GOVERNOR WEST GIVES PARTING MESSAGE TO OREGON LEGISLATURE

NOTABLE ACHIEVEMENTS OF LAST 4 YEARS REVIEWED BY RETIRING CHIEF EXECUTIVE IN HIS MESSAGE TO THE OREGON LEGISLATURE

Senators Now Elected by Direct Vote, Equal Suffrage for Women, Sale of Liquor Prohibited in State, Capital Punishment Abolished, Safeguards Around Ballot.

STATE LAWS FOR ECONOMICAL ADMINISTRATION

Care and Treatment of State Prisoners Put on More Humane Basis; Better Prices Obtained for State Owned Lands; Pure Water Plans.

Salem, Or., Jan. 11.—In his final message as governor of Oregon, to the twenty-eighth legislative assembly, Oswald West reviews his four years' administration and makes some valuable recommendations to the legislators for their consideration regarding the government and business of the state. The message in full is as follows:

To the Honorable, the Members of the Legislature of the State of Oregon:

In keeping with the usual custom and with the hope of bringing to your attention information and suggestions which will lead to such governmental reforms as make for reduced expenses and increased efficiency, I am pleased to submit for the consideration of your honorable body this, by last message as governor of Oregon.

The four years just past have given us much constructive legislation. While other periods have brought great fundamental changes in our governmental system, none has produced legislation which has covered such a broad field and yielded such splendid results.

Constitutional Changes.

The long-fought battle of the people for amendments to our federal constitution which would permit the imposition of an income tax and the election of senators by a direct vote of the people has been won. Our legislative bodies were prompt to ratify these amendments and Oregon is therefore listed in the group of progressive states claiming credit for these great reforms.

The fight for equal suffrage and a "dry" state has been successful. Additional safeguards have been thrown around the ballot through extending the non-voting period of the newly arrived alien, and the old barbarous system of capital punishment has been abolished.

Constructive Laws.

Numerous laws have been passed which create a broad policy making for the conservation and development of our resources. These laws have added the investigation of numerous irrigation and power possibilities and the construction of the Tumalo irrigation system; have made provision for a state forester and the protection of our timber against fire; have led to a thorough study of our mineral resources; have made liberal provisions for the propagation and protection of our fish and game; and have provided for the publication of a booklet giving unvarnished information as to opportunities in Oregon.

A budget system which carries to the public the needs of the different departments of state has been provided for, also the auditing of the accounts of state and county officials handling public funds.

All penal and eleemosynary institutions have been placed under a single board of control and a splendid system adopted in reference to the purchase of supplies. The fee system in the state printing office has been abolished and the printer has been placed upon a flat salary. The state now owns the printing plant and is saving $30,000 a year. Our educational institutions have been placed upon a mill-age tax basis, which insures liberal support and removes them as a factor in legislative log-rolling.

Practically all public service corporations have been placed under the jurisdiction of the railroad commission and a "blue sky" law is saving bogus corporations from our state; splendid banking laws are in effect and steps have been taken towards the regulation of loan sharks.

Needy mothers have been given aid through the mothers' pension act. The workmen's compensation act and minimum wage law have been passed in the interest of the working classes; shorter hours of labor have been obtained; the prison contract system has been abolished and prison labor taken out of competition with free labor.

The transfer of the Oregon City locks from private to public control has taken place and the recovery of the Jefferson street levee (Portland, Oregon) is an accomplished fact.

Good roads legislation has enabled the state to co-operate with the counties in road building and to work convicts upon the public highways. The ocean beach has been reserved to the public for a highway.

Laws aimed at the regulation of the liquor traffic have been passed and progress made in the direction of limiting the sale of habit-forming drugs. An effective abatement law is in force; also a law preventing white slavery and one limiting the sale of revolvers. A long needed industrial school for girls has been established and all charitable institutions receiving state aid placed under state supervision. The creation of a parole board and an amendment to the indeterminate sentence law have made possible great progress in the direction of prison reform.

These and many other splendid measures are the products of the past four years.

Cost of Government.

Our state government for the years 1913-14 has cost in round numbers $7,500,000. Of this amount, $5,387,000 was met by direct taxation, and the balance by fees and unused appropriations. The average annual amount raised by direct taxation during the said period was $2,643,500.

Taxes, other than state, collected, or to be collected, by the several counties this year upon the 1913 assessment amount to $18,935,000, classified as follows:

County	$ 4,282,000	19.8%
School	6,538,500	30.3%
Road	3,064,000	14.2%
Miscellaneous	1,186,500	5.5%
Cities and towns	3,884,000	18. %
	$18,935,000	87.8%
State (annual average 1913-14)	2,643,500	12.2%
Totals	$21,578,500	100. %

It will be seen, therefore, that if Doctor Economy would wipe out the epidemic of extravagance and lessen our tax burdens he must not confine his visits and his doses to the state, but must look well to the counties and cities and road and school districts.

