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GOVERNOR CHARLES H. MARTIN ADMINISTRATION

January 14, 1935 to January 9, 1939

Biographical Note

Martin was born on Oct. 1, 1863, on a farm near Albion, Ill. He attended Ewing (Ill.) College for 2 years until his appointment to the U.S. Military Academy. He graduated from West Point in 1887.

Martin's military career spanned 40 years, dovetailing with that of his West Point classmate Gen. John J. Pershing. Martin served under Pershing during World War I and from 1922 to 1924 as the U.S. Army Assistant Chief of Staff. Martin's honors included the Distinguished Service Medal and 2 citations for bravery in action. He commanded the famous Blackhawk Division and the Fifth Corps in the Argonne during World War I. His career included service during the Spanish-American War, the Philippine Insurrection, the Boxer Rebellion in China, and as commander of the Panama Canal Department from 1925-27. Martin retired with the rank of major general on his 64th birthday in 1927.



Martin retired to Portland, OR, with his wife, the former Louise J. Hughes, daughter of a prominent Portland attorney. The couple met when, as a lieutenant, Martin was on his first assignment at Vancouver (Wash.) Barracks. They were married in 1897.

Retired from military life, Martin embarked on his 2nd career in politics. From March 4, 1931, to Jan. 3, 1935 he served as a conservative Democratic Representative to Congress from Oregon's nominally Republican Third Congressional District.

In 1934, Martin was elected as Oregon's governor. It was a time of intense labor turmoil and the middle of the Great Depression. Governor Martin earned a reputation for putting state finances back on a sound basis. Even when the Depression eased, he opposed full restoration of wage levels for state employees, who had suffered a 50% pay cut during the Depression.

Major issues dealt with during Governor Martin's administration were economic recovery from the Great Depression, reconstruction of the State Capitol, the planning and construction of Bonneville Dam, as well as development of statewide port and highway infrastructures. Labor issues were significant particularly in the timber and shipping industries.

An obituary in Portland's *Oregonian* summarized his labor policies: "His attacks against labor policies of the New Deal and his fight to have part of Bonneville Dam power turned over to industry brought him criticism from labor and farm organizations." Martin grew in his vocal opposition to Roosevelt's New Deal, especially to the National Labor Relations Board (NLRB) and the President's labor policy. In 1937 the NLRB failed to settle a jurisdictional dispute between the Congress of Industrial Organizations (CIO) and the American Federation of Labor (AFL) that had closed Portland sawmills. Martin stepped in and held his own elections, which led to the reopening of the mills. He made himself the enemy of what many saw as corrupt labor leaders, particularly by his appointment of Assistant Attorney General Ralph E. Moody to prosecute union people accused of arson and assault.

He was often quoted for his rephrasing of President Roosevelt's famous pronouncement on fear. Martin said, "We have nothing to fear from the future except our own foolishness and slothfulness." His criticism of President Roosevelt cost Martin a bitterly contested bid for the Democratic Party's gubernatorial nomination in 1938.

The nomination lost, Martin retired from active politics to his Portland home. He died Sept. 22, 1946. Interment was at Riverview Cemetery in Portland.

Inaugural Message, 1935

Source: STATE OF OREGON Inaugural Message Of CHARLES H. MARTIN Governor of Oregon To the Thirty-eighth Legislative Assembly 1935

My Friends and Fellow Citizens:

Oregon is a great state. Its chief strength lies in potential resources rather than developments already accomplished.

My only desire in taking the governorship is to aid our people to make more rapid and substantial progress. If I can attain this end, in some outstanding way, every ambition hoarded as a citizen of our state will have been accomplished.

This is an age of opportunity. A new order of economics is entering the national mind. Oregon must adapt herself to this, marshal her strength for quick and effective action and rise to her national duty.

Success in bringing our state from its present rank, among the three commonwealths facing the Pacific, up to the forefront, can be achieved only if all of our people are willing to concentrate themselves upon a program of construction, development and tangible progress. I dedicate everything I possess to this cause. I most earnestly beseech our citizenship, regardless of party affiliation, group district, county or other identity, to join me in a determined, forward looking, patriotic struggle.

Our history is luminous with names and deeds. Pioneers who settled here stand high in the forces of civilization. The sufferings and privations, endured, the courage manifested and the fortitude exemplified in every state of the trek across the continent and in the combat with the aborigines and the forces of nature, will forever stand high on history's page.

I turn to our pioneer forbears in a sense of deepest reverence and greatest affection. They built well. They dominated every element that undertook to thwart their way. They put life and strength into the fundamentals, which were intended to be the foundation of one of America's greatest commonwealths.

Think for a minute of what this pioneer ancestry did for us. They led in water transportation, reaching the distant markets of the Pacific shorelines. They navigated the waters of the interior, with strong companies, possessing the most modern equipment of the age, for such service. They spread out over the soil and initiated agricultural production on the Pacific Coast in a substantial way. They entered into our towering and forbidding forests and in these deep, dark recesses laid the foundation for cities, industries and farms. They financed the business of the Northwest. Their traders penetrated every section of this region. In the great social and economic struggles of the nation, marking that period, they aligned themselves with those powers, which were carving the structure for the greatest democracy civilization has produced. They were builders, creators and workers.

A few of their accomplishments are worthy of our review. Deep-sea ships, then more than now, carried our commerce, and, as the genius of man built larger ships carrying power within for their movement, they realized that a great port must be provided. In the early eighties, through their insistent demands, they secured from the Board of Engineers of the United States Army a plan for conquering the mouth of the Columbia. When this plan was approved by the best engineers the nation possessed, they fought for the

funds to carry it through. Mastery of the Columbia's entrance was then regarded the most difficult engineering feat before any American harbor and its successful conclusion must be rated today the highest in this line of construction. They started the work for a deep-sea channel from the Pacific to Portland and Vancouver. It has been taken to a 35-foot project stage, which, with the magnificent results accomplished at the mouth of the river, is capable of admitting the greatest ships of the Pacific to this port. It cost great sums of money, but it has been done and is today one of the foundation stones in this splendid economic structure.

The Oregon Steam navigation Company reached into the interior as well as toward the sea. Pioneers whose names will forever live in our history wrought well and carried our commerce to every section of this river basin, serving producer, tradesman and financier in the most exemplary manner.

These pioneers set the stride for agricultural production, inaugurated the lumber and wood products industry, joined hands with first railways in bringing them here, established colleges and universities that were leaders of their day, sailed ships with our products to the Orient, to Alaska and to the Eastern seaboard, operated banks that financed the major business requirements of the Northwest, developed newspapers which were unique and most powerful, initiated the pulp paper industry for this region, utilized in a modern way for the first time hydro-electric energy, led the program for marketing flour abroad, created the salmon fishing industry on the Pacific Coast, built the first great hotel for the Pacific Northwest and did many other things which are the product of leadership, courage and energy.

With the passing of that generation, our leadership was lost. Agriculture, horticulture, dairying, canning, pulp paper manufacture, flour milling, salmon packing, distributive business, total industrial products and other lines of business face superiority both to the north and south of us. Our educational institutions have been forced to secondary rank in comparison with others on the Pacific Coast.

Why did all this happen? Because you and I did not deeply love our Oregon and were not willing to give enough of our time and means and were so humble in our position that we permitted the score against us. When the railroads entered the Pacific Northwest, they at first recognized our position. As control of these mighty transportation interests shifted to Wall Street, major ports to the north and south received a tremendous impetus. We did not have the initiative, the courage, nor the strength to prevent. We permitted doubt to prevail about the ultimate achievement of developing the Columbia. We did not challenge with our natural strength a trend shaping the eastern finance center and which was not to our highest benefit.

A new order has arrived for us as well as for the rest of the nation. This mighty river system, which was once the main artery of northwestern business, is about to be restored to its inherent position. Our President, with a forward-looking patriotism, has wrested control of finance from that group which saw us in a minor role. He has ordered the beginning of the development of the Columbia and the beginning of a development of our other great resources. He has set a new stage for us, is giving us a new opportunity and invites us to rise again.

Our opportunity today will be measured by our courage, our faith and our energy. Gravity alone will not bring us what we deserve. Man's strength must shape and direct, even the forces which gravity control. "Every great institution is the height and shadow of a great man."

Let me beseech you now to rise in your strength; permit me to place myself wholly and completely at the call of a new and a greater Oregon; pledge yourselves to take up these great basic things with a determination that they shall have their proper position in the nation's economic system.

Bonneville construction is but the beginning of what we have hoped and prayed might be. That project was located at tidewater with a purpose. That purpose was to start navigation of the Columbia River on a sound engineering basis. That purpose also represented the idea of getting great blocks of cheap energy developed as closely as was humanly possible to a large population and industrial center where there was a market and also to have the available energy which federal funds make possible located on a navigable stream and on

the most modern and effective land transportation lines. It is the gem of all the federal projects now under construction because of its cheapness, its accessibility and its proximity to an industrial market. It may be converted into a mighty instrumentality for our development, our happiness and our success. Let me again appeal to you to recognize this opportunity and to place your strength and energy behind the program that will make it serve this purpose.

We must navigate the Columbia, the Snake and the Willamette. Improvements for this work should be pressed with the utmost diligence. Our producers of the interior need this great facility. Such work is not aimed to destroy or impair any existing transportation line, but rather to bring into play natural advantages, natural assets which belong to our people and which they should be permitted to use for their own betterment.

Let us also dedicate ourselves to the further improvement of these waterways as rapidly as this work may humanly be accomplished. We should aid the Federal Government in selling the energy produced at Bonneville, until all available is on the market, and then we should step steadily and in a most determined spirit on up the Columbia and into the Snake and up the Willamette and any other navigable streams.

Our greatest resources are land, water, forest products, minerals, climate, and scenery. In the light of last year's sad experience, wherein ordinarily beneficent nature failed to provide in large areas of the Mississippi Basin the moisture needed for human needs, our Columbia Basin, and other parts of Oregon, stood high. We had abundant moisture. Much of our waters ran away in flood wastes, destroying land and homes. Our farmers did well and our lands have been brought to the national attention as at no other time within recent history. We must capitalize this dependable, stable asset in a sound business program. Again, it has been proven that we occupy geographically the favored habitat of the human race. We must organize our household in such a manner as to bring this fact to the attention of capital seeking investment and people seeking new homes. This opportunity is a duty, which devolves on you and me. We must approach it in full strength.

Much of a tangible and constructive nature must be done in respect to Oregon's agriculture and farms. Our farm population for many years has not received the average income to which they are entitled. Progress has been made in organizing them for better work, but there is much yet to be done in this line. I hope to be instrumental in helping our worthy farmers further to adapt themselves to those products and types of agriculture, which will yield them a larger gross return and a better profit. We have a great, rich state and we must find the way of getting our farm people on to a better business basis.

We have a national leadership in President Franklin D. Roosevelt, which is turning to the "forgotten man" and to forgotten opportunities. This new national scheme is intended to be fair to all. It is bringing us opportunities of magnificent character. Ultimate results will depend upon ourselves. It is no time for petty bickerings or community jealousies. I pledge myself to the broadest and most effective possible program and I solicit earnestly and deeply your full co-operation.

The burden of the hour is unemployment and non-remunerative production. Our people must be employed and not be permitted to drift into that demoralized state toward which the dole and charity lead. Americans have a right to work. There can be no hunger and suffering, if not by the voluntary bid of the individual. While taking care of those who, through no fault of their own, have been deprived of the means of sustenance, let us keep our eyes steadfastly upon those forces which will, through development and creation of new opportunities, preserve our people in the richness and bounty of human comfort which every courageous Oregonian deserves.

