



## Oregon State Archives

800 Summer Street NE

Salem, OR 97310

503-373-0701 ext. 1

[sos.oregon.gov/archives](http://sos.oregon.gov/archives)

## GOVERNOR OSWALD D. WEST ADMINISTRATION

January 11, 1911 to January 12, 1915

### **Inaugural Message, 1911**

Source: Oregon Messages and Documents, 1909-1910, Inaugural Message, Salem, Oregon, Willis S. Duniway, State Printer, 1911.

Message Of OSWALD WEST Governor of Oregon, To the Twenty-Sixth Legislative Assembly Regular Session 1911

Gentlemen of the Legislature:

Under the Constitution it becomes my duty as Governor, and I deem it a high honor and privilege, to inform you, insofar as I may, of conditions in the State and its institutions and to make such recommendations or suggestions concerning legislation as I may deem fitting or necessary.

But before passing to the discussion of these matters in detail, I desire to express to the people of this great State, through you, their duly elected representatives, my all-embracing and deeply sincere thanks for the high honor which they have conferred upon me.

I consider that this honor was shown me because the people of Oregon had confidence in my sincerity and my integrity and believed that I, as their Governor, would never forget that I was their public servant, whose duty it was to do everything in my power to promote the public good and advance the general prosperity of the State. And I desire to promise them now that throughout my term of office I will keep this fact ever before my mind as a guiding star and a stay in time of stress and trial.

Of the people, I intend by my every act to serve the people. Just as their good is my good, and their prosperity my own, so would their misfortune be a cross and a sorrow to me, and I pledge them now my vow and my oath that, with the help of Almighty God, I will be a faithful keeper of their trust so that at the end I may be given that greatest eonium possible for a public officials—"Well done, thou good and faithful servant."

Oregon is now well entered upon an era of wonderful progress and development. Great industries and commercial enterprises are bringing added people and comfortable homes to broaden the limits of our cities. A flood of immigration is peopling the rural districts with prosperous farms and still farther pushing back the forest from the doorsteps of the towns. New railroads are binding the State closer and closer together and on every hand the hum of industry shows progress, prosperity, and success.

I mention these well-known conditions in order to doubly impress upon you, gentlemen of the legislature, the serious fact that we are building not for the present alone but for the future as well. The public institutions of the State are in good condition but they, with all departments of the State government, are growing and thoughtful attention must be given to future needs as well as present requirements.

OUR SYSTEM OF TAXATION



---

The power to tax being essentially legislative in its nature it follows that in the absence of constitutional limitations the power of the legislature as to matters of taxation is plenary and absolute. The framers of our State Constitution realized the extent to which this power might be carried and, as a protection, hedged the legislature about with certain constitutional limitations which required that all taxation should be uniform and equal. By uniformity they meant that all property similarly situated should be taxed at the same rate and in the same manner, and by equality they meant that the burden of taxation should be so distributed that each taxpayer might contribute in proportion to his property and feel neither more or less inconvenience from his share of payment than every other person experienced. They were doomed to disappointment, however, for instead of bringing about an equal distribution of the burdens of taxation these constitutional provisions became breastworks behind which the public service and other corporations of the State could dodge and escape being hit for the payment of a just share of the cost of conducting our State government.

Taxation was undoubtedly fairly equal in early days in this State, for at that time most of our wealth consisted of lands and live stock, which were easily listed and valued, but with the rapid growth and development of the country, the coming of "big business" with its public service corporations and their "franchises" and "intangible values", conditions have changed and call for new methods of distributing the burdens of taxation.

"New occasions teach new duties, Time makes ancient good uncouth."

The taxpayers of this State have known for years that our general property tax was "uncouth" but for some unknown reason have never, until within the last few years, taken steps to remodel it. The first good move was that made by the legislature of 1905 when it provided for the appointment of a board of commissioners for the purpose of examining and reporting on all matters of assessment and taxation. This board made a most exhaustive report to the Governor and prepared and recommended for passage a number of bills and constitutional amendments, which in their opinion would give the people a more efficient and equitable system of taxation.