STATEMENT

Showing growth of population, assessed valuation and state tax.

Year.	Population.	Assessed Value	Raised by direct Taxation.	State tax rate of levy Mills
1893	.....	$160,262,646.00	$1,121,845.51	7.
1894	375,000	168,088,906.00	722,782.29	4.3 —5.7
1903	.....	148,099,601.62	790,000.00	4.96
1904	500,000	175,533,888.58	1,225,000.00	7.06—6
1913	.....	905,011,679.00	1,122,214.48	1.24
1914	750,000	954,282,374.00	4,195,000.00	4.36—2.8

It will be noted that while our population has increased 100% in the last 20 years, our direct state taxes have increased 210%, and that while the average tax rate for the 1913-14 biennial period is only 2.8 mills, as against 5.7 mills in 1893-4, our assessed valuation has increased 467%.

In 1893-4 our state expenditures were about $2.62 per capita. Expenditures for 1913-14 will reach $5 per capita, being an increase of 90%. It is reasonable to assume that as great an increase in the cost of county and city government has taken place as in the state government, and if so, our state and local government is costing us 90% more per capita than in 1892-3. In other words, if the per capita cost of our government was no more today than in 1893-4 a saving of $12,000,000 would result annually.

Penal and Eleemosynary Institutions.

Our institutions, during the past four years at least, have been absolutely removed from politics. The present official heads have been selected solely upon merit and have been left free to select their subordinates. These men hold the safety and welfare of thousands of helpless people in the hollow of their hands, and it would be a calamity should their positions become the football of politics. There are in the ranks of all parties those who believe in the old doctrine, "to the victors belong the spoils," and who insist that our institutions should provide berths for the faithful. The great majority, however, take a different view of the situation, and any attempt to throw these institutions back into the slough of politics, to become carrion upon which the political birds of prey may feed, would find bitter opposition.

Our institutions are rapidly being placed in a splendid condition through the earnest co-operation of officials and employes and as a result of their efforts Oregon has been placed in a class by itself. A visit to the institutions will give one an idea of the high standard which obtains.

The total expenditures for all purposes in connection with our penal and eleemosynary institutions for the biennium ending September 30, 1914, are shown by the statement which follows:

Oregon State Hospital	$ 660,123.96
Eastern Oregon State Hospital	92,662.67
State Institution for Feeble-Minded	148,507.62
Oregon State Penitentiary	179,118.61
Oregon State Training School	76,008.03
Oregon State Industrial School for Girls	30,643.10
Oregon State Tuberculosis Hospital	63,891.04
Oregon State School for the Blind	34,820.07
Oregon State School for the Deaf	79,248.97
Oregon State Soldiers' Home	54,708.46
Total	$1,689,733.53

These figures mean that for every inmate an average annual expenditure of over $290 is necessary.

The total population of these institutions on September 30, 1914, was 5072, being an increase of about 400, or nearly 15%, during the biennium. The greatest increase of population appears to have been in our hospitals for the insane and our institution for the feeble-minded. The combined population of these two institutions shows an increase of 17%. This growth of population is alarming and drives home to us the necessity of giving earnest thought and study to the causes which produce this great army of dependents.

The records covering the United States appear to show that each inmate of a state penal or eleemosynary institution represents an expenditure of $1000 in lands, buildings and equipment. Oregon has been far more liberal in this direction than most states, and $1000 is a very low figure upon which to base an estimate. Figuring upon this basis, however, and from records available, it would appear that we have over $3,000,000 invested in lands, buildings and equipment devoted to institutional purposes.

Our annual expenditure for maintenance runs about $625,000, and for orderly improvements $220,000; taken together it means that when a charge is committed to our state institutions the taxpayers must contribute $1000 to provide shelter and, annually thereafter, $75 for improvements and repairs and $218 for maintenance.

These growing expenditures present questions of deep concern to the taxpayers of the state and to society in general. Problems bearing upon the care of these unfortunates are being met by the officials of our institutions, but those having to do with the removal of the causes which produce these dependents are largely for your solution.

In studying this question it will be found that alcohol and habit-forming drugs—twin evils—are largely responsible for the population of our penitentiary and asylums. By voting the state dry the people have taken a long step towards removing one of the causes. It is incumbent upon you, therefore, to take the next step, and through appropriate legislation restrict, if not prevent, the sale of habit-forming drugs. Measures aimed to check this awful evil have heretofore been launched upon the legislative sea, but have been driven upon the rocks or sent into port in a battered and worthless condition. Under our laws a hundred gates are open to those who would engage in the illicit traffic of these drugs. No man should be permitted to capitalize the weaknesses of an unfortunate brother, and he who engages in or protects this traffic will have much to answer for when he stands before the great last tribunal. Should this legislature perform no other duty than that of restricting the sale of habit-forming drugs, it will be entitled to the thanks of all good people.