Most of us assembled here today are newcomers to the State Government. The results of the recent general election must be as significant to you as to me. The tremendous vote cast for liberal and progressive candidates is a mandate of the great majority of our people for a New Deal in state government as well as national. Voters of other states have issued this same mandate. It cannot be ignored. None of us are here because of our personal popularity; we are here because of the liberal policies supported in our campaign.

This mandate of the voters not only calls for a greater development of the resources of the state and greater opportunity for economic security for those who toil but for greater efficiency and economy in government as well.

If Oregon is to meet its obligation in this regard, we must initiate and follow a direct and forward course of action. In other words, we must have a plan and a program. My conception of this plan and program will be submitted in detail in later messages to the Legislature.

On the pressing question of taxation, it seems to me we are already collecting ample tax money to meet our purposes of state and local government and to take care of relief or social insurance demands besides, if we use a little more common business sense in spending it. It is not unlikely that present levies might even be reduced if government operations were conducted with less extravagance, resulting from duplication, overlapping, and "third-leg" services (not needed) and substituting therefore centralized control and decentralized operation.

Private business throughout the nation has been compelled to get along on greatly reduced operating income in the face of extensive fixed operating cost in the past few years. It has generally been able to do so and survive. I see no reason why the state and local government cannot do the same if practical business economy and efficiency are employed.

I do not see where we are going to get more tax money. Property is already taxed beyond the point of endurance; incomes and intangibles cannot be materially increased without jeopardizing the very existence of our business; and the people have repeatedly voiced their disapproval of any form of sales tax. It must, therefore, be obvious to all that we must make a greater effort to get along with what we are now collecting.

I have taken an oath to support and enforce the laws of the state. It goes without saying that law and order must be preserved for the protection of society. I propose that my administration shall be as strong as the law.

I shall go along with the National Administration in a relentless warfare against crooks, whether big or small, and shall insist that our local authorities give their full faith and support.

Society must be sharply awakened to meet the challenge of lawlessness and there must be no patience with the sentimentalists who shed tears over the criminal who goes to his punishment by a route of his own choosing. I shall carefully guard the pardoning power.

And so, my friends, with our goal clearly defined, with our unselfish purposes clearly understood, let us go forward to our destiny to place Oregon where its fine loyal citizenship—its God-given gifts—justify, to join all in a rising chorus without a discordant note, that we work our way out of our economic depression, that we preserve the institutions and democracy of our fathers, and that we enrich our spiritual lives.

Governor's Miscellaneous Messages, 1935

Source: STATE OF OREGON GOVERNORS' MESSAGES TO LEGISLATURE

January 15, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

The Constitution of the State provides that the Governor shall, from time to time, give to the Legislative Assembly information touching the condition of the State, and that he shall recommend such measures as he

shall judge to be expedient. Accordingly, at the outset of your deliberations, I desire to remind you of the long-felt and urgent necessity of enacting measures to promote economy and efficiency in the administration of government. It is natural for the people of the State to look to the Chief Executive for leadership along this line and to hold him responsible for the economical and efficiency administration of government; and yet it is well known to you that the Governor has surprisingly little direct and effectual control over the administration of the affairs of the State. Therefore, it will be my purpose to submit to you from time to time measures which will enable me to more effectually discharge my duties as the Chief Executive of the State. The measures which I shall propose are not inspired by selfish motives or by any personal desire for more power, but are prompted solely by the desire that the Governor shall be given the power and control over the administration of state government that is commensurate with the responsibility imposed upon him by virtue of his office. Furthermore, most of the measures to be proposed are not newly conceived ideas but have been repeatedly advocated by governors of this State.

With these considerations in mind, I recommend at this time the enactment of two measures, which are being transmitted herewith and are described briefly, as follows:

1. A budgetary control bill for an act to amend Sections 67-808 and 67-809, Oregon Code 1930, and to add to Chapter VII, Title LXVII, Oregon Code 1930, a new section to be designated as Section 67-810 requiring all state officers or agencies named, except the Secretary of State, State Treasurer, the Supreme Court and the Circuit Courts, to submit to the Governor estimates to and for the approval of the Governor; granting to the Governor or budget director under his direction power to revise, rearrange consolidate or transfer items contained in such estimates and the function of the executive and administrative departments and limiting expenditures to the amounts approved.
2. A bill for an act requiring all fees, fines, penalties, interest and moneys of whatsoever kind and character collected or received by all departments, boards, commissions and officers of the State of Oregon to be placed in the general fund of the State, requiring all disbursements thereof to be made by specific appropriation by the legislative assembly, with certain exceptions, and repealing all acts and parts of acts in conflict herewith and declaring an emergency.

Respectfully yours,

CHARLES H. MARTIN,
Governor

January 15, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

The financial stability of our public school system and the opportunities for improvement in the administration thereof are matters deserving of continuous public concern. No doubt many measures will be presented for your consideration dealing with the problems now confronting a multitude of school districts in this State.

There is a growing tendency in other states, as well as Oregon, towards centralization of responsibility for the operation of schools. This tendency has manifested itself in Oregon under recent years through the urgent appeal of distressed school districts for financial support from state sources of taxation and through the universal cry of property owners for some relief from the burden of taxes. Experience has proved that no marked degree of economy, financial stability or education leadership can be attained under a system of a multiplicity of small independent, and often conflicting, tax-levying school districts.

In Oregon, we are confronted with the situation of having expended in 1934, even on greatly reduced budgets, about \$16,914,000 of property taxes through some 2,200 different school districts. Under this system, flagrant inequalities have developed, both in the cost of, and the facilities afforded for, common school education. Samples of such inequalities are:

A tax levy in mills of .3 in one district and 25.4 in another of Tillamook county; a tax per pupil enrolled of \$5.41 in one district and \$689.41 in another of Douglas county; a tax per teacher of \$17.68 in one district and \$7,838.32 in another of Lane county; assessed valuation per pupil of \$1,004.11 in one district and \$95,126.49 in another of Clackamas County; assessed valuation per teacher of \$34,475 in one district and \$883,887 in another of Umatilla County.

Ever since 1921, Oregon has had an optional county school district law, but only four counties in the State have adopted this unified plan of school administration. Comparisons indicate that these county unit school districts have had less difficulty with tax delinquencies and have been operated more economically and efficiently than the average of the school districts in the other counties. If all of the counties had taken advantage of the county school unit law, we would have only about 75 administrative units in the place of 2,200 as at present. Each county would have one school district and in addition, all first-class districts would have remained as separate district units as at present.

The county school district plan has been uniformly endorsed by educators, and wherever it has been given a fair trial, it has resulted in better and more evenly distributed educational opportunities at a greatly reduced cost to the taxpayers. The county school district law provides for the election of a county board of school directors, in whom is vested the authority to employ a competent county superintendent of education and to administer the laws relating to the conduct of the schools in the district.

I recommend that the first thing to be done in dealing with the problems relating to our common school system is the enactment of a law amending section 35-830, Oregon Code 1930, as amended by chapter 246, Oregon Laws, 1933, known as the County School Law, so that the law shall become effective on June 15, 1936, in every county in the state unless prior to March 1, 1936, upon petition of 10 per cent of the registered voters, an election be held in a county at which a majority of the voters shall reject the law. By this amendment, the optional feature of the present law will be eliminated and it will become effective in all counties on June 15, 1936, except in the counties in which it may be rejected by a referendum vote.

A bill providing for this amendment is transmitted herewith.

In Utah, where the county plan of school administration has been in operation for twenty years, the cost per pupil is 30 per cent lower than the cost in Oregon. Therefore, it is not unreasonable to estimate that under a statewide county plan of school administration, a saving of at least \$3,000,000 in property taxes can be obtained within a short time. Furthermore, the adoption of such a plan would render it more feasible for the State to assist the enlarged school districts in the solution of their financial problems.

Respectfully yours,

CHARLES H. MARTIN,
Governor

January 15, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

In conformity with my pledge to the people that, if elected Governor, I would initiate a 10-year program for the advancement of Oregon through a development of its natural resources for the common benefit and enjoyment of her people, I recommend the enactment of a law creating a State Planning Board. A measure to accomplish this purpose is transmitted herewith for your consideration.

In order to formulate a worth-while and long-range program for the progressive and systematic development of the resources of our state and to place Oregon definitely in line with the National Recovery Program and the policies of the President of the United States, the scope of the duties and function of the State Planning Board of necessity have been made broad and diverse. The research required for intelligent planning will entail the expenditure of a substantial sum of money; but it is expected that the investment so made will soon bring to the people of Oregon returns far more valuable and far-reaching in their benefits.

In January, 1933, several month before the enactment by Congress of the National Recovery Act, the Thirty-seventh Legislative Assembly of the state enacted law, Chapter 423, Oregon Laws, 1933, by which a State Reconstruction Advisory Board was created, and a fund of \$30,000 was appropriated to be used for expenses and as a revolving fund to aid the state and its municipalities in obtaining the maximum benefits from the public works program then in progress under the supervision of the United States Reconstruction Finance Corporation and under any similar federal agency thereafter created. Approximately one-half of said fund is still available for the further promotion of public works program. Accordingly, the measure submitted for your consideration contains a provision consolidating the duties and functions of the Reconstruction Advisory Board with those of the new State Planning Board, and transferring to the State Planning Board the unexpended balance of said appropriation, together with all the property, assets, records and equipment of said board.

It is my desire that the State Planning Board from time to time shall submit reports and recommendation to the Governor covering the executive, legislative and administrative procedure necessary to conserve, develop and expand the uses of all resources of the state by coordinated plans and policies. I refer to plans for the use of Oregon's basic resources of food stuffs, timber, wood products, flax, clay and minerals; plans for the fullest use of power, land resources, water resources, transportation and housing; for the purification of the streams and waters; for reforestation and prevention of fires; for the elimination of submarginal lands from agricultural use; for the consolidation of expensive governmental duplication; for a sounder fiscal policy for the state; for better educational, health and social facilities, and for the all-important long-time budgeted planning of future public works; and for the improvement of the public health, safety, morals and general welfare.

I request the Legislature to share with me in initiating this movement that I believe holds much in store for the good of this state an its people.

CHARLES H. MARTIN,
Governor of Oregon.

January 16, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

Chapter 156, Oregon Laws, 1933, provides that cities may refund by ordinance maturing bonds for the payment of which funds are not available, and that it is not necessary that city charters be amended to

permit of the refunding of such bonds. The Supreme Court of Oregon has upheld the constitutionality of this refunding act. The law, however, does not authorize the issuance of callable refunding bonds.

I have been advised that, in order to prevent defaults in the payment of maturing bonds, some of the cities in the state were compelled to refund their bonds during the recent period of high interest rates, by issuing refunding bonds bearing interest at the rate of 6 per cent per annum. These same cities today could issue refunding bonds with much lower interest rates. It is impossible, however, for them to call the refunding bonds, which they recently issued at the high interest rates, and they, therefore, must continue to pay such rates until the bonds are retired. In my opinion, this imposes an unnecessary burden upon the taxpayers of cities having to refund their bonds during periods of high money rates. The refunding of the Fourth Liberty Loan bonds of the Federal Government with bonds bearing interest at considerably lower rates affords an excellent example of the saving which may be effected through the issuance of callable bonds. I, therefore, recommend that Chapter 156, Oregon Laws, 1933, be amended so as to permit cities to issue, by ordinance, refunding bonds with callable provisions. This will permit cities to refund their bonds at interest rates prevailing at the time of issuance of the refunding bonds, and later to call and refund the bonds by ordinance, during period of low interest rates, and will also permit cities to take advantage of existing low interest rates by refunding their outstanding callable bonds.

REFUNDING OF BANCROFT IMPROVEMENT BONDS

There are now outstanding approximately \$13,000,000 of Bancroft Improvement bonds of cities in Oregon. Most of these bonds bear interest at the rate of 6 per cent per annum. The bonds, with the exception of those issued by the City of Portland, became subject to redemption one year after the dates upon which they were issued. The improvements bonds of the City of Portland became callable three years after the issue dates. It was the intention at the time of issuance of the bonds to call and retire them from the proceeds of collections of property assessments pursuant to which the bonds were issued.