A number of the bills proposed by the board were passed by the legislature of 1907, but its constitutional amendments and bill for creating a State Tax Commission failed to pass. The legislature of 1909, however, took up these measures and after making a few changes passed them. The constitutional amendments, of course, had to be and were submitted to the people at the recent election. They failed to pass, however, and their failure to pass was due largely to the fact that the people were led to believe that their passage would result in many departures from our present system of taxation and open up the way for all sorts of "isms". The measures in fact were most conservative and had the endorsement of nearly every tax expert in the country, and while opening the way for a most equitable system of taxation, one which would compel each to contribute a just share toward the support of the government, they threw ample constitutional protection around each and every class of property.

While the people were voting down these alleged "radical" amendments they voted for and passed the so-called "poll tax" amendment which wiped out all existing constitutional limitations and restrictions but reserved to the people the right to vote on all measures pertaining to taxation. In the absence of express constitutional limitations the legislative power in matters of taxation is unlimited and extends to everything; it acknowledges no limits and "may be carried even to the extent of exhaustion and destruction, thus becoming in its exercise a power to destroy."

All limitations and restrictions in our State Constitution having been removed, so far as the people are concerned, the only thing which stands in the way of an abuse of the power to tax is the integrity and sense of justice of the people and the restrictions found in the Constitution of the United States. Our Federal Constitution provides that no State shall make or enforce a law which shall abridge the privileges or immunities of the citizens of the United States and that no state shall deny any person the equal protection of the laws or permit the taking of property without due process of law.

---

This new amendment will no doubt prove beneficial, however, because it will open the way for any and all reforms which were aimed at through the two defeated amendments, but it is objectionable in that it provides that no tax measure passed by the legislature can become effective, not even a meritorious emergency measure, until it has hung on the hook for two years and has been approved by the people. This provision was no doubt inserted for fear that in the absence of constitutional restrictions unjust measures might be passed by the legislature. This was undoubtedly a wise precaution, but it was unnecessary to go to extremes. The people would have been given ample protection if it had simply provided that no tax measure passed by the legislature should carry an emergency clause. This would have given the people a chance to examine all tax measures passed by the legislature, invoke the referendum on the objectionable ones, and permit the taking effect without delay of all those which were meritorious.

While this amendment may be open to some criticism it nevertheless opens the way for tax reform and as it will permit the adoption of any equitable system of taxation the people may choose to adopt there remains no reason on earth why we should not without further delay adopt the most progressive system to be found in any State of the Union. Past legislatures have laid the ground work for a good system and it now rests with you to complete it. The first and most important step is to provide for the separation of the sources of State and local revenue. When this is done the State will raise its revenue principally from public service corporations, license fees, inheritances or such other subjects as the legislature or the people may think could best be handled by the State Tax Commission. This system would give each county complete home rule in the matter of taxation; and unless the sources of State revenue failed to produce enough to cover the needs of the State the counties would not be called upon to contribute anything towards the support of the State and would be concerned only in raising sufficient revenue to cover county expenses. Each county could fix its valuations to suit itself, or as its local needs might require, and without fear of subjecting its citizens to the payment of an unjust portion of a State tax.

The advantages of the proposed system are set out by the tax commission of the State of Missouri and are as follows:

“First. Complete separation would abolish at once the expense, friction and vain attempt to equalize among different counties.

Second. When separation is effected it will be possible to place each tax in that branch of the government, local or State, which is best adapted to administer it.

Third. The local taxing districts, the counties and cities of the State, will then have practical home rule in matters relating to taxation.

Fourth. Equality in taxation, both State and local, can then be secured by making all taxation effective.”

#### OUR STATE BANKING LAW

Our State banking law is a failure in that it protects the crooked banker from the public, but does not protect the public from the crooked banker. Adequate protection for the depositor demands the following amendments:

1. Amend our constitution so as to make stockholders liable for double the par value of their stock.
2. Require more frequent and thorough examination of banks
3. Further limit the amount of funds to be loaned to any one person, firm, or corporation
4. Require banks doing both a commercial and savings business to conduct the same as two distinct departments.
5. Require banks to confine themselves to a banking business
6. Provide that in even of failure of a bank its affairs be wound up by the State Bank Examiner under the direction of the courts and not by a receiver appointed by the courts.