Only 13% of those admitted to our hospitals for the insane during the past biennium were native Oregonians; 50% were found to be natives of other states and 37% of foreign countries. Oregon has long been the dumping ground for the insane of all states and nations. The present board of control and institutional heads have adopted a vigorous policy of deportation and repatriation, with a result that 142 persons have been returned to their home states or foreign countries during the past biennium. Had these charges been retained in our institutions and lived the period of their expectancy they would have cost the state nearly $150,000 for maintenance alone. This policy of deportation deeply concerns the taxpayers of the state and is one which should be given every legislative encouragement.

No other state in the union has done more to provide for the treatment and comfort of its insane and feeble-minded than Oregon. Commodious buildings, well equipped and surrounded by beautiful grounds, offer a safe retreat for these unfortunates. Broad acres of productive land and orchards yielding bountifully provide a wholesome food supply. One has to but visit these institutions to be impressed with the great strides which have been made in institutional management.

Prison Reforms.

Great changes have taken place in and about the prison during the past four years. The institution has been given a bath, a supply of clean clothes and plenty of fresh air. All buildings and structures have been placed in good condition and painted. Improved ventilating facilities have been installed and the old, obsolete and expensive system of heating has given way to an improved system with a central heating plant. Forty-eight new steel cells have been built with the expenditure of an appropriation intended for but one-half that number.

An automatic telephone system now connects all departments, including the guard houses, and through the installation of a new electrical system all wires have been placed in conduits. A long needed cold storage and ice plant has been added and is giving splendid results. The guards' old quarters, over the administration building, have been turned into a women's ward. The guards have been provided with new quarters through the remodeling of the old brick stable near the prison entrance. Old barns have been rebuilt and long needed shelter sheds provided for the farm machinery. Model chicken and hog houses have been constructed and every effort made to develop these industries.

In the prison yard disorder has given way to order; grass plots, cement walks and good roadways have taken the place of rubbish and debris. Roads leading to other state institutions have been improved, and a large acreage of prison lands cleared, drained and placed in cultivation. The low ground along Mill creek near the prison entrance is being filled in and certain natural advantages turned to good account. An unsightly tract of land will thus be transformed into one of beauty.

Modern Brick Plant.

With a view to utilizing the surplus labor of the prison, former industries have been enlarged and new ones established. The old brickyard has given way to a modern plant, the land and equipment for which were purchased with prison earnings. A drain tile plant has been lately installed and is proving a profitable venture. The shoe shop and the tailor shop have been enlarged and provided with needed equipment. The blacksmith, machine, tin, carpenter and paint shops absorb a share of the surplus labor and produce good returns for the state. The prison and other institutional farms and the county roads offer further means for taking care of the prison labor.

It was found that a change of plans would save the expenditure of a large part of an appropriation made by the last legislature for improvements and the sum of $26,850 is therefore being returned to the general fund. The revolving fund created at the last session of the legislature has grown rapidly and now contains nearly $12,000 in cash and stock.

The reclamation of waste prison lands, improvements of its dairy herd and success in hog raising have surprisingly reduced the maintenance cost. Our appropriation for maintenance has not only been ample, but has taken care of many institutional needs which otherwise would have necessitated special appropriations.

Critics of our prison policies have made much of the fact that we found 1,200,000 brick on hand when taking over the institution in January, 1911. They claim we have taken credit for products of former administration. For the information of these critics, I wish to say that notwithstanding the fact that we have manufactured and sold several million of brick and delivered about 300,000 to other state institutions we have charged have on the yard and ready to turn over to the succeeding administration practically the same number as came into our hands upon taking office.

Oregon has taken the lead in prison reform and with most satisfactory results. Good intentions, however, through lack of information as to our true aim and purpose, have thrown obstacles in the way which have made progress most difficult. Notwithstanding statements often made to the contrary, we have no more sympathy with the idea that the prison was a place of punishment; nor have we, on the other hand, forgotten that a prison should be a place of reformation. Society should be more concerned in the reformation of the man than in his punishment.

Paroling of Prisoners.

There is an impression abroad that the policy of paroling prisoners which has been inaugurated and maintained during the past few years has been too liberal and has practically done away with punishment for crime. It will no doubt surprise those who have been most critical to learn that from June 30, 1911, the time when the new parole law was put into actual practice, to June 30, 1914, the average time served by prisoners paroled under indeterminate sentences was 18.6 months, and that the average time served during the previous four years by the same class, most of whom were serving a definite sentence, was 17.6 months. In other words, offenders of the same class are serving a longer time under the present law than under the old.