Since payments of assessments and interest thereon, except through refinancing of home mortgages by the Home Owners Loan Corporation, have been materially reduced, the improvement bonds in most cases have overrun their estimated retirement dates.

The calling and refunding of the improvement bonds during the present period of low interest rates would result in a material saving to the communities concerned—estimated at approximately \$100,000 per year. I accordingly recommend that legislation be enacted permitting cities to call and refund outstanding improvement bonds that have overrun their estimated dates of redemption, by issuing, in lieu thereof, serial refunding improvement bonds. The act authorizing such refunding should provide that, at the option of the governing body of the issuing municipality, the refunding bonds may be issued with the right to call them after a certain date following the issue date of the bonds. Then, should the assessment pursuant to which the original Bancroft bonds were issued be paid in greater volume than was anticipated at the time the refunding bonds were issued, or should interest rates decline still further, the refunding bonds may be called and retired or again refunded with a further saving in interest.

The act should carry an emergency clause in order that certain cities now facing problems of refunding outstanding bonds may reap the benefits of this proposal.

CHARLES H. MARTIN
Governor of Oregon.

January 21, 1935

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentleman:

There are in Eastern Oregon 12,000,000 acres of unreserved and unappropriated public domain owned by the federal government, which land up to the present has been subject to not control and which has produced no revenue to either county, state or nation. This land will, however, be brought under control by the Taylor Act passed by the last session of Congress.

In the meanwhile, the state of Oregon owns 800,000 acres of vacant, unleashed and unsold land interspersed with the public domain. The counties in this area also own 700,000 acres of vacant, unleashed and unsold land, likewise interspersed with the public domain. The aforesaid state and county lands are now producing no revenue and are only an expense.

The Director of the National Grazing Service, Mr. F.R. Carpenter, has recently been in conference with the Eastern Oregon cattle and sheep men and has suggested changes in and additions to our state legislation which will make it possible to integrate his service with the beneficiary counties and areas of this state.

I have been advised by members of the legislature from Eastern Oregon that such legislation will be of material economic benefit to the agricultural and livestock industry in that section of the state, and will result in a saving to the taxpayers.

The following legislation is proposed:

1. An act authorizing county courts to grant an option to purchase, contract to sell and convey, or donate real property owned by the county to the state of Oregon or to the United States.
2. An act authorizing counties to exchange lands with private individuals, partnerships or corporations.
3. An amendment to Section 1 of Chapter 198, Oregon Laws, 1933, authorizing county courts to lease county-owned lands for a maximum of 10 years, instead of five years as at present.
4. An act permitting the county to quiet title on large blocks of county-owned tax title lands in one legal proceeding instead of requiring as at present a separate suit for each tract.
5. An act permitting county courts to zone grazing lands.
6. An act authorizing county courts to cancel overdue taxes, interest and penalties on privately owned land deeded to the state of Oregon or the federal government.

I respectfully urge the immediate enactment of the above proposed legislation being submitted to you as a step in rehabilitating the income producing possibilities of certain of our Oregon counties.

Respectfully yours,

CHARLES H. MARTIN,
Governor

January 16, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

I have received today a letter from C.C. Hockley, State Engineer for Oregon of the Federal Public Works Administration, enclosing a letter received by Mr. Hockley from Harold L. Ickes, Secretary of the Interior, who is in charge of the Federal Emergency Administration of Public Works throughout the Nation. Copies of these letters are herewith enclosed.

As shown in this correspondence the National Government requests that a survey be made of available projects which might be useful in connection with the President's program which might be useful in connection with the President's program for work relief and development of natural resources in Oregon. This report must be in Washington, D.C., by March 1, and accordingly the survey must be completed within the next 30 days. These communications show the paramount necessity of the immediate enactment of the proposed legislation establishing a State Planning Board in Oregon. I have requested the unofficial Planning Committee previously designated by me to continue its service to the State, but in order that the full benefit to our people of Federal aid may be obtained, an official State Planning Board should be established and be given funds with which to do its necessary and vital work.

I therefore respectfully urge the immediate enactment of the proposed legislation previously submitted to you in connection with my message on the State Planning Board.

CHARLES H. MARTIN,
Governor of Oregon.

(COPY)
Federal Emergency Administration of Public works State Engineer
Honorable Charles H. Martin Portland, Oregon
Governor

January 15, 1935.

Salem, Oregon Secretary of State

Subject: State PWA Project Survey

Dear Governor Martin:

We have today received a letter from Secretary Harold L. Ickes, requesting that this office make a survey of the available projects, which would be useful in connection with the President's Program for work relief and development of the natural resources in the state.

This report must be in Washington by March 1, and therefore, the survey should be completed by February 15.

I would be glad to discuss this matter with you at any time that would suit your convenience and the attached letter which went out today may interest you as it was forwarded to the State Planning Board which was appointed by Governor Meier, and which Board you may wish to replace or alter.

This Board at present consists of: C.M. Thomas (Chairman), H.F. Cabell, D.O. Hood, Frank Dillard, R.H. Baldock, C.E. Stricklin, L. Cornemiller, V.B. Stanbery, State Planning Consultant

Awaiting your word in the matter, I am

Yours very truly,

C.C. Hockley
State Engineer for Oregon.
Public Works administration
CCH:D
Enclosure
(COPY)
P.W. 25559
Federal Emergency Administration of Public Works
Washington D.C.,

January 9, 1935.

To State Engineers, P.W.A.

In order to secure an inventory of available projects, both Federal and non-Federal, before March 1, which might be useful in connection with the President's program for work relief and development of natural resources, you are requested to communicate immediately with the State Planning Board in your State and with the State Planning Consultant assigned to that board by the National Resources Board. (See attached letters)

In brief, it is proposed to utilize the State Planning Boards in the same manner as the former State Advisory Boards, either with the State Board acting as a whole or through a works committee. We are prepared to pay travel and \$5 per day subsistence to members of the works committees when engaged on this project. You are authorized to employ two or three additional special assistants on Field Agreement forms, in collaboration in each instance with the State Planning Consultant of the National Resources Board. The total cost of for extra salaries and all extra expenses in connection with this work, outside of what you can make available through your regular staff or can secure from the State Planning Board, must not exceed \$2,000 for the six-week period.

Forms for reporting projects are being prepared and will be sent you within the next few days, and in the meanwhile we hope that you can get the organization and relations with the State Planning Boards set up so as to begin work promptly when the forms are available.

Harold L. Ickes
Administrator

January 23, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

In accordance with my pledge to place Oregon definitely in line with the national recovery program and the policies of the President of the United States, I herewith submit to you a draft of a proposed Oregon State Recovery Act and recommend it to you for favorable actions.

This is the model act prepared by the National Recovery Administration and recommended by the National Administration for adoption by the several states. It coordinates state and national programs for the rehabilitation of business and industry.

The Council of Code Authorities and the Trade Associations of Oregon are supporting this recovery act because it permits businessmen in the state to cooperate more fully with the President in his program of national recovery.

Specifically, the act will guarantee better code enforcement through utilization of state courts, bring intrastate business directly under code jurisdiction and permit the few uncodified trades and industries, together with their employees, to participate in the benefits of state codes of fair competition.

Every code authority and every trade association of which I have knowledge desires the State Recovery Act. A list of these supporting groups is attached hereto. I am informed that the American Federation of Labor is supporting, in every state where legislatures are in session, the State Recovery Act drafted by the National Recovery Administration.

I am hopeful that this State Recovery Act, which I am convinced, is essentially fair to the public, to the employee and to the employers, will be enacted by the Oregon State Legislature.

Respectfully yours,

CHARLES H. MARTIN,
Governor

January 28, 1935

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

Reform of our legal system for many years, has invited the serious thought and attention not only of the legal profession itself but of our thinking citizens.

In September 1933, Governor Meier appointed a committee to study the Oregon laws governing judicial procedure, with the request that they recommend to the 1935 legislative assembly proposals for improvement. This committee, consisting of prominent lawyers, judges and laymen, after careful study, has prepared and submitted a report, which we commend to your attention.

In its report the committee has included two proposed constitutional amendments and eleven proposed bills, which are required in order to effect the necessary reforms in judicial procedure.

Also there will be introduced two companion bills, proposed by a committee of the Multnomah County Bar Association:

1. Conferring upon the District Court of that county limited equitable powers sufficient to enable it to pass upon and enforce all of the rights of the parties, equitable as well as legal, involved in an action properly before it.
2. Changing the method of appeal to the Circuit Court so as to do away with the necessity of two trials of the same cause, frequently by a jury in each court.

These improvements in procedure will add materially to the usefulness of the District Court in serving its primary purpose of affording litigants of moderate means complete and adequate trials, at a minimum of expense, in controversies involving comparatively small amounts, besides saving the county the needless

expense of duplicated trials and relieving congestion in the Circuit Court. At the present time, trials in the District Court are too often sham battles preliminary to a contemplated appeal to the Circuit Court.

I, therefore, commend these measures to your favorable consideration.

Very truly yours,

CHARLES H. MARTIN,
Governor

January 29, 1935.

To the Honorable President and Members of the State Senate and to the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

The financial condition of this State is far from satisfactory, not because of lack of revenue, but because of waste and extravagance. While our poor are crying out for relief and our rural schools begging for help, we witness the spectacle of many boards and commissions collecting and squandering thousands of needed dollars in support of greedy and incompetent politicians.

The aim of House Bill No. 1 is to correct some of the abuses, yet we find the beneficiaries of the existing indefensible system flooding the legislature with protests against its passage. The fees paid to the Fish and Game Commissions are not paid by a coterie of cushion chair sportsmen, members of some small league that assumes to speak for the hunters and fishermen of this State; they are paid by thousands of sportsmen who are not interested in politics, but in the protection and preservation of our wild life.

Last night we witnessed the spectacle of politicians appearing before one of your committees for the purpose of defeating House Bill No. 1—politicians who have been milking the fund during the past four years. These gentlemen brazenly defend their action but offered not one word in justification of their conduct.

The fish and game funds must, and will, go to the propagation of fish and game; they will go to feed the fish, not politicians. The day of politics, waste and extravagance is past. You and I are pledged to correct all such abuses. I proposed to keep that pledge.

I have no desire to divert the funds of any board or commission. I aim only to conserve them for intended use. I insist, however, that the free and uncontrolled spending of such funds must cease; that such expenditures should be controlled by a higher authority; that the requirements of all such boards and commissioners should be disclosed in advance and properly budgeted. In no other way can waste and extravagance be prevented. I hope to promote economy through orderly methods and, in the name of the suffering taxpayers, appeal to you for cooperation. May I have it?

Respectfully yours,

CHARLES H. MARTIN,
Governor

February 5, 1925

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

As a result of the depression generally, coupled with the terrible drought conditions affecting the agricultural centers of the middle states, there has been and will continue to be an emigration of people from the stricken areas to the Pacific Northwest. Oregon must look forward to the further development of its natural resources that these home seekers, together with our own people, might take advantage of the many opportunities this great state has to offer.

I am advised that within the boundaries of the Willamette Valley there are several million acres of agricultural lands susceptible for improvement by irrigation and drainage. Of this area several hundred thousand acres might be irrigated and drainage work constructed without the added expense of clearing, road building, and other things, which accompany the reclamation of raw lands.

Although irrigation has not been practiced extensively within the Willamette Valley, I am informed that experience has demonstrated such practice feasible and economically sound. By the use of proper irrigation methods applied to the raising of certain crops the production per acre has been doubled.