#### INSURANCE LAWS

---

Knowing the insurance laws of this State were obsolete and afforded little or no protection to the public, but realizing that any attempt at complete revision without careful study and investigation would lead only to confusion, the last legislature contented itself with passing a law which removed a few of the most apparent abuses and provided for the establishment of a Department of Insurance which was to have general supervision over all companies doing business in this State. The wisdom of this move is borne out by results obtained during the past two years. The prohibiting of combinations and rate agreements between fire companies and the opening up of the field to competition has resulted in a reduction of about 20 per cent in rates and means an annual saving of about \$500,000 to the policy-holders of this State.

The Insurance Commissioner fully sets out in his report the needs of the State in the way of insurance legislation and inasmuch as he has no doubt given this intricate and perplexing question careful study and investigation his recommendation should be given careful consideration. He has prepared several bills with a view of correcting a number of existing abuses and throwing additional safeguards around the policyholders of this State, but recommends that before a complete revision of our laws is attempted the legislature authorize the appointment of a commission for the purpose of investigating the whole question of insurance and preparing for submission to the next legislature an up-to-date and effective code of insurance laws. I am heartily in favor of the appointment of such a commission for it will bring order out of chaos in matters of insurance and at little expense to the State. There are public-spirited men, I am sure, who would willingly serve without pay other than their mileage and per diem when attending meetings of the board.

The 83 stock fire insurance companies doing business in this State alone wrote in 1909 risks aggregating over \$177,000,000, for which they collected over \$3,000,000 in premiums. Out of the premiums collected about \$645,000 were returned on account of risks cancelled and about \$943,000 paid for losses, leaving the companies a balance of about \$1,400,000. The 12 local mutual companies the same year added over \$25,000,000 to the amount of their risks, collected over \$327,000 in accounts and paid about \$142,000 in losses. It is important, therefore, that the whole question of insurance be given at an early date that careful consideration which it surely merits, in order that there may be placed upon our statute books an effective and comprehensive insurance law which will cover insurance of every kind and give our policyholders every possible protection.

#### STATE LAND OFFICE

During recent years the affairs of the State Land Department have been administered in the interest of the taxpayers and school children, and it has ceased to be a breeding ground for scandal and a place of "easy picking" for the members of the old school land ring. An effective land law made it possible for the State Land Board to adopt many long-needed reforms and secure a fair price for the remnants of that magnificent grant of over 4,000,000 acres which was given to Oregon by the Federal Government to aid in the support of its common schools. The records show that on January 1, 1903, three-fourths of all the lands—school, college, university, and swamp—granted to the State had been sold and that the average price received by the State was \$1.25 per acre. The State has since that date sold another one-eighth of the grant, for which it has received \$2,500,000 or an average price of \$5.00 per acre. This leaves about one-eighth of the original grant remaining unsold, and when sold, if the present policy of the board continues, it is safe to say that the State will have realized as much from the last one-fourth of its grant, notwithstanding much of it is inferior land, as it did from the sale of the first three-fourths.

The department having adopted up-to-date methods, the records are now so kept that the public can at any and all times secure full information concerning the transactions of the office or the lands of the State. In addition to these reforms it is essential, however, that every deed issued by the State since its admission to the Union be carefully examined and checked to ascertain whether or not the lands described therein have been patented to the State. If it develops that deeds have been issued for lands to which the State has no title, steps should be taken to secure patent or, unless a waiver has been taken, repay the purchase price.

---

The records on September 30, 1910, show the school funds to contain \$6,340,898. Of this, \$5,370,829.62 is loaned on farm mortgages; \$229,225 invested in school district bonds; \$684,858.21 due as deferred payments on sales of school lands, and \$55,960.87 is cash on hand.

In making its mortgage loans the State Land Board has in the past been guided by the information furnished by its local attorneys in each county, and if any of them have been careless or guided by selfish motives in recommending these loans it is possible that the State is carrying some bad paper. In any event it is the business of the State Land Board to look into the matter carefully and I will recommend to the board that as soon as the weather and roads will permit the State Land Agent be required to make a personal investigation of, and report upon, every outstanding mortgage loan, in order that the board may be fully advised as to the nature of the security and take steps to protect the loan where the security is found inadequate.

