*Continued from page 11.)

Recently the people have been informed as to the peculiarly distressing financial condition of the state. The legislature approaches its task with limited resources from which to make appropriations-resources which are now heavily burdened by necessary obligations authorized by the emergency board and resultant from an insufficient tax levy. Many much needed appropriations must fail unless your body provides for new sources of revenue or for a temporary diversion of state funds.

If the legislature finds it impossible, with its limited resources, properly to furnish the financial requirements of our institutions of higher learning, it may be necessary to resort, for a time at least, to an increase in the tuition fees charged by these institutions.

IRRIGATION

QUOTE from a statement which I made during the political campaign of last year:

"The irrigation question in Oregon is not a political one, and the solution of the problem will require careful, intelligent and sincere study and action to the end that the farmers on the irrigation projects may not be penalized for their industry, confidence in the state and show of good faith.

"We should see that the farmers now on irrigated lands who have shown their good faith are fully protected. Those farmers who are making or have made good their obligations to the irrigation districts and who are contributing to the productivity of the state, should be given the benefit of every possible means of protection.

"In some of the irrigation districts many of the settlers have suffered undue hardships and dire misfortune, due to improper organization of districts and to the activities of unscrupulous speculators. The next Legislature should, in so far as possible, provide legislation for the reorganization and restoration of the esaful districts. However, the taxpayers of the state, outside the irrigation districts, are not responsible for the unfortunate conditions that exist, and must not be called upon to pay more interest on bonds, other than those for which the state is already obligated, or to make good the losses."

The constitutional amendment providing for the guarantee by the state of interest payments on irrigation district bonds should be repealed.

I would welcome legislative action in keeping with the above-stated policy.

REFORESTATION

WHILE the timber supply of Oregon will furnish lumber for the needs of the state and a large payroll for a number of years, yet immediate action should be taken looking to the reforestation of lands suitable for that purpose, that water sources may be protected, that the timber supply of the state may be continuous, that labor may be employed, and that the tax rolls of the state may not suffer when the present mature timber is removed.

A committee to study the question of reforestation and report to you was provided for by the Thirty-third Legislative Assembly, and the report of this committee, like that of the committee on assessment and taxation, has not been in my hands for a sufficient length of time to warrant my discussing its recommendations at this time.

I submit to you that legislation should be enacted that will encourage and promote reforestation by private owners on lands from which the timber has already been removed, and which will insure continuing reforestation of logged-off areas.

THE WORKMEN'S COMPENSATION LAW

THE workmen's compensation law became effective Lover twelve years ago, and it is gratifying to note that since that time there has come, through the actual operation of the law, an increased recognition of the benefits of such a system of protection to injured workmen and their dependents.

The compensation law has been amended and improved by action of the several legislative sessions since the passage of the original act in 1913, and during these same sessions the members of the legislature have been called upon to consider a number of conflicting measures respecting the workmen's compensa-

It seems apparent to the casual observer that the law as now administered has brought about an amicable relation between employes and employers; a relation which reflects improved industrial conditions.

The Thirty-third Legislative Assembly authorized the appointment of a committee composed of members of each house for the purpose of making a thorough investigation of workmen's compensation laws, with instructions to report a bill at this session containing such amendments or changes in the present act as It may deem essential.

At this time I am not familiar with the recommendations of this committee, but commend them to you for your careful consideration.

SALARIES

RESPECTFULLY suggest that you submit to the people for their consideration at the next general election a constitutional amendment which will provide that no increase in the salary of any elective officer of the state or county shall be made effective during the term for which such officer is elected.

HIGHWAYS

N efficient and well-considered highway program A has a direct bearing upon the prosperity and progress of a state. Conservative road construction in Oregon should continue; the roads already built should he maintained, and the bonds be retired as they mature. There must be no hasty legislation which may interfere with this policy. In my opinion, this program can be carried out with less present cost to the counties and eventually less cost to motorists. The increase in the number of cars and the resultant increase in revenue from this source should make it possible for the state to bear the full burden of acquiring rights of way and ing all state roads without requiring the ssistance of the counties. This plan, I submit, should he adopted, but should not be so construed as to relieve any counties of obligations now due for past advances of money or work by the State Highway Commission, or to interfere with any existing contracts.