Considering the transportation facilities which are available for the carrying of the produce to the markets, the fertility of the soil, the diversity of crops which can be raised, and the absence of destructive climatic conditions which are so hazardous to so many agriculture centers, I believe the Willamette Valley has possibilities of becoming one of the most productive sections in the western states.

If this development is to take place, it should be done in units rather than as a whole. It should and must be done in an orderly and cautious manner. We cannot go ahead blindly. That we may avoid the costly mistakes made during the early development of irrigation projects, certain studies and investigations should be made to determine the cost of construction of necessary irrigation works and the availability of an adequate water supply. In this connection particular attention should be given to the possibilities of the storage of water in reservoirs. Each year the uncontrolled floor waters of our streams cause thousands of dollars damage to the abutting property owners. Proper storage facilities would to a great extent eliminate this damage and at the same time supply water for irrigation purposes during the dry season.

The further development of the Willamette Valley by the aid of irrigation would undoubtedly result in an increase of population and add to the material wealth of this great state. I recommend that this legislative body cause to be enacted a bill providing for the appropriation of \$7,500, the proceeds of which, together with any available federal funds, to be used in making detailed surveys, studies and investigations for the first unit of the Willamette Valley project.

A bill to accomplish this purpose, approved by the State Planning Board, will be introduced. I request that it be given your favorable consideration.

Respectfully yours,

CHARLES H. MARTIN,
Governor

February 5, 1935

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

Two years ago Oregon war veterans, recognizing the serious plight of our taxpayers, presented through the American Legion to the Thirty-seventh Legislative Assembly an amendment to the World War Veterans State Aid Act adjusting interest rates and appraisals for a period of two year, expiring June 30, 1935.

Conditions which led to this splendid cooperation on the part of our veterans have not materially changed in the past two years. It is for this reason that the State Board of Control, after a conference with the World War Veterans State Aid Commission, recommends as desirable the continuation for another two-year period of restrictions on State Aid Commission loans.

Such legislation will make it possible for the Commission to meet its bond service requirements for the biennium without an increase in the millage tax or other addition to the taxpayers' load, which would not be justified at this time.

I therefore respectfully urge upon your honorable body the early enactment of legislation, which will carry out the intent of this message.

Respectfully yours,

CHARLES H. MARTIN,
Governor

February 5, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

I am transferring herewith a letter just received by air mail from Hon. Harold L. Ickes, Federal Emergency Administrator of Public Works, at Washington, D C., enclosing the attached 15 bills prepared by the legal division of the Public Works Administration in Washington. These bills are designed for the purpose of enabling the State of Oregon, its municipalities and other legal subdivisions, to obtain full benefit of loans and grants that may be made available by Congress through the Federal Emergency Administration of Public Works.

There has been no opportunity to examine these proposed bills in detail, and, therefore, I am not in a position to make specific recommendations except to say that they should receive your careful consideration. Your attention is called to the fact that Mr. Ickes suggests that the bills be submitted to the Attorney General of the State for examination and approval as to their form and constitutionality. The committee to which the bills are referred will be in a position to follow out this suggestion before the bills are actually introduced.

Particular attention is called to the last four of the proposed bills, providing for the creation of power districts and rural electrification authorities, for the purpose of promoting the fullest possible use of electric energy in the state by making it available at the lowest cost, consistent with sound economy and prudent management. The creation of these authorities and power districts will enable them to borrow money from the Federal government against their anticipated revenues without placing the taxing power back to the districts and authorities so created. These measures should receive careful consideration as affording an opportunity to fit the program of the State in with the apparent program of the Federal Government with reference to the utilization of power to be developed at Bonneville and other places.

Cordially yours,

CHARLES H. MARTIN,
Governor.

February 20, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighty Legislative Assembly.

Gentlemen:

It has come to my attention since assuming the duties of the office of Governor that the State of Oregon has no adequate and systematic plan or property control, which is vitally necessary to the successful management of any large business enterprise. To my surprise I find that with few exceptions none of the state departments keeps a systematic inventory of its supplies, materials and equipment and that there is no central agency through which the surplus supplies and equipment of one department may be transferred to another department for utilization.

The State maintains in the Board of Control a central purchasing department, yet in most instances the purchasing department has no record of the supplies, materials and equipment used, usable or obsolete, in the hands of the department for which it is buying. Few records are kept of most articles purchased to show how, where and by whom they are utilized or what finally becomes of them.

In many instances, I am informed, purchases are made for one department of the articles possessed by other departments but not in use. A central exchange system to meet this situation should be established. It would effect a saving for the state and result in economies to the departments affected. Such a plan would also permit of an advantageous disposal of obsolete or junked equipment.

The advantages incident to such a system of perpetual inventories is well demonstrated by the State Highway Department, which adopted such a plan fashioned upon the one in the state of Wyoming and the United States Army three years ago. As a result purchases by that department of maintenance equipment, supplies and materials have been reduced from more than \$700,000 in 1931 to \$370,000 in 1934, a saving of \$330,000 a year. This in the face of a large increase in the mileage of roads maintained and a correspondingly large amount of new construction financed by federal money but requiring substantial outlays by the department for equipment.

I am advised by the State Highway Engineer that in its operation the property control system has resulted in an average saving of more than \$100,000 a year at an overhead outlay of only \$6,000 a year. For an additional \$10,000 a year such a system, centralized in the Board of Control, could be extended to embrace all state departments and would result in a saving of not less than \$250,000 annually to the state.

I have discussed this proposal with the other members of the Board of Control and they join me in urging immediate enactment of legislation authorizing the Board of Control to establish such a general property control system. To facilitate the matter at this late hour of your deliberations I herewith transmit a suggested bill with the request that it be given immediate consideration.

Very truly yours,

CHARLES H. MARTIN,
Governor

February 26, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

The laws of Oregon now provide that the Secretary of State shall prescribe a uniform system of accounting for all municipal corporations. The law, however, does not compel the municipalities and other state governmental bodies to adopt the uniform system set up by the Secretary of State. There is very little uniformity in the present method of accounting by the various counties, school districts, municipalities and other bodies. Audits in most cases are now made by private auditing concerns at considerable expense to the various local governmental bodies. The bill herein proposed requires the Secretary of State to make annual audits of all counties, school districts and certain other local governmental bodies. Cities and towns may ask the Secretary of State to audit their accounts and thereby come under the terms of the proposed law.

I am advised that a uniform accounting system, with the work done by the office of the Secretary of State, will cut the auditing cost of such local bodies virtually in half, and provide a uniform system for all such bodies. In addition to the economies effected, the fact that all such bodies are brought under a uniform accounting system will improve greatly the standing of bonds issued by counties, school districts and other municipal corporations. This measure is highly desirable from the standpoint of economy, efficiency and strengthening the market for our local government bonds.

This measure carries an appropriation of \$15,000. However this is a revolving fund, which will be self-liquidating over a reasonably short period of time. The Secretary of State will add a small charge to the cost of all audits for the purposes of retiring this appropriation. The cost of making the audits will be charged against the various bodies so audited, and will be no additional expense to the state government.

I urge its passage immediately.

Cordially yours,

CHARLES H. MARTIN,
Governor

March 4, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

I hand you herewith a bill proposing enactment of legislation enabling the governor to effect important economies and increase efficiency through consolidating certain departmental administrative functions under the appointive power of the governor. This bill neither proposes nor contemplates enactment of an extensive cabinet system of state government. In view of the extensive research and study necessary to the creation of a practical cabinet system, I have decided against proposing legislation going that far at this time.

The transfers and consolidations requested in this measure, with several minor exceptions, affect only functions now under the direct appointive power of the governor. Under our present cumbersome and inflexible system whereby so much administrative authority is vested in innumerable boards and commissions, the governor loses direct contact and control over the administration of most of the important

duties after such appointments are made. However, I am not seeking to abolish entirely our present system of boards and commissions at this time, but merely seek authority to bring them under more direct administrative control of the chief executive in the best interests of economy and efficiency. As it is now, the governor has all the responsibility but lacks the proper control over his own appointments to properly meet such responsibility and fulfill pledges made to the people of more economical and improved management of the state's affairs.

Much time and careful study have been given to the results possible in the preparation of this measure, and I feel convinced that its enactment will support to a considerable extent at least, the estimated savings possible to be made. No additional appropriations are requested or required to effect the changes recommended and no new services are proposed.

While the activities of some of the boards and commissions involved would be reduced, and in several instances suspended, the majority of them, however, are continued in their proper advisory capacity. The spending power of the various boards and commissions and other state agencies would be restricted and the authority to commit the state to expense and indebtedness materially reduced.

We have too many high-salaried officials and commissioners supervising or doing work that should be done by deputies and other subordinates. By transferring and consolidating under one director some of the administrative functions now performed by various high-salaried officials, costs can be materially reduced and efficiency increased; by reducing the necessity for so many expensive officials many office duties and much office space can be combined without sacrificing any of the services now being performed.

Under the terms of this measure all appropriations and fees accruing to the agencies proposed to be transferred and consolidated, will follow such transfers of such consolidations and remain to the credit of all such agencies as now constituted. Nothing contained in this measure affects the office of any elective officials, excepting the governor, or the duties of such officials to any important extent. The Board of Control is continued substantially in its present authority. Such minor changes recommended in the administration of several state institutions are in the best interests of those institutions and are not in my opinion open to serious question.

The authority requested through this measure is the most important means by which I can accomplish the program of economy and efficiency, which I have promised the people of our state. It is, therefore, vitally important that this bill be enacted in order that these pledges be redeemed.

In view of the tremendous demands being made upon the resources of the state government, as well as all of the local governments, by reason of continued economic distress, every possible economy and saving must be effected if we are to meet these demands without burdening our people with additional and unreasonable taxation. I am still of the opinion that the state government can meet its share of these demands within its present revenues under businesslike administration of its affairs and I urge your cooperation to this end through the passage of this measure.

Very truly yours,

CHARLES H. MARTIN,
Governor

P.S. This bill is being introduced in the Senate.

February 26, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

Gentlemen:

Management of our forests according to sound principles of conservation is absolutely essential to the permanent prosperity of the state of Oregon. It will be my purpose as governor to lend every effort to bring about such constructive modifications of our law as will tend to convert the vast timber resource of our state into a permanent asset of sustained yield, instead of one to be wastefully liquidated without regard to the future of our state.

Up until the present time, we have treated our forests largely as a mine to be "high-graded" and wasted instead of a renewable resource, which can be made to serve our people for all time.

President Roosevelt, through the national lumber code and through federal forest policies, has shown us the way to sustained yield forest management. I take the liberty of quoting from a letter, which I received from the President on January 14:

"Maintenance of our forests and the industries dependent upon them, which in normal times afford employment to large numbers of our people, is very vital to the welfare of every state. It is also essential for the permanent recovery of our country. It was with this in mind that I insisted that there be included in the lumber code a specific provision for forest conservation.

"Some of the provisions of the lumber code cannot be carried out effectively without federal and state legislation in the matter of protecting the forests against fire, insects, and disease, adjustment of forest taxation, taking over tax delinquent forest land for state or other public forests, other suitable measures to increase public ownership, and encouragement of better management of private forest.

"I intend to submit to congress recommendations for legislation looking toward this need, so far as it comes within the scope of federal action. There are, however, several measures that come within the jurisdiction of the individual states. Among these are measures dealing with taxation of forests, tax delinquency, forest fire laws, cooperation between the state forest agencies and forest owners in developing and maintaining permanent local forest industries and communities, and other measures falling within the police power of the states.

"In developing such a forest program, I solicit the closes cooperation between the state authorities and the federal forest service."

Sustained yield forest management means permanent communities, permanent payrolls and permanent industries; present tendencies are in exactly the opposite direction.