The State has made, and there are pending in the General Land Office at Washington, indemnity school selections covering about 65,000 acres of land. These lands have been sold subject to patent and one-fifth of the purchase price, or about \$130,000, has been deposited with the State pending approval of the selections. The State cannot loan this money nor does the \$520,000 due on deferred payments draw interest until the selections are approved by the General Land Office. It is therefore of the greatest importance that these selections be approved at an early date, in order that the school fund may receive the benefit of the interest earnings, which will amount to about \$40,000 a year. I propose, therefore, to take up this matter without delay with our delegation in congress, with a view to having the General Land Office hurry along the approval of these selections.

#### STATE PRINTING

Good business demands that hereafter each department of State be required to file all requisitions for printed matter with the State Printing Expert and it be made his duty, before placing the order with the State Printer, to inquire carefully into the requirements of the department filing the requisition, in order that no more than the amount necessary to serve its needs be ordered and the State be saved unnecessary expense. It is common knowledge that under the "help yourself" system now in vogue needless quantities of printer matter are ordered and used only for fuel.

A great saving could also be made if the different departments would boil down their annual reports and eliminate a lot of useless statistical matter. I am sure this can be done without depriving the public of any useful information. A dollar saved is a dollar earned, and there is absolutely no reason why the State should throw its money away for useless printing.

As you are no doubt aware, the printing plant now being operated in the State capitol building is the private property of the State Printer, who, having never been placed upon a flat salary, is working under the old fee system.

In 1905 the State of Kansas placed her State Printer upon a flat salary and the records show that a saving of over 40 per cent has been made by the State through the change.

I hope to see a bill introduced and passed at this session which will authorize the purchase of a

State printing plant and provide for placing the State Printer on a flat salary. This reform is long overdue and should be adopted without further delay.

#### PURCHASING SUPPLIES

The supplies for all of our State institutions should be purchased by, or under direction of, one board and this can be done without the creation of additional boards or commissions and with but little added expense to the State. This purchasing board should consist of the Governor, Secretary of State, and State Treasurer, and it should be given authority to employ a chief clerk who should be a man well fitted for the important position he would be called upon to fill. It should be made his duty to visit each State institution at regular intervals and after learning its needs assist its officials in preparing an estimate for a certain ensuing period. From these several estimates he should prepare for the use of the board a statement showing the total

---

needs of all institutions. Bids should then be advertised for and the supplies purchased from the lowest bidders.

This arrangement would not only prove an economical one but would reduce the purchasing of supplies to some system. I can see but few obstacles which, under our present law, stand in the way of this reform, but would ask that the legislature give the matter careful consideration in order that all may be removed.

#### AUDITING ACCOUNTS

Oregon needs, and the interest of economy demands, some adequate and effective system of auditing the accounts of the State.

The legislature of 1909 placed its stamp of disapproval on the useless practice of appointing so-called expert committees to audit the books and accounts of the several State officials by refusing to appoint such committees. It is common knowledge that most of these committees in the past have been loaded with incompetents who have drawn fat sums from the State and have given nothing in return. The legislature with a view to forever putting an end to this evil appointed a committee to prepare a bill which would provide for some permanent system of auditing the books and accounts of the several State officials. I am not advised as to what action was taken by this committee but know that no such measure has ever become a law. The result is that the books and accounts of nearly all State officials go from one year's end to another without being expeted.

The Secretary of State is required to audit all bills and accounts paid by the State, and, since he is the State's purchasing agent and acts as a member of nearly every State board he is called upon to perform the double role of not only expending vast sums of State money but of approving and auditing his own bills and accounts. This system is unfair to the Secretary of State, and it is unfair to the taxpayers of the State. Good business demands that steps be taken to provide some regular and effective system of auditing the books and accounts of each and every State official who has the handling of State funds.

It is, also, an undeniable fact that the system of keeping the public records throughout the State is chaotic. Each county has its own peculiar plan, and in most instances each plan is different from every other. This lack of system causes confusion in the transaction of public business and spells loss and waste for the taxpayers of the State. I would earnestly recommend, therefore, that the legislature give its serious consideration to the evolution and adoption of some uniform system of keeping the public books and records, both State and county, for so to do would result in the saving of large sums of the people's money now being lost through the use of diverse methods of transacting the public record business of the State.

