

Holmes Favors Lt. Governor Post, Annual Legislature

Demo Governor Will Begin Top Personnel Changes in 24 Hours

Believes Smith's Budget Too Low; 'Bold' Program Would Increase It Millions; No Sales Tax

By JAMES D. OLSON
Capital Journal Writer

A bold, imaginative, vigorous course in Oregon's state government, requiring certain structural changes as well as appointment of new key men to head state departments was promised by Governor Robert D. Holmes in his inaugural address given Monday afternoon.

The new Democratic governor called for authority to abolish a number of boards and commissions, including the state liquor commission, the state parole board and the Oregon development commission. To replace them he would appoint a full-time paid administrator to handle operation of Oregon's \$55 million liquor business and another administrator to replace the 3-man parole board.

Budget Too Low

Holmes made it clear that he believes the budget prepared by outgoing Governor Elmo Smith is too low. His proposals will add many millions to the budget, all he said, to come within the framework of the present income tax structure.

Contemplated personnel changes, he said, would begin within 24 hours.

"In charting the course successfully to meet the great challenges facing us—challenges of our children, challenges of opportunity, challenges of money, challenges of brotherhood—I think the people of Oregon want during no dullness; faith not fear," Holmes said.

Favors Lieutenant Governor

"We must fly, not founder," he added. "There can be no turning back."

Holmes said he favors providing for a lieutenant governor. "The man succeeding the governor should be elected by the people," he said. Proposals for a lieutenant governor have been defeated by the people on several occasions.

Holmes, who also advocated abolishment of the state board of control, described the board as "hydra-headed management of our state institutions which diffuses executive responsibility. In its place he advocated an office of director of institutions with salary status commensurate with the responsibilities such a qualified individual would assume."

Favors Annual Session

An annual session of the legislature is favored by Holmes who asked the legislature to give this proposal attention at this session. He contended that legislative business of Oregon has far outgrown the orderly confines of a biennial session.

Present long legislative sessions, Holmes said, now serve as a bar to service by many qualified citizens, including many farmers whose heavy springtime demands make it impossible for them to serve. He also said the long sessions prevent many young people who have not attained economic sufficiency from serving as legislators.

Challenge of Money

The new governor stated that the challenge of money, which he said faces every legislative body, presents one of the more difficult problems.

"It is not an insurmountable one," he said. At the same time, Holmes repeated a stand he had taken during election, opposition to the sales tax.

He then explained that the present budget was not prepared under his direction and told members of the legislature that his labors in this field "will not be limited to balancing the proposed budget."

Governor Holmes declared that the November defeat of a measure allowing the placing of the emergency clause on taxation measures was based, he thought, on the belief that use of the emergency clause would result in a sales tax.

"Therefore, the vote of the people can only be interpreted as a sixth defeat of a sales tax in Oregon," Holmes said.

"I urge you find the major part of the necessary money in balancing the budget within the framework of Oregon's traditionally fair income tax structure," Holmes said.

Seeks Education Monies

Holmes devoted almost as much of his address to education as he did to taxation. He advocated increase in salaries of school teachers, increase in basic school support from the present \$80 per census child to \$120, and a complete revision of basic school support distribution.

The governor said he will place a proposed new formula to bring the original intent of the law into operation and urged the support of this plan by the legislature.

A sound, well-planned reorganization of school districts to give children of a small, inefficient school districts the same education afforded children attending well financed schools is needed promptly, he said. Moreover he urged establishment of a \$5 million fund at the state level to be used for buildings for distressed school districts.

In the field of higher education, the governor advocated restoration of the \$14 building fund requested by the board of higher education in place of the \$10 million now in the budget.

More Educator Pay

"The foremost problem facing higher education, in my opinion, is retaining and recruiting high quality faculty members," the governor said. "Because of the unwise action by the higher education subcommittee of ways and means in the last legislative session, salary schedules for the faculty members of our colleges and universities were thrown completely and unrealistically out of competitive balance with other such institutions and with industry."

He urged the legislature to fully grant the salary requests made by the board and recommended restoration of any cuts recommended in the present budget.

Governor Holmes followed earlier promises when he declared that he will request the department of finance to make a complete re-evaluation of Oregon's overall structure of boards and commissions with the idea of recommending regrouping of many agencies and placing them under jurisdiction of existing departments. He said he would ask that a blue-print for such changes be prepared for consideration of the 1958 legislature.

