

GOVERNOR'S MESSAGE TO LEGISLATURE

(Continued from page 1, 1st sec.)

changed as deemed necessary and... I believe all estimates should be based upon by some responsible body before they are presented to the legislature and its ways and means committee for their consideration.

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.

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 of limitation are needed that our institutions and agencies may 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 help 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.

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 indirect taxation. The direct tax against property and improvements is a fair method of our state revenue and it is proper and right that those who are able to pay their just share of governmental expenses, but are not now compelled to do so, should be assessed in a fair manner for that part.

Oregon, being essentially an agricultural state, needs the consideration and help in ascertaining ways and means to bring the products of the farm closer to the consumer. Some well devised move of this sort would be of vast benefit both to the people on our farms and to the population of the cities.

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 may be levied by the legislature than that levied by the tax levying body, but 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.

Perhaps one of your gravest responsibilities with respect to 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.

Our budget is prepared on the following basis: The head of each department, institution or state 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. He, in turn, compiles them in budget form for submission to the legislature.

ingly high as to leave the inference that perhaps, rather than reforming, these schools breed criminals. Such 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.

I will not attempt to outline in detail here what steps should be taken to remedy the situation. These have been outlined before and the last legislature has taken 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 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.

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 state of affairs that exists regardless of the fact that the various appropriations have been made for betterments and repairs at the institution during the past several years.

There has been some talk of the 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.

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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.

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 for the conviction of a man of a felony for failure to support his wife and children.

We still have the flax plant at the prison operation. 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 refer to you that, after the report upon the flax plant, it was decided that to further 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 the state.

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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 diminished, and the expense of the state in securing the wood not very greatly increased.

Non-support Law 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 for the conviction of a man of a felony for failure to support his wife and children.

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itions 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 our 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 superintendent of the state hospitals to designate persons for that purpose. The insane are discharged, presumably cured, but often without friends to aid them in securing employment or to help them in any way.

State-aided institutions. Elemenary institutions, that is to say, 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.

Other Institutions. I have entered into detail in regard to some of the state institutions wherein conditions existed to which I wished to call your special attention. The girls' industrial school, the Oregon state tuberculosis hospital and the state institution for the feeble-minded all have been continuing their work during the past biennium.

Traffic Regulations. The use of motor vehicles has grown to such tremendous proportions, that not only our city streets, but our state and county highways are frequently 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 to any and all suggestions which may be offered in this way of traffic regulation.

State Hospitals. Our two state hospitals at Salem and Pendleton have functioned splendidly under admirably able management during the past biennium. One of the wards of the state, the unfortunate confined in these institutions, because of mental disorders, are worthy of having their existence made as comfortable as possible.

Japanese Question. How to meet the Japanese situation in this state is one that has come before this legislative assembly for consideration and possible determination. As in other Pacific coast states, the Japanese have long been heard in Oregon, that the Japanese, an alien race, are gradually acquiring a tenacious foothold within the con-

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work, however, any ask that the law be amended so that all 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 in their discretion. It would be an added incentive to the agents to carry out 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 whiskey 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 can not 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.

Under the direction of an able and self-sacrificing highway commission our immense road program 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 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 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 materials, and numerous other difficulties have arisen to make progress difficult. Gift 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 the vote, a special election last May, those who are paying the bills desire roads to be constructed as rapidly as they can be constructed. The commission has gone ahead with the work against 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 unnecessary costs, nevertheless 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 in taking into consideration the demands by those furnishing the money that the roads be forthcoming. We must also bear in mind that, 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, uppermost in 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 man's worth of money as human ingenuity and human limitations will permit; to 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 wishes to see nothing else done. I am equally confident we will have you an active and hearty cooperation 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 will undoubtedly come up for your consideration. I would earnestly urge that you coordinate 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 used in giving the largest returns to all of the state. I am pleased to see the commission's judgment in these matters, and if any changes are contemplated it would suggest that they be made in accord with the commission's sanction and consent. Such is the logical and proper way to bring about the largest and best results for all concerned.

Timber Resources. 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 pay roll is approximately \$50,000,000. Timber is one of our greatest resources and assets and we should give greater latitude in this

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