When we take into consideration the fearful conditions which have in the past prevailed in many of the penal institutions throughout the land and which prevail in many of them today, and think what prison reform means to hundreds of thousands of unfortunate individuals, we ask ourselves why we have been so long in coming to our senses in this direction. The trouble is we have from time immemorial been giving more thought to property rights than to personal rights; more thought to the protection of the thing than to the protection of the person. In other words, we have been placing the dollar above the man, and we have yet to get away from the practice. It was not many generations ago that it was the custom across the waters to mete out the severest punishment to those who dared trespass in the slightest degree upon property rights. For petty offenses men were degraded, their ears were cut off, their nostrils were slit and they were branded upon the forehead or in the hand. Some of this old spirit has been handed down to this day and we see it breaking out occasionally through an insistence upon the lash and the dungeon and the prison labor contract.

Owing to centuries of effort upon the part of many, who have controlled the wealth of the land, to throw protection around property and their unpardonable neglect to accord the same consideration upon to individuals, there has grown up through custom and usage an overbalanced regard for property rights and an underbalanced regard for the rights of the person. A little more thought to the protection of our unfortunate brother and less concern for the almighty dollar would go far to strengthen our government and spread happiness throughout the land.

As a rule men do not become criminals from choice, they are largely victims of circumstance. Health, prosperity and happiness usually follow the route of an upright life; no normal human being will, therefore, deliberately turn from this pleasant pathway to the byway of crime, which he knows will lead only to his downfall. Day by day the factories of poverty, vice and greed are grinding out a steady stream of criminals and defectives. Heroic work is being done by unselfish workers who seek these floaters upon the sea of life and bring them ashore, but those in touch with the situation know that for every one rescued a dozen are carried to sea. As far as the care of the prisoner is concerned, the fight in this state has been won, but the big, never-ending battle is for the removal of the causes which make criminals and defectives.

Use for Prison Labor.

One of the most annoying questions in connection with prison reform before the people today is the utilization of our prison labor. Believing organized labor to be opposed to the working of convicts the politically ambitious have been afraid, as a rule, to take hold of the matter. These gentlemen would undoubtedly be surprised to learn that organized labor has done more toward the solution of this problem than any other agency, although it is bitterly opposed, and properly so, to the contract system and the placing of convicts in direct competition with free men. The reason for this opposition is that the prison contractor can produce cheaper than the manufacturer who employs free labor at living wages and is in position to undersell in the markets of the world. His price, therefore, becomes the price at which all must sell, and the employer of free labor is driven to reduce wages to meet this unfair competition.

If a careful classification of the prisoners is made and those who can be trusted placed in "honor camps" and employed at institutional farm work or in the construction and maintenance of public roads, and others employed in the upkeep and maintenance of the prison and in the manufacture of articles for the use of state institutions, it will be found that prison labor can be fully absorbed in a direction which will reduce to a minimum competition with free labor.

Those who have given the question careful study agree that the state use system offers one of the best solutions to the problem.

Our laws provide:

"All wards of the state who are capable of a reasonable amount of work without physical or mental injury to themselves shall be used as far as possible in the production and manufacture of articles for the use of, and in the performance of labor for, the state, but it shall be unlawful . . . to enter into any agreement or contract with any private person, firm or corporation for the employment of convicts . . . or to place prison made goods on sale in open market in competition with products of free labor."

With the view of providing employment for the men left idle through the abolishment of the stove foundry contract, various industries, as heretofore mentioned, have been installed for the purpose of supplying certain institutional needs. If the system is extended the state will be in position not only to absorb its prison labor, but to offer a variety of employment to the prisoners and by assigning to each a task for which he is best suited, prevent that great economic waste which prevails in those prisons where no particular thought is given to such questions.

The prison is surrounded by several hundred acres of productive agricultural land where outdoor employment is given to a large number of men. Hogs, poultry and a fine dairy herd, together with an abundance of farm and garden products, enable us to provide good, wholesome food for the inmates of the institution and at the lowest possible cost.

Work on County Roads.

The voters of this state recently declared in favor of working prisoners upon the county roads, and at the several state institutions.

The law provides:

"Upon the written request of the county court of any county in the state of Oregon, or any superintendent of any state institution, the governor may detail from the state penitentiary such convicts as in his judgment may seem proper for use on the public highways, or on or about any state institution. Said convicts shall be delivered to any county court, or the superintendent of any state institution on such terms and conditions as shall be prescribed by the parole board and approved by the governor."

We have from time to time worked a large number of our prisoners upon the county roads, and our experience convinces us that beyond a doubt road work offers a profitable and desirable means of employment for a large portion of our prison population.

Until recently we have had but few idle men at the prison, but the recent closing down of outdoor work on account of winter has placed 150 men upon the list. These men will be returned to work as soon as the weather permits.

In past years the duty of delivering insane and prisoners to our state institutions fell to the sheriffs of the several counties. A few years ago the transportation of insane was taken from their hands and given over to the hospital officials and the change has resulted in reducing the expense more than 50%. Convicts, however, are still transported under the old system, and their delivery at the penitentiary is costing the taxpayers three times as much as for the delivery of patients at the state hospitals. Several efforts have been made to secure reform legislation along these lines, but the ever present sheriffs' lobby has preventd it. The interests of the taxpayers demand that this old expensive system be changed and the transportation of convicts given over to the penitentiary officials.