When relieved of the necessity of contributing to the expense of state highway construction, county courts will be able to give much needed attention to the more remote roads, to the end that rural residents may, at all times of the year, have easy access to market

State highway activities must always be supported by the state highway fund. There should never come a time when a property tax will be required to maintain our state highway program.

The construction of the proposed and partially completed Roosevelt Highway is of paramount importance to the coast counties and, indirectly, to the whole state. Its completion should be expedited as rapidly as funds can be made available for this purpose.

ADMINISTRATION OF THE MOTOR VEHICLE LAWS

W HENEVER any function of the state government associated with an existing department reaches those proportions where it requires the attention of the administrative officer to an extent that makes it impossible for him to give the necessary attention required to all of his duties, then division of the work is advisable. This policy was followed with respect to the regulation of insurance organizations and corporations.

The details in connection with the administration of the laws relating to the licensing and regulation of the operation of motor vehicles upon the highways of the state have now reached such proportions as to necessitate the separation of such duties from the present duties of the Secretary of State. The creation of a separate department appears desirable. The work is of such magnitude and importance as to require the entire time and attention of a separate administrative officer. The duties will not become less in the future; in fact, they will materially increase from year to year.

In the creation of a separate department for this important duty, full authority for the appointment of all officers deemed necessary for the proper patrol of the highways should be included with the administrative duties. Administration includes licensing and regulation; these two duties can not well be separated without weakening one or the other side of the task. By vesting the administration and enforcement of the motor vehicle laws of this state in an official to be appointed by the Governor, control is retained of the enforcement officers that may be appointed so that in the event it may be desirable at times that they be assigned to other duties necessary in maintaining the peace of the state they may be readily and speedily assigned thereto.

The creation of a separate department should be so timed that the transfer may be made at a season in the administration of the work that will permit this to be accomplished with the least interruption and inconvenience to the departments affected.

I recommend the repeal of that provision of the existing motor vehicle laws imposing an additional license fee of 50 per cent on "motor vehicles not common carriers, * * * and used for commercial purposes in the business of selling and/or delivering goods, wares, merchandise, materials or any articles of commerce" under certain conditions, for the reason that such law includes within its scope motor vehicles of many of the residents of this state which it was not the intention of the originators of such law to include, and for the further reason that the difficulties of administration are such as to preclude a fair and equitable enforcement thereof.

Those existing laws having to do with certificates of title to motor vehicles and the regulation of headlight devices upon motor vehicles operated in this state, I am respectfully referring to you for such amendment or adjustment as, in your conclusions, shall best serve the interests and welfare of the people of Oregon, taking into due consideration the character of the vehicle, the celerity with which it is desired to transfer the ownership thereof, and the condition under which its operation on the highways of the state should be directed and restricted.

In a number of the states similar laws have been enacted with the object of finally securing uniform laws in all the states relating to these two subjects.

MUNICIPAL OBLIGATIONS

A N expanding conception of the function of government has brought about, within the last twentyfive years, an enormous increase in the number and complexity of activities and institutions maintained for public benefit and supported by public revenue. To obtain the desired and necessary public improvements, whether they were highways, streets, bridges, or public buildings, the credit of the state, the county and the municipality has been largely employed, thus placing upon future years a portion of the cost of immediately obtaining desired or necessary public benefits.

Under the constitution of Oregon, the credit of the state may be pledged to the extent of 11 per cent of the assessed value of the total property thereof. In addition, the counties of the state may pledge their credit for an amount not in excess of six per cent of the assessed valuation of all property therein. There is no provision of the state constitution limiting the indebtedness or the extent to which a municipality may pledge its credit for the accomplishment of any of the purposes of such municipality authorized by its charter as adopted by the legal voters thereof.

Following the adoption of the home rule amendment by the people in 1910, granting power to cities and towns to enact and amend their municipal charters, there has resulted an era of issuing bonds, not only on the part of the cities and towns of the state but of the state itself, the school districts and other municipalities existing under authority of law, until their total bonded obligations or pledges of credit aggregate well up to \$200,000,000.