Against Capital Punishment

Saying that he could find nothing in unlightened religion or the ethics of modern civilization that justified an "eye for an eye" philosophy, Governor Holmes recommended immediate repeal of capital punishment law.

"Capital punishment," he declared, "neither prevents murder, nor edifies the society that exacts the death penalty."

Governor Holmes flatly charged Oregon officials in past years with having too often "refused to look realistically at our economic picture."

"They have been content to dwell, wishfully, optimistic about the future, hopefully silent about any alarm signals ahead, and hopelessly ineffective in leadership toward economic progress."

"Any successful enterprise, including the economy of an entire state," he continued, "needs realistic appraisal of the facts, realistic planning in the light of those facts, and realistic action taken on those facts."

"As governor, I shall do my best to inform the people of Oregon candidly and truthfully, about the economic facts confronting us. Because these facts constitute part of our future, they are our responsibility."

He expressed hope that Oregon would enjoy many years of understanding and peace between industry and labor.

"To this end I prefer that our state rather than the Federal government take those legislative steps necessary to improve and modernize workmen's compensation laws, unemployment compensation and minimum wage standards," Holmes said.

The governor urged support of the state tax commission to conduct a number of hearings throughout the state covering every agricultural commodity and interest so that a body of sound factual information on which tax revision affecting farmers can be based.

Repeal of the 1952 anti-picketing bill and establishment of a "realistic" mediation and conciliation service were advocated by the governor in his message.

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Message Highlights

ABOLISHMENT of Oregon liquor commission, state parole board, Oregon development commission and state board of control.

CREATION of liquor administrator, full time paid parole administrator, creation of state development department under jurisdiction of governor.

REPEAL of income tax surtax. Restoration of \$600 personal income tax exemption.

MEET all state financial demands under present income tax structure.

TWO-YEAR study of Oregon boards and commissions by department of finance.

INCREASE in basic school support fund from \$80 to \$120 per census child.

PROMISE to present new formula for distribution of basic school funds.

REQUESTED \$5 million to aid distressed school districts building programs.

ADVANCED sound school district reorganization.

SEEKS requests in full for salary increases for faculty members in system of higher education.

RESTORATION in building fund of board of higher education from \$10 million to request of \$14 million.

WOULD PULL OUT of Northwest Governor Power policy committee.

OPPOSED to ratification of Columbia interstate river compact.

EXTENSION of Oregon civil rights program.

Urgent business of this legislature I propose to start now.

The state of Oregon, indeed the whole Pacific Northwest, stands at a critical point in its economic development. Instead of continuing the economic momentum gained in the phenomenal growth and prosperity of the 40's, we are losing ground by comparison to the rest of the nation.

In the decade 1940 to 1950 we in Oregon became accustomed to leadership, leadership in population growth, leadership in jobs, leadership in the size of our weekly checks.

The governor said that federal wartime production programs in the northwest tapered off, and in Oregon, came to an abrupt stop.

This, he said, could be replaced with solid consumer industries.

Urges John Day Dam

On the public power question Governor Holmes surprised some observers when he did not call specifically for all-federal construction of dams. He urged immediate construction of the John Day dam, and called for construction of big upstream storage projects "such as Hells Canyon."

He also urged that smaller dams such as Green Peter, Cougar and Hill Creek in the Willamette valley basin should go forward.

He said he could see no purpose in continuing Oregon's representation on the Northwest Governors' power policy committee and declared opposition to ratification of the Columbia interstate compact which will be before this legislature.

Holmes said he proposed to meet with Washington's governor to discuss joint action to meet pressing problems of river development.

"Both of us, I am sure, will work with the other states of the northwest and Canada to promote maximum development."

Promises Tax Hearings

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Family Team in Session



The legislature's only husband-wife team was ready Monday for the important business to be enacted this session. The pair are Rep. Katherine Musa and Sen. Ben Musa from Wasco county, shown at Mrs. Musa's nameplate new desk in the House chambers. (Capital Journal Photo)

6 Legislative Aides From Marion Picked

Three Marion county residents taken on the office at the caucus Sunday.

Other house officials elected included Mrs. Ruth Renfroe, Portland, assistant chief clerk; Beulah Hand, Milwaukie, journal clerk; and John P. Bruns, Depoe Bay, reading clerk.

In the senate Rex Adolph, Salem, who was head doorkeeper at the 1955 session, was picked as reading clerk, and Elmer Ernst, St. Paul, was selected as head doorkeeper.