State Land Office.

The state land board has control of all lands granted to the state for the support of its educational institutions, and the investment of the funds arising from the sale thereof. The grant from the federal government amounted to nearly 4,000,000 acres, as follows:

	Acres.
College lands	88,800
University lands	46,000
School lands	3,046,080
Agricultural college lands	500,000
Capital building grant	6,400
Tide lands	23,200
Swamp lands	261,300
	3,981,900

Prior to the year 1903 these lands were sold without regard to their true value, the ruling price being:

	Per Acre.
Swamp lands	$1.00
Tide lands	2.00
College lands	1.25
School lands	1.25
University lands	1.25
Indemnity lands	$1.25 and 2.50

The records of the state land office appear to show that upon January 1, 1903, 3,000,000 acres, or three-quarters of the entire grant, had been sold at an average price of $1.40 per acre.

Little was ever realized from the sale of our swamp lands, as the greater part of the proceeds from legitimate sales were used in the payment of interest upon swamp land warrants which had been issued in repayment of moneys paid upon lands to which the state could not convey title. Some of the money thus derived was also used in the construction of the old Dalles-Portland wagon road. The state is still entitled to several thousand acres of land under the swamp grant, but it seems next to impossible to secure patent on account of the red tape entanglements which surround the general land office.

Higher Prices Obtained.

Since January, 1903, the state land board has made an effort to realize something near the true value of our lands. Notwithstanding the best has long since been sold, the minimum price has steadily advanced and handsome figures have marked the sale of many tracts. The average price received during the past 10 years has been about $5 per acre.

As a result of an early day practice of selling lands and issuing deeds before patent had been obtained, the state had outstanding many defective titles. Through checking the records all such titles have been uncovered and every effort is being made to reach the claimants to have them pay the purchase price. When a few remaining transactions have been cleaned up a deed from the state will always stand as an evidence of good title.

The state is patenting in the general land office at Washington school indemnity lists covering about 14,000 acres of land selected in lieu of a like amount of surveyed and unsurveyed school lands within the boundaries of federal forests. The government questions the validity of the base offered for these selections, but the state insists it is valid and that patents should issue in due course. The compact entered into with the federal government at the time of the state's admission to the union provides:

"Sections 16 and 36 in every township of public lands in the state, and where either of said sections, or any part thereof, has been sold or otherwise disposed of, other lands equivalent thereto and as contiguous as may be, shall be granted to said state for the use of the schools."

An act of congress approved February 28, 1891, provides:

"Lands of equal acreage are . . . hereby appropriated and granted and may be selected by said state . . . where sections 16 and 36 are . . . included within any . . . reservation."

The department, according to information received, is inclined to folow a ruling in a State of Washington case (State vs. Whitney, 120 Pac. 116), in which the court held that the school grant was a grant in praesenti and took effect on the date of the adoption of the state's constitution and the affirming of the enabling act. It was also held that congress could not change the provisions of the grant. If this ruling is followed it will not only prevent the making of further selections upon surveyed forest reserve base, but will cast a cloud upon titles covering thousands of acres of indemnity lands heretofore selected upon similar base and patented to the state without question.

The state has been endeavoring to secure the permission of congress to exchange about 48,000 acres of scattered school sections in the federal forests of this state for a compact body of timber. Should the exchange be effected upon the proposed acre for acre basis, it will prove a very profitable transaction for Oregon.

Leasing of Mineral Lakes.

It being discovered that the beds and waters of Summer and Albert lakes, in Lake county, contained valuable deposits of mineral salts, and there being numerous applications to lease these properties, the state land board advertised for sealed bids. Mr. Jason C. Moore was the successful bidder. The lease, which was made subject to your approval, will run for a period of 40 years. The state is to receive royalties as follows for all commercial salts:

50 cents per ton for potassium salts.
10 cents per ton for sodium chloride,
25 cents per ton for other salts.

Should the royalties fall below $25,000 in any one year, then the said sum shall be paid in lieu thereof, and as rental for the premises for the said year.

A report made by the state bureau of mines and geology covering these deposits is on file with the clerk of the state land board.

The beds of our navigable streams belong to the state and many of them carry deposits of sand and gravel, having considerable commercial value. There are many concerns engaged in the sale of such materials obtaining their supply from the beds of the said streams without yielding royalties to the state. While it is true that the removal of such materials aids navigation at some points, yet it is no more than right that the common school fund of the state should share in the profits realized from such sales. Legislation, therefore, making it unlawful for anyone to take such materials for commercial purposes, without first obtaining a permit from the state land board, would result in a considerable revenue.

Educational Funds.