#### OREGON STATE PENITENTIARY

The Oregon Penitentiary is one of the best managed and most humanely conducted penal institutions to be found in the United States. This fact is admitted by every student of prison reform who has visited the State. The Superintendent, believing that the reformation of a convict can be better accomplished by treating him as a human being and with such kindness as his conduct will merit, has tried, as far as good prison discipline will permit, to furnish the convicts on certain days with wholesome entertainment for the mind and exercise for the body in order that the monotony of prison life might be broken and the existence of the men made more cheerful. The Superintendent has been assisted in this work by a number of volunteer prison workers who deserve great praise for their untiring efforts to make the lives of the convicts more pleasant and ultimately bring about their more certain reformation.

There are approximately 430 prisoners now confined in the State Penitentiary. Many of these prisoners are employed as helpers around the institution, others in the State's brickyard, while a large number of them are employed in the stove foundry in accordance with a ten-year contract made by the State November 20, 1907, with the Lowenber & Going Co. The State receives 45 cents per ten-hour day for their labor and the contract calls for the employment of not less than 150 men and as many more as the company requires providing they can be spared without depriving the State of necessary help around the institution.

---

Objection has been made to the employment of convicts in competition with free labor, and there is merit in the objection. But common decency and the consideration which we should have for the unfortunate make it imperative that the convicts be given employment of some kind. Until some objectionable system of employment is devised it would be most inhuman to condemn these men to idleness and to thus deprive them of the God-given blessing of useful occupation. It should be the aim of the State, therefore, to provide them as soon as practicable with employment which will remove them as far as possible from competition with free labor. The best solution it seems to me is their employment in the construction of roads. I am advised that the good roads measures which are to be introduced at this session of the legislature will call for the use of convict labor, and, if so, I hope the people will give the experiment a fair trial, for if it proves a success it will not only insure good roads for, but a great saving to, the State, and will provide healthful outdoor work for the prisoners and go a long way toward putting an end to competition between free and prison labor.

Since the passage of the indeterminate sentence law of 1905 the paroling of prisoners at the expiration of their minimum sentence has, as the law intended, become usual, especially when some one stands ready to furnish the prisoner with employment and answer for his conduct. The parole system has been adopted by the United States Government and 17 States of the Union and has the endorsement of practically every student of prison reform. Our courts, however, do not appear to give this law as much consideration as it merits, for the records show that out of 1,041 convicts committed to the penitentiary since the passage of the law only 118, or 12 per cent were given indeterminate sentences. Some of these who were given the indeterminate sentence were repeaters, while many of those who were denied the benefits of this most humane law, and sentenced for a definite time, were young men and boys who had never before committed a crime. As many of those serving definite terms have good prison records and by their conduct have shown every indication of a desire to lead better lives and become law-abiding citizens it is hoped that the legislature will see fit to enlarge the scope of the parole law and make its provisions apply not only to those who may be convicted in the future, but to those who are now serving time.

The inequality and lack of even justice which exists in our system has been removed to some extent through the initiation by Governor Chamberlain of the practice of granting conditional commutations or pardons, but the State should, through the expansion of the parole law, adopt a uniform policy which would make such action by the executive unnecessary and would also remove every possible excuse for the abuse of the pardoning power. The extension of the parole system would be found extremely advantageous should the State decide to use convict labor in the construction of roads.

Capital punishment should be abolished, in my opinion, in this State. The system of paying for a life with a life is, in my belief, merely a relic of that ancient and barbarous doctrine of "an eye for an eye and a tooth for a tooth".

It is a fact, undisputed by the judicial history of this or any other State, that the average jury shies at a verdict involving the sacrifice of human life. Murder, from the very nature of the crime, must be proven, to a great or less degree, by circumstantial evidence, and the average man, sitting as a juror, hesitates before casting his vote to deprive a fellow being, no matter how degraded his condition, of his life. The result of this is the hung jury, the failure to convict, and oftentimes, the cheating of justice, all of which means lessened safety to society in general and an increased drain upon the purses of the taxpayers of the State.

