. These patrols discovered 85 fires. The figures disclose that the aviators in the Oregon patrols located a total of 733 fires during the season. None but the omnipotent knows how many of these incipient blazes might have become devouring conflagrations, bringing in their wake waste and ruin to millions of dollars of timber land had they not been located by the keen-eyed pilots aloft and stamped out before becoming irresistible.

Accident Commission Important.

The industrial accident commission of Oregon has grown into one of the most important functions of state government. The affairs of that commission are now in splendid condition; claims are met promptly; the addition of an expert accountant as a member of the commission has resulted in a record of the funds being kept which is plain and intelligible to the ordinary layman; and back payments from employers have been collected in until deficits are reduced to a minimum. Behind the special session of 1920 a committee of 15, containing representatives of the employers, employes and citizens of the state at large was designated to investigate proposed changes in the workmen's compensation act and make recommendations to that session. This was done so successfully it was deemed advisable by all parties in interest to continue such work under a similar committee. This committee has had a large number of meetings, has gone carefully into all suggestions and recommendations which have been offered, and has had at its command at all times the services of the members of the commission and of their employes. Not only has the method of considering these amendments by the committee proved highly beneficial to the workmen's compensation act but has been a splendid means for considering advanced proposals along the line of safety first and accident prevention work—highly essential features in our industrial life of today.

Rehabilitation work, first recommended by this committee previous to the special session, and authorized by legislation of that session, has proved itself a wonderful success. One member of the commission has devoted much of his time to the development of this work. As a result an expert investigator of the federal government has declared the work of the Oregon commission to be far in advance of that of any other state, and numerous other states are investigating our methods for adoption by themselves, and, what is better than all, the commission's activities are showing large results in placing maimed and injured workmen back in the field of self-supporting, competent and happy citizens.

I bespeak for this committee's recommendations your most careful and earnest consideration. The work being done by the commission vitally affects the welfare of thousands of citizens of our state and any legislation in connection with it is worthy of deep and thoughtful attention.

Aid to Veterans Discussed.

Two years ago, while memories of Chateau-Thierry and the Argonne were fresh in the minds of everyone, there was talk of a bonus in acknowledgment for our returning soldiers, sailors and marines, and considerable was done. Our financial educational aid act has brought inquiries to us from every state in the Union, from those who would re-enact it into law elsewhere. Legislation was provided furnishing money for their immediate needs. An effort was made to work out some satisfactory land settlement and reconstruction projects, but these failed to meet the approval of the people at a referendum election. In other ways efforts were made to show the men who gave up their places in civil life to fight our battles abroad for us that the people of the state were not unmindful of the sacrifices they had made.

Their deeds and sacrifices should by no means be forgotten. If by any possible chance it appears there may exist any unemployment situation during the coming biennium; if there is a chance that some of them may be in hardships or straits of any kind, this legislature should do all in its power to foresee such a prospect and to see that a remedy is at hand should such contingency arise. Words are further inadequate if any continuation of land settlement plans are contemplated that by all means they have as their basis a preferential right to be extended to honorably discharged soldiers, sailors and marines.

I cannot let this opportunity pass without remarking upon the splendid