There is or presently will be before you proposed legislation prepared by the cooperating forest agencies of the state and the federal government, which should receive your careful consideration. They are summarized briefly as follows:

1. A deferred timber tax plan which in reality is a provision for federal credit to non-operating timberland owners. Its purpose is to relieve the present pressure to liquidate these properties
2. A provision for official state recognition of forest properties managed for sustained yield production. Its purpose is to encourage the formation of sustained yield forest units.
3. A proposal for state authority for federal acquisition. Its purpose is to authorize the federal government to acquire such forest land as cannot remain in private ownership, due to the fact that it will have to be held for so many years before it can produce an income and which will round out the present federal holdings into units that will naturally lend themselves to sustained yield forest management.

4. A proposal for forest zoning, the purpose of which is to discourage isolated agricultural or attempted agricultural development of lands primarily suited for forest crop production and to reduce expenditures for roads, schools, relief and other public obligations occasioned by such use.

5. A provision for carrying out the agreement between the president and governor of Oregon at the time the Civilian Conservation Corps camps were established in Oregon.

6. Certain proposals which will make possible the acquisition by the state or federal government of county-owned forest lands. The purpose of these bills is to bring all our forest lands into dependable ownership—a prime requisite for sustained yield management.

Other proposals have to do with amendments of our state forest code designed to increase the insurance against losses caused by fire, insects and disease.

This may appear to you as a rather ambitious forest program, and it is. We must remove the obstacles now in the way of sustained yield forest management if we expect to substantially improve our forest practice.

I ask you to consider these proposals—not from the standpoint of what happens to suit any individual or group of our people but rather from the standpoint of what is for the greatest good of all our people for all time, and I pledge you my full cooperation on that basis.

Cordially yours,

CHARLES H. MARTIN,
Governor

November 9, 1935.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-eighth Legislative Assembly.

This is the last day of the legislative session called for the express purpose of selecting a suitable site and appropriating funds for the building of an adequate capitol for the state of Oregon.

As I have repeatedly stated, the duty in this regard rests squarely upon the shoulders of the legislative assembly. My duty as chief executive of the state ceased when I caused to be presented to the legislative assembly the results of several months of intensive investigation by the board of control, the state planning board, eminent architects, and other qualified and patriotic citizens to the state of Oregon. All of these facts have been before the legislature throughout the past 20 days. I considered it my sworn duty as chief executive to present to the legislature in as vigorous a manner as possible my conclusions in regard to the relative merits of the various sites, based upon the studies before mentioned.

The conclusion to which I arrived in this regard was that the old narrow and restricted site was totally inadequate and not in keeping with the dignity nor consistent with the prospective growth of our great state, and if the old site was used at all it must and should be supplemented by additional acreage to permit future expansion. I have been impressed from the first with the fact that the prices asked for such adjacent acreage were considerably higher than the actual value thereof. In this dilemma the possibilities of what is known as the Candalaria Heights tract came to my attention. I previously stated in my message to the legislative assembly on October 22, 1935, my personal impression of the grandeur and possibilities of such site for capitol purposes. In this regard I have not changed my mind one iota and still believe that the Candalaria Heights location is an ideal one from every point of view, and has none of the disadvantages incident to the other proposed sites.

As chief executive of the state of Oregon I feel I have performed my duty. The final decision must be and is with the legislature. The legislature has all the facts, and, if in its discretion, Candalaria Heights can not wisely be included in the proposed program, and if the proposed capitol commission, in the wisdom of the legislature, should not be granted discretion in this regard, as a good citizen I bow to this decision, realizing fully that my duties as chief executive have been fully performed.

I will call to the attention of the legislative assembly that there has been already appropriated the sum of \$60,000 to pay the expenses of this session. It would be unthinkable for the legislature to adjourn without accomplishing the purposes for which it was assembled.

CHARLES H. MARTIN,
Governor.

Governor's Special Session Message, 1935

Source: STATE OF OREGON MESSAGE OF GOVERNOR CHARLES H. MARTIN TO THE THIRTY-EIGHTH LEGISLATIVE ASSEMBLY OF OREGON SPECIAL SESSION

October 21, 1935

To the Honorable President and Members of the Senate, and to the Honorable Speaker and Members of the House of Representatives of the 38th Legislative Assembly:

I come here today to welcome you to what is probably the most important session of the state legislature since 1872. The fire which destroyed Oregon's beautiful and historic state capitol building on April 25, 1935, created a grave emergency in the life of our people and has placed a heavy burden of responsibility on the members of our present legislative assembly. There is universal agreement that a new building must be erected. Our previous state house served our people for almost 60 years. In erecting a new state house we are entitled to expect that it will endure for a century.

I have called the legislature together to convene in extraordinary session to solve this major problem. I believe the task is of such magnitude that we should devote our undivided attention to its solution and confine the deliberation of this assembly to a consideration of the erection of a capitol building for our state.

Since issuing the call for this session on October 7, 1935, I have been advised by our Attorney General that the existing state legislation is sufficient to enable our people to get the full benefits of the Federal Economic Security Act, with particular reference to old age pensions, until 1940, and that there is no emergency legislation which can not reasonably be postponed to the regular session of 1937.

Under the circumstances, therefore, it is my request, and I believe it is the wish of a great majority of our people, that the legislature devote its undivided attention to the solution of the problem at hand, namely, to consider ways and means to provide a new capitol building for the state of Oregon. In your deliberations on this vital question, may I assure you of my sympathetic cooperation and desire to aid you in the performance of your duties. The people of Oregon realize that the solution of this great problem rests squarely upon the legislative assembly, and are confident that you will decide with wisdom and discretion, having regard to the needs of our people during the coming years. It is my hope that the session may be brief and that the expenses of the session may be kept to a minimum.

When the fire came upon us, the first need was to house those departments of the state government whose quarters were destroyed, so that the routine of business might proceed. This operation, and the salvaging of unburned records, securities and equipment, were prosecuted as rapidly as circumstances would permit.

The heat of the conflagration had scarcely cooled before thought was given to disposal of the ruins or their conservation if possible. Engineers, architects and other experts employed to survey the situation unanimously reported that any attempt to utilize the badly damaged masonry would be economically

unsound and dangerous to human life. The State Emergency Relief Administration offered to supply labor for wrecking. Under the circumstances, it was decided by the State Board of Control that the best interests of the state would be served by demolishing the ruins, and this has now been done at a nominal cost.

The Federal Grant

On the day after the fire I received a gracious telegram from the President of the United States, offering his sympathy and the aid of the federal government to Oregon. Pursuant to the President's kindly offer an application was made for a grant of funds from the Public Works Administration, and with the active aid of Oregon's distinguished senior senator, Hon. Charles L. McNary, a gift of \$1,575,000 was obtained to apply towards the construction of a building. No federal funds are available for a capitol site.

The Capitol Problem

The legislature's present task is to take action on four important questions of the capitol program, namely:

Selection of the site.

Determination of the building or buildings to be constructed.

Plan of financing and provision for funds.

Method of procedure.

A very careful analysis of these problems is given in the final report of the State Planning Board on the State Capitol Building Program, dated October 21, 1935. Printed copies of this report will be found on your desks.

The first problem, that of the site, seems to be the most controversial of all. I shall, therefore, defer its discussion for a moment and consider the three other problems raised.

Buildings Needed

As to the next decision, that of purposes of the building or buildings to be erected, I am advised that the state's most urgent needs are: (1) housing for the legislature and those administrative department of government which have lost their quarters, (2) a building specially designed for the state library, and (3) a state office building to relieve the present congestion. Other buildings, which I believe justified, would be an official residence for the governor, and a state museum. I do not expect that such a complete building program can be attempted at this time, but I feel that I should mention these urgent needs because they must be faced in the near future, and we would be short-sighted to ignore them now and fail to provide space for them. It is interesting to me to note that West Virginia, after having spent \$10,000,000 on a capitol group in 1932, now finds its buildings very overcrowded, and with desks in the corridors.

Cost of Main Building

State Treasurer Rufus C. Holman advises me that the state is in a very favorable financial position, and that the next few years will see an even greater improvement in the state's finances.

How much Oregon should spend on its capitol project is a question that must be answered by the legislative assembly. The State Planning Board, after study of present needs, outlined a program requiring four and a half millions, including a capitol building, a state library and a new state office building. Another investigation by the planning board, based on average expenditures of other states for capitol buildings proper, indicated that Oregon with its present population would be justified in spending three and a half millions for the main building. On this basis the application was made to the Public Works Administration, requesting a grant of 45 percent of the total, or \$1,575,000. With unusual promptness, this very generous

gift was offered the state of Oregon. The legislatures, only present obligation for financing of the capitol building proper, if it agrees on the proposed expenditure, is to provide the 55 percent balance, \$1,925,000.

What Other States Spent

I want to point out that, on the basis of contributing \$1,925,000, Oregon would be spending less on its capitol building than any other state in recent times, excepting three, and far less than the average. The costs of state capitols built since 1912 are as follows:

Arkansas (built in 1912) \$2,500,000

Idaho (built in 1912) \$2,290,000

Montana (built in 1912) \$490,000

Utah (built in 1916) \$2,739,500

Missouri (built in 1917) \$3,775,000

Oklahoma (built in 1917) \$1,500,000

Wisconsin (built in 1917) \$7,203,800

Wyoming (built in 1917) \$402,500

Washington (built in 1928) \$6,554,000

Nebraska (built in 1932) \$3,000,000

West Virginia (built in 1932) \$10,000,000

North Dakota (built in 1934) \$1,996,500

The average cost of these last 13 capitols is about 4 millions.

From these figures it is evident that Oregon, proceeding on a \$3,500,000 program, with almost half of this amount granted outright by the federal government, would be following an extremely economical, modest program.

Capitol Financing

After consultation with the state treasurer, the attorney general and the federal authorities, I am happy to advise that the state's 55 percent share of the \$3,500,000 for the building can be provided out of the general fund of the state as follows: \$650,000 for the year 1936; \$650,000 for the year 1937; \$625,000 for the year 1938, making a total of \$1,925,000.

As an alternative proposition I suggest that this sum be secured from the liquor revenues of the state. I am advised by the Oregon Liquor Control Commission that the estimated net revenues of the commission for the three months of October, November and December, 1935, and for the years 1936, 1937, 1938 and 1939 are \$7,411,000. After deducting outstanding indebtedness, there is over \$6,000,000 available for the uses of the state over that period. Under the existing law the net revenues are temporarily diverted to relief purposes for the current biennium, but, as the relief burden will be very substantially reduced by the President's work relief program, I believe that the entire financing of the state's share of the capitol building and the purchase of a suitable site can be had from the liquor revenues. This would mean that the entire

capitol project could be financed without adding one dollar to the state's debt within the meaning of the constitutional limitation, nor would it to the slightest degree add to the tax levy burden which is now so seriously depleting the resources of our taxpayers.

Capitol Commission

Referring to the method of procedure in erecting a sat capitol, I recommend that the legislature create a non-political capitol commission of five competent and outstanding citizens, the members to be appointed by the governor and the commission to be fully empowered to act.

Capitol Site

I come now to what in my opinion is the most important decision to be made, namely, the site for the future capitol program. This decision is vital because upon it all future developments depend. By thoughtful action now this assembly may save our people millions of dollars of expenditure at a later time; by a hasty, prejudiced, or ill-advised vote, it may give the state an impossible problem from which it will suffer for generations and only partially be solved by the expenditure of large sums in the comparatively near future. I have received a mass of overwhelming evidence from other states of this Union who have bitterly regretted the mistakes of earliest generations, ---mistakes for which they have had to pay dearly and continue to pay for now.

I have one broad recommendation to make on this matter of the site. The state of Oregon, for which this legislature now has full responsibility, should have an adequate site, regardless of its location, for the development of future buildings.