The report of the Superintendent of the Penitentiary records 18 cases of capital punishment in the last seven and one-half years, the greatest number ever executed in this State during a similar period. This, in my opinion, bears out the argument that the desperate criminal, relying on the reluctance of the average juror and the caution of the court, in the imposition of the capital sentence, is more willing to take a gambler's chance with death for the furtherance of his criminal object, than he would be to face the greater certainty of a life spent behind the bars.

Believing as I do, I therefore recommend to you, gentlemen, that you take steps to do away with capital punishment in this State. But in this connection I desire to urge that special and particular attention be paid

---

to the restriction of the pardoning power for such cases. I hold that a sentence to life imprisonment for murder should mean what it says, unless post-trial evidence should bring to light some glaring injustice or very potent reason for change, and I contend that the substitution of life imprisonment for capital punishment should carry with it such safeguards as would insure in all cases that full justice be satisfied.

Men sentenced to the penitentiary are, under the present system, delivered at the prison gates by the sheriff of the county in which conviction was had. This is a wasteful, extravagant, and unscientific method and should be discontinued in the interest of economy and for the benefit of the taxpayers of the State. I suggest, therefore, that provision be made for the transportation of convicts from their place of conviction to the penitentiary by prison guards. This system has been found to be most satisfactory in the transportation of the insane, and after several years of trial by the asylum management has been found to be more economical and more desirable in many ways than the old method.

#### OREGON STATE HOSPITAL FOR THE INSANE

The Oregon State Hospital for the Insane is the largest institution that the State has under its control. Its many and peculiar needs make its administration the most difficult and the most perplexing of any of the State institutions. Because of this, I call your attention especially to the report of the Superintendent of the institution, which report is now upon your desks, and bespeak for it your careful consideration. And in this connection I desire to call your attention to one or two points that have come to my mind.

There are now confined in the Oregon asylum a large number of non-resident insane. This is true, of course, in every State but the fact remains that other states have enacted laws providing for the deportation of this class of patients. While it would be perhaps be best for each State to care for all insane persons found within its borders, yet, it seems to me, under the circumstances, that Oregon must either make provision for returning the non-resident insane to their home State or become the dumping-ground of other States for this unfortunate but nevertheless undesirable class.

Superintendent Steiner, speaking of the institution and its needs, says:

“We cannot lose sight of the central fact that the institution exists for the insane; that whatever adds to their comfort, promotes their welfare, or in any way alleviates their very distressing malady, is right; and that everything that deprives them of safe and sympathetic care, modern and scientific treatment, is wrong. This plain rule of right and wrong has been our guide in administering the affairs of this, the greatest of the State’s charities. We have found much to do in the past; more remains for future accomplishment. The buildings are old; rapid and steady increase in population has rendered the different departments inadequate. In correcting these conditions the future must be taken into consideration, so that the new buildings may be properly grouped and, if need be, added to as necessity arises. It is unfortunate that the need must be urgent before provision is made. In spite of a generally liberal policy on the part of the legislators, every insane hospital in the country is overcrowded. Oregon’s one institution will soon reach, if it has not already passed, the limit in size best calculated to meet the requirements of economy and the needs of the individual patient.”

The legislature of 1909, through its appropriations for improvements and equipment and its provisions for the establishment of a branch asylum in Eastern Oregon did much to relieve the conditions complained of, but a great deal yet remains to be done.

It will be some time before the Eastern Oregon asylum can be constructed and equipped, and as the population of the main institution in Salem is rapidly increasing, nothing should be neglected that will add to the safety and correct treatment of the insane while this crowded condition exists.

Should the improvements planned and recommended by the superintendent in his report be provided for by the legislature and the population of the main institution be reduced by the completion and occupation of the Eastern Oregon branch, it will then be possible for the management to give those unfortunates remaining added attention and more comfort.



---

The State should not overlook or neglect the needs of these, its most unfortunate children. They have been case by fate upon the charity of the commonwealth, and not to provide them with needed protection and comfort would be a crime against our civilization.

The asylum owns 120 acres of land, situated about two miles from the main institution, on the road leading from Salem to Turner. This land serves no useful purpose and the board of trustees should be given authority to sell the tract to the highest bidder and apply the funds thus secured to the purchase of additional land adjoining the main institution.