Large sums are lost to the state annually through the unbusinesslike manner in which escheats are handled. Inasmuch as the school fund is the beneficiary of all such estates, the matter should be controlled by the state land board. An litigation should be under the direction of the attorney general, who should have authority to call upon district attorneys for assistance.

According to official reports, the amount of cash and securities on hand September 30, 1914, in the educational funds, was $6,709,589.81. The manner in which these funds are invested is shown by the following statement:

COMMON SCHOOL FUND PRINCIPAL.

Loans secured by first mortgage on real property	$5,885,054.00
School district bonds	266,750.00
Certificates of sale	285,388.09
Cash	26,648.37
Total	$6,403,840.46

AGRICULTURAL COLLEGE FUND PRINCIPAL.

Loans secured by first mortgage on real property	$ 189,176.47
Certificates of sale	1,960.00
Cash	10,977.52
Total	$ 202,113.99

UNIVERSITY FUND PRINCIPAL.

Loans secured by first mortgage on real property	$ 103,141.52
Cash	493.84
Total	$ 103,635.36

The constitution gives the state land board full control over the investment of the funds arising from the sale of state lands. Our courts have held that this power of control cannot be taken from the state land board and placed in other hands. A custom of turning these securities over to the state treasurer has grown out of the past with a result that their condition is never known to the other members of the board. This practice leads to neglect of duty upon their part and practically leaves the matter of calling and extending payments to the state treasurer. While state land boards, past and present, have made reports covering these securities, none of them have ever been based upon first-hand information, but solely upon data furnished by the state treasurer's office.

For the purpose of securing a further ruling of the courts upon this most important question, an order was entered by the board under the date of November 13, 1913, directing the transfer of all such notes and securities from the office of the state treasurer to the office of the state land board. Upon the state treasurer's refusal to turn over the securities mandamus proceedings were instituted that ths questions involved might be adjudicated at an early date and needed legislation secured at the hands of your honorable body.

While the matter was heard by the circuit court and an early decision favorable to the state land board rendered, it was the gossip of the street that an appeal would be taken and an endeavor made to delay the hearing until after the fall election, and, if possible, until after the adjournment of the legislature. It appears this rumor was well founded, for the state treasurer, aided by the retiring attorney general, has interposed delays until the contest is all but forgotten. Had the proceedings been expedited it would have been possible for the supreme court to have heard the matter and rendered a decision prior to the convening of this legislature.

The safety of $6,400,000, the heritage of the school children of this state is involved in this contest. The circuit court has held that the state land board is the lawful custodian of the securities. They are therefore being arbitrarily held without authority of law by the state treasurer and without being protected by a bond. The state treasurer is bonded only for the faithful performance of the duties of his office, and since the investment of the school fund and the custody of the securities is a constitutional duty imposed upon the state land board, the state treasurer's bond would not insure protection. The clerk of the state land board is the lawful custodian of all records and securities and is the only one from whom the board appears to have authority of law to demand a bond the which may be fixed in such a sum as the board sees fit. While these securities may be in safe hands today, they may be in unsafe hands tomorrow. The recent experience of a neighboring state teaches us that even state treasurers go wrong. It is your duty therefore to take such action in the premises as will insure the school fund protection.

Treasury Department.

Bookkeeping methods adopted in the early fee-system days gave the state treasurer's office provided for a number of separate "funds". When the cash on hand in any "fund" became exhausted warrants drawn thereon were "indorsed" and, through underground methods, taken up with cash available in other funds and the interest earnings turned to personal profit.

While the said system of graft has been done away with, nearly 60 separate "funds" still exist. Although there were several hundred thousand dollars in cash in the hands of the state treasurer at all times during the past year, the state paid over $24,000 in interest upon "endorsed" warrants drawn against these mere bookkeeping "funds." While there can be no objection to the maintenance of separate funds merely as a matter of bookkeeping, most of them should be eliminated as far as segregation of cash is concerned. Such action would practically put an end to the endorsement of warrants and the payment of interest.

The act appropriating moneys for the support of the state treasurer's office provides that the appropriated sums, and no more, shall be used. It appears, however, that for a number of years the treasury department has drawn upon the common school fund for additional sums for the payment of clerk hire. Expenditures from the said fund to the extent of $30,000 have been made from time to time for such purposes. It seems impossible to end this practice, as $9600 has been taken from the common school fund for the support of the said department during the term of the present incumbent. The full amount of the said expenditures should be returned to the school fund, as under the terms of the federal grant all funds arising from the sale of school lands must be used only for the support of the common schools. The procuring of funds for the use of a department by indirect methods is one of the abuses which lead to extravagance in our state government. Departments should be made to depend upon the legislature for support.

State Printing Department.

It is with pleasure that I report the progress which has been made in the direction of a more businesslike and economical administration of the affairs of the state printing department. The old fee system having recently been abolished, the state printer is at last on a flat salary and the state is the owner of a well equipped printing plant.