Nominated by Sen. Sidney Schiesinger (R-Marion) as mailing chief was Charles J. Johnson, a veteran of several sessions.

Sen. Lee Ohmart (R-Marion) nominated Vern Drager, Portland, who was elected as sergeant-at-arms in the senate.

Zypha Zell Burns, Portland, was again named as chief clerk in the senate and Mrs. Everett (Meda) Cole, Washington county, assistant chief clerk.

It was understood Wayne W. Gilbert, Stayton, was to be selected as mailing clerk but no action was taken.

The legislative interim committee on elections and recommendations for simplification of voting processes.

To Study Institutions

In his message he requested an appropriation of sufficient money that he might make a thorough, unbiased survey of the status and condition of state institutions and their services.

An overall study by the legislature of the problems relating to mentally retarded children was also a recommendation of the governor.

He requested the assembly to act with "sense and sympathy on all proposals that will further assist the blind and help the physically handicapped. He also urged extension of the state's civil rights program."

Boosts Centennial

Holmes said he favors a suitable celebration to commemorate Oregon's centennial year, 1959, and expressed hope that the Oregon Historical society and other appropriate organizations would join in producing a program worthy of the state's rich historical heritage.

The governor told the legislature that he planned to augment his inaugural message with special messages covering resource development, taxation and other subjects in which he said he will spell out his program in more detail.

In closing his message he said his heart was filled with gratitude to the people of Oregon who had elected him governor.

"I urge every member of the assembly to join me in approaching the task ahead with courage and cheer."

"Boldly we shall set forth on our new course, buoyed by the scriptural enjoinder from the second chapter of Chronicles, (fifteenth verse) . . . Be not afraid nor dismayed by reason of this great multitude, for the battle is not yours, but God's."

Asks Tax Revisions

"At the same time you consider those revisions," Holmes continued, "I recommend that you also make whatever revision in corporate ex-

Senators Go to Work



On hand for what promises to be a hot session in the state senate were Marion county's team of Sidney Schiesinger and Lee Ohmart. The two were on hand Sunday night when the evenly-divided senate caucused but failed to elect a president. (Capital Journal Photo)

Representatives Ready for Session



Marion county's four representatives were all ready for work at the Capitol Monday as the state legislature opened for the 1957 session. The group includes (left to right) Eddie Ahrens, Robert Ellstrom, Guy Jonas and Winton Hunt. Jonas is lone Democrat in group. (Capital Journal Photo)

Elmo Message Okays 2 Holmes Proposals, Clashes With Others

Surtax Repeal and One OLCC Chief Endorsed

Outgoing Governor Elmo Smith paid high tribute to the late Governor Paul L. Patterson, the man he succeeded as chief executive, in opening his legislative message at the inaugural ceremonies Monday afternoon.

In this message his "views agreed in some instances with that expressed shortly afterward by Governor Robert D. Holmes, but in a number of instances the two men were wide apart."

Both recommended repeal of the surtax added to the regular income tax rates by the 1955 legislature. Smith urged adoption of the budget he presented, saying that it is a balanced budget and requires no increase in taxes.

And both the incoming and outgoing governors urged a single administrator for the state liquor control commission. Smith adding a recommendation for a commission of three members as an advisory and appeal board.

While Governor Holmes urged abolishment of the Oregon Development commission, Smith held the commission "is an investment for Oregon's future. He said in the brief existence of the commission

successfully with federal agencies on appropriations for Columbia river dredging," Smith said, and has also worked with the federal government in securing increased available timber harvests."

Another instance when the two men were on opposite side of the fence was in connection with the Columbia river compact, ratification of which was urged by Smith and was opposed by Holmes.

Smith urged that the problems of power should be removed from the arena of partisan politics.

"Only through affirmative and aggressive bipartisan effort can Oregon's homes, farms and industry," he said.

He declared necessary steps should be taken to assure Oregon of the fair share of federally generated power. He recommended that every effort be made to secure a determination at the highest policy level as to what projects are to be constructed by the federal government.

Construction of a labor and industries building in Salem, probably on the Capitol mall, to be financed out of dedicated funds, was urged by the outgoing governor. He said such a building was necessary because of the congestion in state offices.

Young Demos to Meet April 26-28

ALBANY, Ore. (AP)—The annual convention of the Young Democratic Clubs of Oregon will be held here April 26-28.

The organization's executive board, meeting here Sunday, also named Leo McClurg, president of the Linn County chapter, as general chairman of the convention.

The board's next meeting will be at St. Helens, Feb. 17.

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