We can turn, for example, to a certain city of the state where, if the obligations of the state, the county, the port district and the school district were prorated in the proportion that the assessed value of the property of such city bears to the assessed value of the property of the state, the county, the port district and the school district within which it is situated, it would be found that every parcel of property therein would be carrying a bonded obligation of 22.15 per cent of its assessed valuation for the year 1925. In the case of another city, the property of the residents thereof would be found to be carrying a bonded obligation of 63.27 per cent.

A condition such as outlined gives us cause for serious thought as to the ultimate result of our present system, which permits municipalities to pledge their credit, without regard to the fact that other overlapping divisions may also pledge their credit, which is based on the same property, to an unlimited extent. In addition, the county may pledge its credit for a sum not to exceed six per cent and the state another 11 per cent of the assessed value of the same property. I urge you to give careful consideration to the advisability of imposing some supervision over the bonding activities of the various agencies to which is extended the privilege of pledging the future credit of the property of the state. It appears to me most necessary that a program shall be formulated whereby the different bonding agencies shall guide their activities, not independently but with reference to other obligations which must in the future be safeguarded by the same property which they propose to utilize as a pledge of credit.

FINANCIAL DATA REQUIRED

THE financial affairs of the state, the counties, the I municipalities, the school districts, the irrigation and drainage districts, and other civil divisions of the commonwealth are administered without any relation whatever to each other. Under existing laws no financial or other data respecting the state and its political subdivisions are secured and compiled for public information. Consequently, no such data are available

As an understanding of the finances supporting and activity or undertaking is imperative for its intelligent administration, I am impelled to the conclusion that the state may wisely and profitably, for the benefit of its citizens, as well as those entrusted with the administration of public affairs, authorize the placing of funds at the disposal of the executive for the purp of securing such data and information respecting the state and its various civic divisions as, in his judgment may be deemed advisable.

The importance of the finances of the common wealth and its many subdivisions is not to be under. estimated, and, unless there is available true informa, tion upon this subject which may be applied in the conduct of the financial affairs of the state and its civil divisions, we may be inadvertently led into a more or less chaotic financial condition. The appropriation of a reasonable amount to be expended under the direction of the executive, will, I feel confident, result in large benefits, and my object in presenting this matter for your favorable consideration is that I may have correct information upon which more intelligently to base the discharge of my official duties.

· In all that may tend to accomplish the ends I have touched upon in this message, and in any other legislation which promises to promote the stability and progress of Oregon and the well-being of her citizens, I tender to you my hearty cooperation. I stand ready, at all times, to advise with you and to work with you that the proper functions of the executive and legislative departments may operate together harmoniously and effectively in worthy service to the state.

I. L. PATTERSON

CHAPTER FORTY-FIVE.

"Exactly," answered Brazene senior. "Here we are. Now 1 tell you where your damned remantic nonsense has put me-and The Business. Just after you left the office that last morning. Scott served notice on me-it amounted to that-that he would either buy us out-buy the Brazenose plant mind you! -or immediately begin building his own factory to manufacture a new automatic loom combined with his shuttle, leaving us flat. He's canceled the contract."

"Precisely, Good Lord," Brazenose repeated, icily ironic. "And as you may remember, if you've ever given that much attention to | The Business is at stake?" business, there isn't another automatic threader in existence."

something about a Boston man-"Killigrew. Yes He's got one -better than Scott's. But he's a fool, like most inventors. Thinks it's going to make his everlasting There's no way of identifying me, fortune, and won't sell at any His machine isn't right now, and it never will be, because he won't let anybody else touch it and he doesn't know enough to perfect it himself. Two of his devices are better than ours and if we could buy them we'd work miracles. But he won't sell." "Perhaps, if you saw him

you taking a belated interest in the source of your income, even if I'm going to see him-going now. from here- but it won't do any good. We tried him out before making the arrangement with Scott. All he'll ever do will be to cluck around that machine like a hen with one chicken. The only thing that would help us there would be a funeral. Our one real chance of holding our own lies in talking Scott around-and you see what you've done to that."