#### VISITATION AND INSPECTION OF STATE INSTITUTIONS

It is patent to every one that the usual practice of appointing legislative committees for the purpose of visiting and investigating the needs and affairs of the several State institutions fails of its purpose for the reason that as a rule the time of the members of these committees is so taken up by their legislative duties that they are not given sufficient opportunity to make a careful investigation and report. At the last session of the legislature the Senate, realizing the futility of this old practice, appointed a committee of three hold-over Senators who, between November 15 and 30, 1910, were to complete the committee by selecting three newly-elected members of the House. This committee was directed to meet in Salem not later than December 20, 1910, and receive from the heads of the several State institutions their estimates for maintenance and betterments for the ensuing biennial period, and after making careful inquiry into the merits of the estimates and needs of the institutions, to report their findings to this legislature. This committee has, no doubt, performed its duty and will advise you fully as to the result of their investigation and the needs of these institutions, and their recommendation should be given careful consideration.

#### OTHER INSTITUTIONS

As the needs of the several other institutions are fully set out in the reports of their superintendents and will be further covered by the report of the special legislative committee, which has been spending much time in the investigation of the affairs of all State institutions, it is unnecessary for me to take your time in discussing in detail the needs of each. I do wish to say, however, that I believe the name of the State Reform School should be changed, because every boy who leaves it, no matter how good his record, is obliged to carry with him through life the brand of this semi-criminal. I earnestly recommend, therefore, that the name of the institution be changed to that of the Oregon Industrial Institution. The purpose of the institution is to give the boys who have started wrong not only a fresh start, but a fair start, and you are not doing this when you send him out branded as an incorrigible.

#### STATE CAPITOL

Something must be done at an early date to relieve the congested condition of the Capitol building. Every available foot of space has been used and conditions in some of the departments are becoming almost unbearable. If arrangements could be made for the removal of the printing and heating plants from the building it would go far towards solving the problem.

#### THE STATE'S WATER SUPPLY

The time has come, in my opinion, when the State should take some action to secure an abundant supply of pure water for the State institutions. At present, the supply is being drawn from wells or from the Salem water system, and both sources are open to objection.

The city of Salem has recently taken steps to assume the ownership and control of the supply system now in use and the plan of piping pure mountain water to the city is under discussion. In my opinion this is the only safe solution of the water supply question. Municipal projects move slowly, however, and the need of better water for the State institutions is urgent. I would recommend, therefore, that some provision be made by which the State may co-operate with the city in hastening the completion of this much to be desired project. Since a large part of the cost will fall upon the laying of the pipe-line, and the construction of headworks, and since much delay might arise from this same source. I would suggest that an arrangement be made by which this work could be done with convict labor. I suggest, also, that it might be feasible to authorize the Governor, Secretary of State, and State Treasurer, as the State Board, to act with the authorities of the city

---

of Salem in this matter. I recommend, therefore, that this legislature grant this authorization, as the question is of much concern to the health of the institutions under the State's control.

#### OREGON NATIONAL GUARD

Through the passage of an admirable and effective military code at the last session of the legislature and the patriotic spirit and ability displayed by its officers and men, the National Guard of the State is being maintained in a high state of efficiency.

During the past year the Guard was called upon to assist in extinguishing the great forest fires which were destroying our magnificent forests and the homes of our settlers. The officers and men answered the call promptly and rendered most valuable service in the performance of this unpleasant duty.

During the year 1909 it cost the State \$30,87 for each man in service. The same year the National Guard of California cost that State \$81.06 for each man in service and that of the State of Washington \$98.74 per man. It will be seen, therefore, that the Oregon National Guard is being economically maintained and its needs, which are fully set forth in the report of the Adjutant General, should be given careful consideration.

#### STATE BOARD OF HEALTH

Oregon has been fortunate in having secured active and conscientious physicians of well-known ability to serve upon the State Board of Health. The members of this board, during the biennial period just closed, have been most lavish of their time and most generous of their efforts for the betterment of the general sanitation and health conditions of the State. They have been ever vigilant in checking the spread of disease, and in seeking out the causes of sickness in order to the more effectively stamp out unhealthy conditions.