Capitol Sites of Other States

Miss Mirpah G. Blair, assistant librarian, under the personal direction of Miss Harriet C. Long, our state librarian, has prepared a very careful and accurate compilation of other state capitol buildings and their sites in this country. I believe you will find this report on your desks at the present time. This statement presents an idea of what other states have considered proper sizes for their capitol sites. I shall mention a few. Arkansas has 43 acres, California, 40; Kansas, 20; Kentucky 30; Louisiana 27, Maine, 34; Oklahoma, 77; Pennsylvania, 42; South Dakota, 21; Texas, 25; Utah, 36; Washington, 48; West Virginia, 20; Little Delaware has 27 acres; Iowa has 93; and North Dakota, 160 acres.

Oregon's Old Site

Oregon's capitol site consists of a piece of ground 331 feet by 660 feet, containing about 5 acres. I hardly need mention to the members of this legislature, although many persons do not seem to know, that the state does not own Willson Park, which adjoins the old capitol site and lies west of Summer street. You will be pleased to know, however, that the city of Salem has generously offered to donate Willson Park to the state, subject to the rights of the Willson heirs. Whether or not the Willson heirs would consent to the erection of a state capitol building on any portion of Willson Park, or whether the erection of such a building would cause the park to revert to the Willson heirs, I am not in a position to advise. I might mention here that the city has also agreed to vacate Waverly street, which separates the old capitol site from the supreme court and state office buildings.

An article in the "Weekly Mercury" (Official Paper of the State of Oregon) Salem, Oregon—May 30, 1873, is most enlightening. Even when the old capitol site was determined on, there were misgivings as to the sufficiency of land. I quote:

"The grounds are well situated, and considering the amount of open ground immediately adjacent, and which will always be open, are ample and sightly. There is a tract of ground immediately in the rear of this

site of about five acres lately belonging to the Waldo estate which could be had at a reasonable figure for a future botanical garden, connected with the public grounds if desired.”

A Skyscraper Capitol?

At my request Mr. F.G. Hutchinson, an outstanding architect and draftsman of many years experience, of the State Highway Department, has made a drawing of a capitol building located on the original site. Copies of this drawing will be made available to the members. This drawing supports the view of all of the experts—engineers, architects and economists with whom I have consulted, namely, that were the capitol to be constructed on the old site a building of at least 25 stories would be required. Not only would such a building be completely out of keeping with the architecture and building lines of the city of Salem and of the supreme court and state office building, but it would be a very expensive type of building to erect and maintain, justified only in metropolitan centers where land is exceedingly costly.

I am informed by architects that the cost of such a skyscraper capitol would be not less than \$4,500,000. Architects advise me also that even a skyscraper needs a large architectural base, not only for good appearance, but to house various departments, such as legislative halls, which should be near the ground. The old site, with a skyscraper on it, would allow no opportunity for future expansion. It will be noted that in the Hutchinson drawing the building covers practically all of the site and goes to the very property line of Willson Park. And, even if we should decide to build a skyscraper capitol, we should provide a site large enough to let the whole beauty of it be seen. The taller the building the longer the view required, as shown by the Louisiana, the Nebraska, and the North Dakota capitols.

Furthermore, if a capitol building were erected on the old site, or in Willson Park, it would mean a virtually complete destruction of the beautiful and costly trees assembled there from all parts of the world. A description of these trees is given on pages 146 and 147 of the current issue of the state Blue Book. It will be noted that the park is the result of 46 years of devoted effort, study and care, a large part of which would be lost if a capitol were erected on the old site or in Willson Park.

To sum up, for these and various other reasons I am unalterably opposed to the erection of a capitol on the old, narrow and inadequate site.

Need Adequate Site

Many other states have been confronted, at some time in their history, by the same problem facing Oregon today. Wherever a narrow, parsimonious decision was made it was later condemned. From the mass of evidence I will cite one case, that of Kentucky. When a new capitol was decided upon, there was discussion of larger grounds, but through sentimentality and a niggardly idea of economy the old cramped site, on which the capitol had stood for a century, was adopted. Architectural planning showed that a proper development was impossible. A special session of the legislature had to be called, to purchase more land. The new site contains 40 acres. Some states, having made the same mistake, have never succeeded in rectifying it; others have done so, more or less satisfactorily, but at a very high price. All this evidence shows that with plenty of land there is everything to gain and nothing to lose.

I submit this as a business proposition: that it is better to acquire a large piece of land, improve it, and, if found too large, sell part of it at a profit, than to take too small a site and have to buy more land at a high price, due to the improvements already paid for by the citizens.

I agree with the opinion of the State Planning Board that the ground is definitely a part of the whole design—the most important part because it is the foundation. Taking this view, there is no less reason for buying land than for buying buildings. Of the two, land is the better investment because improvements enhance its value, while the very same buildings which improve it start to depreciate from the day they are finished. A present attempt at economy in land might very likely result in gross extravagance over a period of years. Such “economy” is false economy; not wisdom.

Therefore, I make this recommendation: that state funds be appropriated, as may be necessary, for the purchase of an adequate capitol site. I recommend the acquisition of a site not smaller than 25 acres, and larger if possible.

Sites Available

Several sites, which I consider adequate in size, have been proposed and are worthy of consideration. I shall mention them without describing the land in detail or the terms on which they may be acquired.

1. The Willamette University campus added to the present property; the city has generously offered to augment the tract by donating Willson Park, and vacating Waverly street.
2. The "Candalaria Heights" tract of 96 acres. In my extensive travels and views of public buildings throughout the world, this is the most commanding and attractive site for a great capitol that I have ever seen.
3. The "Capitol Hill" tract, which, though not so slightly as Candalaria Heights, has the advantage of closer proximity to the city.
4. The "Bush Pasture" tract. The State Planning Board regards this as an ideal site, but it seems impossible to acquire by reason of its present title.
5. An expansion on the north of the present site. I do not recommend this proposal unless at least six blocks are acquired and the intervening streets vacated.
6. An expansion on the east of the supreme court and state office buildings. This would require the acquisition of nine blocks and the vacation of the intervening streets.

I urge the members to visit personally each of these sites and to give each careful consideration.

The Attorney General's Opinion

In connection with these various capitol sites I must call to your attention the opinion of our attorney general to the effect that unless the seat of government is changed or enlarged by vote of the people, in the manner provided in Article XIV of the State Constitution, the capitol building must be located within the corporate limits of the city of Salem, as existing on June 6, 1864. The then corporate boundaries were fixed by the legislative act of 1862 incorporating Salem, and can be found on page 3 of the special laws of that year. The opinion, if valid, would exclude from consideration the Bust Pasture tract and the Candalaria Heights tract.

While I have the utmost respect for our able attorney general and the careful opinion which he has prepared, it is only fair to point out to you that his views are not necessarily those of the 2,300 other attorneys in the state. I quote from an opinion given me by some of the most distinguished constitutional lawyers in Oregon, who are recognized leaders of the bar of this state:

"The contention that the legislature is limited to a site within the city limits, as they were originally, assumes that the Constitution required the selection of a particular area of ground (commensurate with the limits of the city or town chosen) as the seat of government, and that pursuant to this requirement the then area of the city of Salem was made the permanent seat of government of the state.

"The opposing view is that the Constitution contemplated not the selection of a particular area of ground but of a city at or in which the buildings necessary for the conduct of the business of the state would be

located. This seems to us the natural and reasonable interpretation to be given the language of the constitutional provision.

“If the requirement of the Constitution is thus construed, we think it clear that public buildings could be located outside the city limits, provided always that the site chosen is sufficiently near so that in actual result Salem would continue to be the business headquarters of the state.

“The decision of the Supreme Court in the Klamath County case (Murdoch v. Klamath County Court, 62 Or. 483) supports this view. The court there held that the requirement for the location of a county seat ‘at the town of Linkville’, permitted the construction of the courthouse ‘near or in proximity to that place’.

“You will note, too, that the 1908 amendment to the Constitution authorizes the location of the ‘public institutions of the state’ anywhere in Marion county. The term ‘public institutions of the state’ may well be interpreted to include the capitol building; and while the 1908 amendment may not authorize the selection of a site so far from Salem that the practical result would be a change in the ‘set of government’, the amendment does evidence an intention to expand the limitations theretofore in effect with respect to the location of public buildings.

“You appreciate, of course, that the Supreme Court of the state has the last word upon this question, and that there is no exact standard applicable by which it can be determined in advance just what the answer will be. We believe, however, that in view of the 1908 amendment and the decision in the Klamath county case, the Supreme Court is likely to take a broad view of the question and to hold that the location of the capitol building upon a site near, but not necessarily within, the city limits, does not involve a change in the seat of government of the state.”

Advantages of Willamette University Site

A capitol site consisting of the Willamette University campus, the present site, and Willson Park would have these advantages:

1. It is of sufficient size.
2. Architectural studies have shown that it lends itself to adequate development in the future
3. The present supreme court and state office buildings would be conveniently accessible. These buildings have a life expectancy of at least 25 years.
4. There would be some practical advantages in its proximity to the business district of Salem.
5. Much of the surrounding property is of good value and it would tend to improve, especially if the Southern Pacific railroad through tracks on 12th street were removed to Front street.
6. The Willamette University campus can be acquired at a price which is reasonable considering all the above advantages.

The Candalaria Heights Site

As an alternate proposal, the Candalaria Heights tract offers rare opportunities. Its size, beauty, magnificent view, and striking appearance provide all that is necessary for perfect architectural development, which would in my opinion befit the great destiny of this state.

Mr. Hutchinson, under the direction of the State Planning Board, has prepared drawings for consideration of this legislature, to show possible developments of these two sites. In studying them it should be remembered that a conventional type of architecture was deliberately shown in both cases because the

drawings were primarily intended to suggest developments of the land. Other types of architecture could also be adapted to these properties, but that was considered a problem to be approached later, after acquisition of an adequate site. The architects will be able to design freely if they are allowed suitable land to work on.

Financing Purchase of Site

The total estimated cost of the 18-acre Willamette University campus is approximately \$850,000. It is the understanding that \$125,000 of this sum is to be paid by the city of Salem, leaving a balance of \$75,000. No federal funds will be available for the purchase of either of these sites.

Under the plans previously outlined the state's share of the cost of the building can be financed out of the general fund and the cost of the site out of the liquor revenues, or the cost of both can be secured from the liquor revenues.

I have gone into this capitol question fully with the desire to call to your attention the salient problems confronting the legislature for decision, and to give to you the benefit of the thought, study and research of the Board of Control, the State Planning Board, and the other officials, who have contributed so generously of their time and efforts in attempting to aid you to find a wise and far-seeing solution.

I sincerely believe that the federal government would not have offered the state of Oregon a gift of over a million and a half dollars for a capitol had it not been for the faith felt by President Roosevelt in Oregon's citizens—their energy, ambition, and great destiny. Our President believes that this state, the ninth in size and rich in resources, is on the eve of a tremendous development. After he has expressed this faith and unreservedly trusted us to spend the money with broad vision, I can not see another alternative from any viewpoint.

We must do the job and do it right. In doing so we can not be unmindful of the courage and faith of our fathers, who in 1872, when Oregon had a population of only 90,000, undertook to build our old state house at an ultimate total cost, including the cost of the dome and the porticoes, of approximately \$600,000. With a million people in Oregon today, we are entitled to demonstrate substantial progress since 1872.

I congratulate you on your opportunity to make a wise and progressive decision and pledge you my loyal and undivided support in your efforts.

In conclusion, may I quote the words of that great architect and builder, Daniel H. Burnham:

"Make no little plans, they have no magic to stir men's blood, and probably themselves will not be realized. Make big plans. Aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever-growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Let your watchword be order and your beacon beauty."