"But he doesn't know I'm in this, and unless somebody has recognized you here today, he

"Precisely. He needn't, I'm coming to that. The last time I saw you. I told you that if you didn't cut out this kind of thing I'd disown you, and I meant it. As far as you're personally concerned. I'd throw you out this minute. consideration. But now I've got to think of The Business, and for once in your life you've contrived -inadvertently, I admit-to make yourself important to it. So you can come back, on one condition. You'll give me your word that you'll leave here today and have nothing more to do with this Scott

"Dad, you don't understand-"Wait. There's an alternative Either you step out of this thing here and now, and stay out, or I'm through with you for al time. You'd better think twice-if you know how," he added grimly, as Piggy compresed his lips and shook his head. "It means your whole future. I'm offering you one last chance to redeem yourself. but it won't keep. You'll take it here-now-or I'll cut you off without a cent and never see you again."

They stopped walking. Piggy looked at him with miserable eyes. but spoke gently, realizing at last the full consequences of his escapade and his father's travail.

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"I don't think you quite see what you're asking, dad. From twisted smile. "They both know the time I could talk, you've drill- who I am, and they're Scott's edit into me to stick, even if I was daughters. Don't you think being licked. Not to be a quitter, they're likely to tell him, if they Well-I've started this and I've | go back to him?"

got to see it through." It was Brazenose's turn to look blank. Furious though he was, he had not questioned for an instant that when the alternatives had damental good sense would appear serted itself.

"But The Business, Boy, The Business!" he exclaimed. "Don't you understand that the future of

I'll do everything I can to

"I can't do that, sir. But I'll take good care not to be caught. through with you." because nobody around here knows me. We'll pull it-" He broke off? In the stress of this struggle with his father he had temporarily forgotten Roberta's perdidy. Now if came to him with a shock that both she and Celia the faithlessness that had shown her to be as other girls, respecting no secret, he lacked assurance that "Thanks. It relieves me to find his identity would not be revealed. And for a promise to her, he was to lose his inheritance-and his father. He went on dully: "I've got to finish this job, dad. I can't leave those girls now."

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"Girls! Do you mean to say that each other's eyes, neither yielding. a couple of silly chits above what | turned on his heel. After watcha high opinion of girls, all at

"Not so high as yours, perhaps," his son returned, with a faint:

"Not if they have ordinary sense," snapped Brazenose, whose plan had been to swear these young women to silence, pointing out to them in anmistakable terms been clearly stated, the Boy's fun- the fealty they owed to the youth who had risked so much for them. in his choice. Certainly he had not The fact that they evidently knew expected his own reiterated pre- and dreaded their father, acknowlcepts to be used against him. In edging no loyalty to him, should this crisis his ruling passion as- make this easier of accomplishment. "They got you into this-"

"No, they didn't; I got myself into it. Now I've got to get all of I see that now-and I'm sorry, yours-out of it. But I promised Commercial. to see them through and I've got to do it."

> "Then you're no son of mine," said Brazenose harshly.

For a second they looked into will tell you.

you put a senseless adventure with | Then, without a word, the father you owe me and yourself and ing his receding back for a mo-The Business? You seem to have ment, the son dropped down the wooded bank and plodded with drooping shoulders through underbrush and across a pasture, toward the only home he now had. The dective, who had been observantly loitering a short dis-

tance down the road, advanced to meet the approaching figure, saying in an authoritative tone: "I want a word with you." "Get out!" Brazenose strode on,

his shoulder to mark the spot where the chauffeur had vanished kept pace with him. "Tow long have you known that,

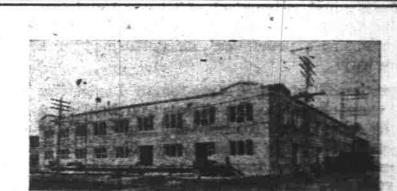
and the other, with a glance over

young man?" "None of your damn business, Get out, I tell you!"

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Only the best! Our patrons us out. I'll do the best I can sir. will bear this out. We serve only Nobody else shall know, if I can the best in meats and poultry. "Yes, sir," said Piggy steadily. help it. I'll keep my name—and Hunt & Shaller Market, 263 N.

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