Those who have honestly opposed the state ownership movement have based their opposition largely upon the theory that the change would lead to extravagance and graft. Whether this charge shall prove true rests entirely with the governor, secretary of state and state treasurer—the board having the control and management of this department.

There is bound to be pressure brought to bear from time to time by those who have something to sell to induce the legislature or the board to make liberal, if not needless, expenditures for equipment. This is something which must be guarded against, as the plant is now large enough to meet the ordinary legitimate demands of the state. Should an emergency arise at any time, the board is in position to meet the situation by contracting some of the work to commercial printers.

The plant as it stands today represents in round numbers an investment of $20,000, and while there is no occasion for increasing the same, provision should be made at this time for taking care of the depreciation which is bound to occur, and to this end I would recommend that the board be authorized to set aside each year out of the earnings of the plant a limited amount—say 10 per cent of its value, or $2000—for the establishment and maintenance of a depreciation fund, out of which shall be made all necessary renewals and repairs. This arrangement will insure the keeping of the plant within reasonable bounds and prevent the possibility of the legislature being annoyed with requests for appropriations for needless equipment.

The old custom of appropriating large sums for public printing and permitting departments to dip in to their heart's content, should be forever ended, as such a practice makes for waste and extravagance. Each department should pay for its printing from its own appropriation, and if this change is adopted it will result in more thought being given to economy and a great reduction being made in our annual outlay for printing.

A statement recently issued by the state printing board, and which follows, will fully advise you as to the expenditures which have been made for printing (exclusive of the purchase of the plant) during the last two biennial periods, and some idea of the saving which is being made under the new system.

"State Capitol, Salem, Oregon, November 20, 1914.

"To the Public.—Owing to the confusion which exists in the mind of the public in reference to the cost of state printing, the following statement has been prepared with a view of showing just what has been expended during the past two biennial periods:

STATEMENT.

COST OF PRINTING.

1911-1912.

Printing, ruling, binding, paper, etc. (Printing Fund)	$102,202.87
Printing and binding supreme court reports	12,600.00
Printing paid for by departments (approximate)	25,197.13
Total	$140,000.00

1913-1914.

Printing, ruling, binding, paper, etc. (Printing Fund)	$84,290.28
Printing and binding supreme court reports	7,425.00
Printing to be paid for by departments (approximate)	31,275.72
Total	$123,000.00

"Although the demands upon the state printing department are increasing from year to year, it will be seen that the expenditures for printing during the 1913-1914 biennial period will be $17,000 less than for 1911-1912.

"The reduction of expenditures for the present biennial period is due to the present system of handling the state printing. The records show a saving of over $30,000 to have been made during the past year as a result of the change. In other words, had the old system remained in effect, the expenditure for this biennial period would have been about $30,000 in excess of the amount set forth in the above table.

"The state printing board will have on hand in the general fund at the first of the year something over $31,000. This money is being paid to the printing department by the different departments of state and the amount is included in the above 1913-1914 cost table. Owing to an oversight in drafting the law no authority was given the board to use these funds, and it was therefore driven to ask the emergency board for authority. While it appears, therefore, on the face of the record that there will be a deficiency to meet on January 1, it must be remembered that there will be ample funds on hand to cover this deficiency, and that its existence is due only to the lack of authority on the part of the board to wipe it out.

"STATE PRINTING BOARD:

"OSWALD WEST, Governor,
"BEN W. OLCOTT, Secretary of State.
"THOS. B. KAY, State Treasurer."

The State Library.

A fortunate consolidation was effected by the last legislature when the library commission was combined with the state library under the management of a board of trustees who had previously served the state for years as library commissioners, exhibiting rare public spirit in their devoted care of the library interests and their generous financial contributions to it. The state traveling library was combined with its reference document and school collections making a unified system of over 85,000 volumes. These books reach the remotest regions of the state through over 500 distributing points in which collections are kept, and by means of a mail order service from Salem, which takes thousands of books each year to people on farms and in villages who have no access to no other library.

The report of the library shows that nearly 65,000 books were shipped out during the last biennial period, with an estimated use of 300,000. Many of these books are of the most practical nature and carry the help of the expert to the man who is striving to increase his efficiency as a worker, and who is, by this means, given an opportunity for self-education. Hundreds of farmers are reading the books on agriculture, and workers, students and people in isolated places are using the library so extensively as to exhaust its resources at times during the winter.

The library renders direct service to 2300 school districts by the selection and purchase of the books for their libraries. As a consequence Oregon has the best school library in the United States, and the lowest price on school library books. Each city in the state is sent books to supplement its local library. Men in public life have access to the reference and document collections, and the state generally is served by a system which provides for the economical and satisfactory distribution of its own publications.