Governor's Message, 1937

Source: State of Oregon MESSAGE Of GOVERNOR CHARLES H. MARTIN To the Thirty-ninth Legislative Assembly of Oregon January 11,1937

To the Honorable President and Members of the Senate, and to the Honorable Speaker and Members of the House of Representatives of the 39th Legislative Assembly:

I welcome you to the 39th Legislative Session, and come before you to make a report on my stewardship for the past biennium. I wish to express to you my eagerness to cooperate in solving the current problems confronting the state government in the best interest of all the citizens of this great state.

Oregon has come through the depression years with flying colors. As you know, the deficit of \$1,304,290.31 which faced the state at the beginning of my administration has been converted into a surplus of approximately \$200,000. This is the first time since 1925 that the state deficit has been eliminated.

Bonded indebtedness of the state has been reduced to \$49,108,010, the lowest in 15 years. Out of this total approximately \$46,800,000 is represented by the outstanding obligations of the Oregon State Highway Commission and the World War Veterans' State Aid Commission. Both issues are self-liquidating and will be retired on schedule unless adverse action is taken.

The entire bonded debt of the state can be eliminated under the present program of retirement by 1960, provided no new bonds or obligations are incurred in the meantime.

For the first time in history, the state of Oregon will remove the property tax from real and personal property, except for the portion of the levy outside of the constitutional 6 % limitation, of which more than one-half is for the elementary school fund which is not properly a state tax in that it is collected and distributed solely within the counties. The tax levy for strictly state purposes for this year is 1.15 mills as compared with 2.86 mills in 1936. This represents a reduction of more than \$1,500,000. Due to excellent administration by the World War Veterans' State Aid Commission, the 0.5 mill levy for that commission has been waived for this year.

The state has done its part in lifting the load from the real property taxpayers in accordance with my avowed program. This has been accomplished through a constructive program of economy which has measured actual needs and demands of the state governmental agencies and provided therefore, within reason, instead of an arbitrary and unsound cutting. This has been effected through the system of budgetary control which was authorized at my request by the 38th Legislative Assembly. It demonstrates anew the wisdom of sound business correlation of governmental activities.

It is essential that the tax load be not increased at this time. Then, the people of this state may all the more enjoy the full benefit of the economic recovery and the new era of prosperity upon which we are entering as result of the great developments taking place in Oregon. I refer particularly to the Bonneville Dam and the Willamette valley projects. I am sure you will agree with me that it is sound public policy to make the cost of government as little as possible commensurate with adequate service for the benefit of the entire population.

Oregon has weathered the recent depression, and now is in the most favored position in the Pacific Coast area. Unlike neighboring states, Oregon has no deficit and no warrant indebtedness. She has substantially reduced the tax load of her citizens. She is reducing her bonded indebtedness by sound economic retirement.

This means the people of Oregon can use their money for constructive purposes, including fuller development of the varied and rich resources with which nature has so abundantly endowed this state. The future is not heavily mortgaged for things used or consumed in the past.

As I have said, Oregon rode the storm of the economic depression on an even keel. It would be the part of wisdom not to rock the boat now and thereby risk losing the preferential and favored position we hold and can enjoy.

In the November, 1936, election, the people spoke in no uncertain terms relative to constitutional and statutory changes in our governmental structure and operation. The "no" vote was emphatic. It clearly indicates that, in so far as major legislation is concerned, they desire no fundamental changes. We, as servants of the people, should observe that mandate and impose no unnecessary legislation.

I have submitted to you the state budget for the 1937-38 biennium as my recommendation for legislative enactment to insure efficient and economical operation of the state government for that period. It is a

program designed to encompass the growing needs for state participation in various activities that properly come under its purview. It is predicated on the need for providing the necessary and essential services within the revenue available. It contains, as you will note, an item of \$430,991.98 for contingencies and unforeseen demands that may arise during this legislative session. It is, in fact, a balanced budget; with estimated expenditures balanced completely against estimated revenue.

Deviations from this budget which will in any way exceed the totals thereof will either jeopardize the financial standing of the state or require legislative enactment to create new revenue sources. To impair Oregon's financial standing is unthinkable; to impose further burdens upon our already overloaded taxpayers would be deplorable.

Preparation of this budget was complicated by the fact that, from the first time in the history of the state, revenues measured by income have offset the taxation base on real property under the 6% limitation constitutional amendment. This offset has provided no new revenues and under the tax laws cannot provide for additional revenue until revenue from measured income also has offset state property taxes outside of the 6% limitation. In short, this means there is no additional source of revenue from an income tax of any kind. It also means that there is no additional money.

The tax structure of the state has demonstrated its soundness by this new phase, for it is lifting the load of taxation from the owners of property, especially the owners of small farms and city homes. I have a special regard for the owners of small farms and homes, for the rich owners can take care of themselves. I construe the November 1936, mandate of the people to mean the tax structure should not be altered or materially changed. It would be wise, I think, for all of us—as servants of the people—to heed that mandate also.

Much has been said recently about the conflict between human and property rights. Let me call your attention to the fact that human and property rights are not in conflict, but are complementary. Each contributes to the other. I implore you not to be led astray by the deceitful, false, and misleading shibboleths of demagogues who maliciously try to create economic, social and political chaos. The sole purpose of these birds who prey on the body politic is to create confusion wherein they may attain their own nefarious and selfish ends at the expense of the general public. I warn you against them, especially because they so often speak in a manner that simulates righteous indignation about sincerity.

Our American system is firmly based on the premise that we exist as a classless nation except as to individual ability to serve the community and our fellow men. We must not tolerate any activity which tends to divide the people of the nation or of this state into classes that appear hostile to each other. We must not be misled by plausible but designed arguments into enacting laws that will further the work of these destructive demagogues. We must act on behalf of, and in the interests of all of the people of the estate of Oregon, and not the organized minorities. We must combat these sinister influences with vigor and sincerity.

We must recognize that property rights exist as the result of human endeavor and activity, that without the human element property has no meaning. We must however, guard against the undue influence of the willful power of concentrated money against human rights and human enjoyment. We must set and steer a sound and sensible course that will keep us from disaster on the rocks of sappy sentimentality, and the equally dangerous reef of the greedy, vicious, vested interests opposed to the common good. We must exert our efforts to see that money is made to perform its proper function—that of serving men, instead of becoming their master.

My friends, in closing, let us dedicate ourselves to the proposition that this legislative session shall be noted for its actions and policies adopted for the good of all the people of this state as distinguished from ill-conceived measures for the benefit of small and selfishly organized groups. Let us give ourselves wholeheartedly to serving this great state so its marvelous potentialities can be developed to the maximum as quickly as possible.

Governor's Letter, 1937

SOURCE: STATE OF OREGON GOVERNORS' MESSAGES TO LEGISLATURE January 29, 1937.

To the Honorable Speaker and Members of the House of Representatives of the Thirty-ninth Legislative Assembly.

Gentlemen:

In accordance with the provisions of Article V, Section 14, of the Oregon Constitution and Section 13-1804 of the Oregon Code of 1930, I herewith am reporting to the legislative assembly all cases of reprieves, commutations and pardons granted by me since I took office as Governor. In view of the decision of the Oregon Supreme Court on January 19, 1937, in the case of *Fell v. Martin*, that "a parole is a conditional pardon", I am likewise reporting to you all parole cases.

From January 14, 1935, to date, I have granted eight commutations of sentences, 21 conditional pardons to inmates of our penitentiary, 208 paroles, 128 pardons restoring civil rights, 41 county jail conditional pardons and no reprieves. I have revoked 19 conditional pardons and 72 paroles.

Of the eight commutations, seven were cases of men sentenced to the state penitentiary for terms of six months or eight months. These penitentiary sentences were commuted to sentences in the county jail, as it is not my intention that our penitentiary shall be used by local officials as a county jail. In the eighth case, on recommendation of the sentencing judge and other officials, I commuted a sentence of 7.5 years in the penitentiary to four years after the convict on parole had demonstrated over a period of 19 months an ability to become a good citizen.

Of the 21 conditional pardons, four were granted for deportation purposes; three were granted to enable the convicts to stand trial for serious crimes committed in another state and on condition that if acquitted that should be returned to the Oregon State Penitentiary. One was hanged for murder; a second received a life sentence on a murder charge; and the third is now on trial in California. Two inmates were granted conditional pardons in order that they might receive hospital treatment and upon receiving the treatment were returned to the penitentiary. Seven sex offenders were granted conditional pardons after they had submitted to treatment prescribed by the State Board of Eugenics. Two conditional pardons were granted to enable boys of 18 years to accept forestry employment. In one case in which the sentencing judge had sent a convict to the penitentiary for failure to pay a \$250 fine, a conditional pardon was granted by me upon payment of the fine after the inmate had served half of his 3-year sentence in the penitentiary. A conditional pardon was granted also in recognition of good time to one inmate to enable him to accept work in California. The final conditional pardon was granted upon the recommendation of the trial judge and other officials to an inmate who had served nine years of a 15-year sentence and whose conduct in the penitentiary had been exemplary.

The 208 paroles were all granted on recommendation of the State Parole Board to first offenders guilty of less serious crimes. Of this number, 38 were maximum paroles in recognition of good time served and were granted after the ruling of the courts in the *Fell* case in April, 1936. Four paroles were granted after the inmates had submitted treatment prescribed by the State Board of Eugenics. Many of the paroles were given on the express condition that the inmate depart at once from the state of Oregon and not return during the life of the parole.

During the past two years I have revoked 19 conditional pardons and 72 paroles. None of the conditional pardons were granted by me and only 25 of the 72 paroles were given during my administration. These revocations were due in 95 per cent of the cases to the commission of a subsequent criminal offense while on parole or conditional pardon.

A check of the records by our very efficient parole officer, E.M. Duffy, in October 1935, disclosed that there were four prisoners in the penitentiary for the commission of subsequent criminal offense while still technically "out of parole" for a prior crime. At the same time 16 other Oregon parolees were found to be serving time in other penal institutions and 11 former inmates of the Oregon penitentiary were serving time in other penal institutions while out on conditional pardons from Oregon. These paroles and conditional pardons were at once revoked by me. The situation herein presented demonstrates the utter inadequacy of the "supervision" now being given to those receiving clemency under the existing Oregon parole system. Our state parole officer, able and conscientious as he is, cannot be expected in addition to his other important duties to maintain contacts with some 225 released criminals in a state as large as ours. It may be said definitely that once a man walks out of our penitentiary on parole or conditional pardon all effective supervision over him ceases. Lack of such supervision is false economy which is paid for by our people many times over in the cost of further criminal depredations by those receiving clemency.

First offenders who have fully completed their sentences and who have demonstrated on parole an ability to become good citizens are entitled under our system to pardons restoring their civil rights upon the expiration of the full period of sentence. On hundred twenty-eight such pardons have been granted by me during the past two years.

Included in the record are 41 county jail conditional pardons, which were granted by me uniformly on the recommendation of the sentencing judge and other officials to person guilty of minor offenses. Clemency was granted in at least half of these cases to enable the recipient to support his dependents who might otherwise become charges upon the public relief.

The following chart, showing the number of paroles and conditional pardons granted by the Governors of Oregon during the past 25 years and prepared by J.S. Murray, secretary of the State Parole Board, is of interest:

Governors Paroles/Conditional Pardons

West 504/181

Withycombe 633/162

Olcott 486/43

Ritner 28/27

Pierce 433/135

Patterson 443/25

Norblad 184/21

Meier 809/127

Martin 208/21

Totals 3,738/742

Annual Average for past 25 years 149.52/29.68

I want at this time to particularly commend the fine and devoted effort of the members of our State Parole Board, consisting of W.H. Treece, of Portland, chairman, Dr. Floyd L. Utter, of Salem, vice chairman, and my private secretary, W.L. Gosslin. No parole board in recent years has demonstrated a higher devotion to duty or greater care in protecting the public. There has been no major improvement in the Oregon parole system for more than a generation and our system is admittedly antiquated. In recommending paroles, the board is compelled to act upon inadequate information. Its decisions must therefore be based upon guesswork and as the board realized the utter inadequacy of our so-called "supervision" of parolees it has been compelled to adopt a very strict attitude in recommending paroles. Under this administration, less than one-third of those who are legally eligible for parole have been granted clemency. When it is recalled that each inmate denied parole costs our taxpayers \$250 for each year of his further incarceration, it must be apparent that the present Oregon parole system results in false economy.

One of the serious problems faced by the parole board is the variance in sentences imposed by our 28 circuit judges for essentially similar offenses. Many instances were disclosed where for practically identical crimes sentences received varied from 1 to 20 years in the state penitentiary. This system naturally creates in the minds of all thinking people the belief that those who have received the severer sentences have been unjustly treated. These evils can only be corrected by imposing upon one central authority the duty to adjust prison terms within broad limits to be determined by the trial judge. Thereby, uniform punishment will be meted out for crimes of the same degree.

Respectfully yours,

Charles H. Martin
Governor

Governor's Message, 1939

Source: MESSAGE Of Governor Charles H. Martin To the Fortieth Legislative Assembly At Salem, Oregon 1939

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives of the 40th Legislative Assembly:

It gives me great pleasure to welcome you here today in this new and beautiful capitol and to appear before you at this historic session for the final accounting of my stewardship of the past four years.

Although I am retiring from the official position of Governor, I want you all to know that I will continue to work to the utmost of my ability for the best interests of the state and all of the fine people who have made Oregon one of the most progressive commonwealths of the American Union—a state that lives up to its creed and really flies with her own wings. On completion of this ceremony I will proudly take my place in the ranks of our citizenry to labor with them for maintenance, preservation and advancement of the American principles upon which we have grown so great. I can do no less to show my appreciation for the honor bestowed on me by our people.

From the standpoint of fiscal operation, the state of Oregon occupies a most favorable position in its ability to march forward in economic development. During my administration the bonded debt load has been reduced from \$52,626,610 to \$42,041,935, or more than ten and a half million dollars. This is the lowest the bonded debt has been in the last two decades. The prompt and effective service of debt has resulted in material improvement in the state's credit standing, so that today prime Oregon bonds bring premiums of from 115 to 120, depending upon the date of maturity. This is the best credit position the state has ever had.

For the second time the state tax on real property has been eliminated. The tax was eliminated from the 1938 levy and will not be imposed in 1939. In this I have fulfilled my pledge to bring relief to the sorely

pressed taxpayers of this state. This has been accomplished in spite of an extensive building program, which included the capitol, the new library and structures at the various institutions.

For consideration of the Legislative Assembly I have prepared the Ninth Biennial Budget estimates on the fundamental principle of keeping expenditures within the revenues available under the law. This budget provides amply for operation of states activities in all phases, and will insure rendering effective service to our citizens, even though certain capital expansions have been disapproved.

Authorization of expenditures beyond the total reflected in these estimates will necessitate either the discovery of new sources of revenue or a departure from the sound business practice of pay-as-you-go and launching forth on the treacherous policy of incurring debt for current operating expenses.

The soundness of Oregon's fiscal position lies in its unimpaired credit, which will be available in the event of grave and unavoidable emergency, and the practice of meeting obligations when due.

So far as I can see there is on need to burden our people with additional taxes and thereby divert funds that would otherwise be available for development of our resources and increasing our income level from that of a raw material producing area to that of the finished products, with resulting raising of the income received by our people.

In preparation of the budget estimates every effort was made to provide amply for the state services designed to aid in promoting the economic development of our area for the benefit of all of our people.

By their mandate in the November election the people of the state made it clear they do not want additional taxes, that they are willing to tighten up their belts and operate within the means available.

One of the most vexatious problems to confront you will be that of relief and the allied aids given under the social security provisions of our law. The budget submitted calls for expenditure of \$21,953,121 for the biennium, as compared with \$14,975,576 for the past two-year period. This is an increase of approximately 50 per cent.

While we will not and cannot permit any of our people to starve or suffer from want, the mounting toll of public money for so small a fraction of our population, about 5 per cent, must be viewed with grave concern. Our thought and effort must be directed toward a solution of this problem lest our substance become exhausted.

With the exception of Multnomah County, where political expediency occupies the saddle and where the millage has reached an all-time high, the county courts and commissions' o the state have shown a fine spirit of cooperation and aid in the relief problem. They have budgeted sufficient funds to carry on the necessary work and with due regard to the taxpayer who is footing the bill.

In Multnomah county the voters clearly expressed their will against additional tax funds for relief while the funds available were being used for other purposes. This is something for members of the Legislature to ponder upon.

Effort has been made to build up support for a plan to dump more of the relief burden on the state. You all know that stat money comes from the same sources as other public money—from the people, so it is difficult to understand what would be gained by merely shifting the cost relief from one pocket to the other. Furthermore, we all know that when responsible officials are charged with expenditure of their own funds those funds are administered with greater wisdom and efficiency than when the money "belongs to somebody else". That is the prime reason why the ratio of relief burden must be maintained.

You have heard much about the niggardliness of Oregon in the matter of relief. Let me call your attention to the fact that Federal Social Security Board in September, 1938, rated Oregon in 14th place for the average amount of old age assistance paid to each beneficiary and in 15th place in the amount paid for direct relief. Federal statistics also show Oregon occupying 34th place in the amount of internal revenue collected, which indicates the ability to pay. With these figures as evidence one can only say that the spreaders of this so-called "niggardly payments" propaganda are either ignorant or actuated by political ambitions that include no regard for the truth.

In solving the relief problem we must not be swept off our feet by sloppy sentimentality, for that would be the ruination of all our people. We must face facts and deal with them courageously. We must exert our efforts toward building our state and insuring the economic welfare of our people through providing work in the development of our resources.

Allied to the problem of relief and its solution through sound economic development is the problem of labor disorder that has been prevalent in Oregon since May 1934. One of the causes of the increase in the relief load has been the unemployment of our workers resulting from strikes dictated by the labor racketeers and gangsters who would feather their own nests at the expense of the workers they are supposed to aid. Most of these strikes have been against the wishes of the majority of the union members, who have been forced to strike by brutal coercion and intimidation.

This labor vandalism, directed by false leaders who are made for power and money, has not only resulted in loss of employment and pay for thousands of loyal and patriotic union workers but has also brought a reign of violence into our community that cannot be tolerated and injury to our industries that cannot be calculated at this time. Suffice it to say that the money loss runs into the millions, and has given Oregon the doubtful honor of being the highest in matter of unemployment of all the states in the Union.

In a sincere effort to prevent recurrence of such racketeering and gangsterism and to free the laboring man from the greed and tyranny of the selfish overlords who waxed rich and powerful on the dues collected from the members, the people of this state enacted at the last general election a labor regulation bill. This measure is sound in principle. Its soundness has been amply demonstrated by its successful operation in Great Britain and Canada, for the Oregon act is the same act, with minor changes in wording to fit our Oregon system of government.

This bill was enacted by a majority of approximately 50,000 and is a clarion mandate that our people do not propose to tolerate the continuance of such deplorable conditions, which ultimately lead to a racketeer dictatorship or anarchy. By the very wording of the act the people signified their approval of the rights of legitimate labor union activities, and an intention to defend those rights with all of the power of law. They did place a bar on the maintenance of power by the racketeers and gangsters through violence and intimidation. The act is really a Magna Carta for labor.

For this reason the act should not be amended until it has been given a proper test by actual execution and administration. The necessity for this is demonstrated by the continued efforts of the gangster leaders and racketeers who have fattened off the unions to have the act repealed, nullified or amended so as to give them loopholes to continue their campaign of sack and loot.

You are all familiar with the recent goon prosecutions. You all know that officials of a union, imposed on the membership by the overlord Beck, have been convicted of the whole gamut of crimes from simple assault and battery through bombing and arson, and that the leaders have diverted to their own use the funds provided by the membership dues. Remember that Al Rosser and 18 other union officials paid the tax and penalties for unreported personal incomes without protest. In fact they couldn't grab their pens and check books fast enough when the officials of the state tax commission appeared in their offices. Honest men do not act in this manner.

All of this proves that these racketeering union leaders are not contrite and are not willing to abide by the mandate of the people. They do not want to give up the rich sources of wealth and power they have seized. They wish a return to the days of unrestricted and unreported boodle.

The labor regulation act was passed to correct a situation and to aid the state in going ahead. To recede from that position would strengthen the labor racketeers and gangsters and give them license to impose their reign of terror on every citizen. Any weakening of the act would betray the thousands of sincere and truly American union members and their wives who voted for its passage.

In this matter the people have spoken in a most decisive manner—and remember that under our system of government the “voice of the people is the voice of God”, for all of our governmental power and authority springs from the people, not from powerful and sinister minorities.

Under my administration several achievements for the benefit of Oregon’s future have been made. Among these are completion of the five major bridges on the Coast highway; improvement of highways throughout the state and especially in Eastern Oregon; completion of the new capitol and state library building; organization of the board of geology and mineral industries; establishment of effective budgetary control to provide constant supervision over expenditures; progress in the Willamette Valley project; provision for participation in the Golden Gate Exposition at San Francisco; establishment of processing plants for the flax growers at Canby, Springfield and Mt. Angel; prompt relief to fire-stricken Bandon and reseeding of the 16,000 burned-over acres by airplane; improvement of the game fish and animal stock of the state; promotion of tourist traffic; establishment of sound grazing policy for Eastern Oregon range lands and reorganization of the land board; reduction of utility rates which will bring annually recurring savings in excess of \$1,500,000 to rate payers; reduction of the old-age assistance age from 70 to 65 years; creation of the commission for the blind and the prevention of blindness, which has expanded its services throughout the state; enactment and execution of the unemployment compensation act; extension of service in aiding and promoting marketing of state products of the farm; establishment of forest works camps for parolees from the penitentiary; a sound policy of reforestation and progress in solution of the problem of taxation on timberlands; establishment of a commission for the preservation of Oregon’s shrine at Champoe; inauguration of the state planning board; establishment of a permanent berth for historic Battleship Oregon; and establishment of a bureau of marketing under the state board of higher education.

In closing I wish to commend to your attention the following recommendations in addition to those relating to taxes, labor and relief:

Enactment of laws which will more closely coordinate the fiscal system by making the fiscal and appropriative years coincide, which can be attained by making the regular 24-month appropriation and a supplemental appropriation for the six-month period from 31 December, 1940, to 30 June, 1941, and by clarifying the definitions of budgetary categories.

Enactment of basic laws for reform of the probation, parole and sentencing system. In this connection I particularly wish to commend the splendid report of my special commission on this important subject.

Consideration of the various uniform laws drafted by the uniform code commissioners and not yet enacted in Oregon, such as the uniform acts on aeronautics, bills of lading, conditional sales and so on.

Consideration of a long-term building program for the various state institutions to the end they may be properly equipped to render the services demanded of them, so the burden of cost can be spread over a period of years and not be taken from funds needed for current operations.

Repulse of raids by counties and cities on the state highway funds, which would result in substantial loss in federal grants and reduction of necessary maintenance below proper standards.

I would be remiss if I did not express my most sincere and heartfelt appreciation of the fine and loyal support given my administration by my personal staff and by the heads of the various institutions, departments, boards and commissions of the state government. They have all served the state with wisdom, industry and a high devotion to duty.

I particularly wish to express my appreciation to the Honorable Earl Snell, Secretary of State, and the Honorable Rufus C. Holman, State Treasurer, for their cooperation as my fellow-members on the board of control.

In closing I extend to my successor my best wishes for the success of his administration in behalf of and for the interests of all of the people of Oregon, and assurance of my cooperation to the utmost of my ability.