This successful institution, the benefits of which are felt in every part of Oregon, represents state effort at its best, by making it possible, through legislative enactment, for its citizens to co-operate in the maintenance of a central book supply with a well-organized service for the public welfare. Many state institutions reach only the afflicted and the unfortunate with their well defined and limited needs, but this educational department helps and appeals to the able-bodied and ambitious, and gives them equality of opportunity. The library is a great asset for the state in helping to overcome the disadvantages of isolation and poverty, in increasing the efficiency of its workers, and in adding to its recreational facilities.

As the work of the library is constructive and widely extended, and its usefulness is limited only by its means, it should be put on a permanent basis, with a sufficient appropriation to allow the trustees to form a settled policy of extension and to acquire the store of valuable books needed to meet the demands made upon it, as the library center depended upon by the entire state. The present appropriations, amounting to $17,700 annually, could not be decreased without directly affecting the interests of thousands of our people. I therefore respectfully urge that you give the recommendations of the trustees your thoughtful consideration and cordial support.

Fish and Game Department.

A fish and game commission, having control of all matters pertaining to our fish and game, was created by the legislature of 1911. The board is supposed to be non-political and the members to fairly represent the different sections of the state. Good men have been appointed from time to time upon this board, none of whom, however, has been able to curtail the extravagances which, like barnacles to a ship, cling to the department.

The division of commercial fisheries is under the immediate control of a master fish warden and there appears to be no complaint as to extravagance in his department, which is supported by direct appropriation and certain license fees collected from those engaged in commercial fishing.

The game and game fish department is under the immediate control of the state game warden. When the commission was created there was on hand in the game protection fund $67,000. The law provided that the said sum and all revenues thereafter derived through the sale of fishing and hunting licenses should be given over to the uses of his department. Since the passage of the law the receipts have rolled in so rapidly that they have become a burden to the commission, and it has taken great ingenuity, coupled with unpardonable extravagance, to prevent an accumulation of funds. The game department alone has spent nearly $60,000 during the three and a half years the commission has been in existence.

The receipts of the game and game fish department for the year ending October 31, 1914, amounted to $119,000. The balance on hand from the preceding year was $43,500, making a total of $162,500. The expenditures for the said year ending October 31, 1914, were $134,500. Thus it will be seen that while the expenditures exceeded the receipts by $25,000, the commission was obliged to carry over a balance of $28,000 to remain a burden unless your honorable body comes to the relief and turns it into the general fund.

The personnel of the commission has consisted of high class men—men who have made a success of their own affairs and who have had an earnest desire to make the department a success. The members draw no salary and are obliged to make great sacrifices when called upon to attend the monthly meetings of the commission, where they must pass upon a large number of vouchers covering expenditures of the department. When these expenditures appear extravagant they earnestly protest, and then approve. The claims are then paid in due course.

The commission should be abolished. The governor should be given power to appoint a state fish warden, who would be the administrative head of the department of commercial fisheries and a state game warden, who would be the administrative head of the game and game fish department.

These two departments should be supported through direct appropriation by the legislature—all fees collected being turned in to the state treasury. While each department head should be supplied with a few deputy wardens to assist in the enforcement of the law and the performance of other duties connected with the work of the department, the usual police duty should be taken over and performed under the immediate direction of the governor, who is charged with the enforcement of the law. There is no good reason why the taxpayers' money should be used to employ an officer whose sole duty is to watch violations of the game law. The general public is interested not only in the enforcement of the fish and game laws of the state.

(Continued on Following Page.)

Summary of The Governor's Message:

Changes in the state's constitution in the last four years.
Many good laws passed in the same period.
Increase in cost of government.
Increase of insane and feeble-minded.
Reforms at the state penitentiary.
Securities of educational fund should be in the custody of the state land board.
Reforms recommended in the treasury department.
State now owns its own printing plant. State printer put on salary.
Sufficient appropriation for extension of work of state library recommended.
Abolishment of fish and game commission urged. Fish warden and game warden to be appointed by the governor.
Cruise of all standing timber in state recommended.
State constabularly is suggested.
Harmony in naval militia.
Workmen's compensation act needs some amending.
Work of the state architect.
Change name of railroad commission to "public utilities commission."
Need of a boom law.
Blue sky law proves effective.
To prevent inflation of public service corporations' securities.
Changes in bank laws. Revision of loan shark law.
No report from Panama-Pacific fair commission.
Oregon state fair board commended.
Abolishment of state sanitary livestock board, stallion registration board, state horticultural society and pilot commission is recommended.
Merger of pure seeds commission, sealer of weights and measures, bureau of mines and geology, with other relative departments is recommended.
Report of highway department.
Abolishment of desert land board is urged. State engineer scored.
Committee to investigate insurance business is recommended.
Emergency board should be abolished.
Money wasted on state census.
Changes in taxation law necessary.
Oregon land taken by railroad.
Watch out for the land pirates.
Timber resources of the state.
Aid for settlers in digging community wells.
Need of pure water supply for Willamette valley cities.
Recommendations for law enforcement.
State employment bureau recommended.
Need of retren