Because of the greatly increased demands that have been made upon the board during the past two years, the growth of the State's population and the continual and urgent calls from every section, the small appropriation granted by the last legislature has been exhausted and a small deficit created.

In its report, which is now before you, the board sets out its work and its needs. In as much as the work done and yet to do is of vital interest to the health and safety of the people of the State, I would recommend that you give careful consideration to the matter contained in the report and grant such relief as the extended and broadened work of the board may seem to demand.

#### CONSERVATION OF OUR RESOURCES

It is most vital to the future prosperity of this State and of its people that its natural resources be conserved to the fullest possible extent in order that they may be utilized and developed for the benefit not only of this but of future generations.

Effective conservation, control or development of the resources of Oregon can come only through State and Federal cooperation. The Federal Government controls and regulates interstate commerce. The States control and regulate commerce wholly within their boundaries. But the Interstate Commerce Commission and the State Railroad Commission have worked together, harmoniously and without any conflict of authority, with one end alone in view—the public good.

So it must be as regards the control and distribution of the waters of the streams. A stream, the source and flow of which is entirely within the boundaries of the State, even if within the boundaries of a Federal forest reserve, should be given over to the control of the State. But in the control of interstate streams we must look to the Federal Government.

It has been suggested, and the suggestion is a good one, that the interstate waters of a basin lying within the boundaries of several adjoining states might, as far as possible, be turned over to the joint control of these states. As an instance, the Columbia basin is practically all within the boundaries of Oregon, Washington, and Idaho. The waters of that river and its tributaries could undoubtedly, upon the passage of effective uniform water laws approved by congress, be safely turned over to the joint control of these states.

---

Oregon through the adoption of the most excellent water laws and their effective administration has shown her ability and willingness to control, protect, and regulate the water of the streams within her jurisdiction. To join with her sister states in the passage and administration of uniform laws to the interstate streams in the Columbia basin would be but a short step forward.

There is a demand from many quarters that the Federal Government be required to turn over the States for their exclusive control and use all unappropriated timber and mineral lands within their boundaries. There is some merit in this demand, but before pressing it the states should pause long enough to adopt some sensible and effective policy as regards the conservation and development of such resources. The State has already received a grant of four of five million acres of rich agricultural and timber land and by mismanagement and inattention has very little to show for it. The friends of the forest have been for years, and are now, knocking at the doors of our legislative halls, begging for the adoption of some definite policy on the part of the State and the passage of effective laws.

There are those who object to any and all movements which have in view the conservation of our resources. This comes through a misunderstanding as to the real purposes of the conservation movement. They seem to think that conservation means the withdrawal from use forever of all our undeveloped resources. True conservation does not mean that the natural resources of a State are to be bound up by disuse or non-development. But it does mean that they are to be utilized in such a manner that there will be no waste, no extravagance, and no monopoly. Conservation, as I view it, means the development and the utilization of the natural resources but in such manner and under such regulation and safeguards as will give to the people of the present day and to the coming generations of the future the maximum of benefit and of utility with the minimum of waste and destruction.

The State which permits the great storehouses of its God-given wealth to be vandalized by selfish greed is indeed a very poor guardian of the rights of its children—the present-day citizens. And it is equally true that the State which neglects through delay and inaction to provide for speedy, adequate, and effective conservation of its resources is an unfit and unwise trustee of the property and the privileges of its citizens that are yet to be born.

I do not believe that the State should, through legislation, deprive the present generation of the blessing that may accrue through the legitimate use and development of the natural resources of the State for the benefit of future generations. Nor do I believe that a too lavish hand should now rob the future for the benefit of the present.

I urge, however, with as much earnestness as is at my command, that you gentlemen of the legislature will give the question of conservation of the State's resources your most careful and faithful consideration and investigation in order that you may be able, before the session closes, to enact legislation that will protect these resources both for the present and the future while, at the same time, it will permit their use and development to the highest degree consistent with the interest and the prosperity of the people of the State, both now and in the years to come.

#### FOREST PROTECTION

It is imperative that the State adopt some sensible and adequate policy of forest protection not only with the view of saving the timber now standing from fire, but of re-foresting the logged-off and burnt-over areas as well.

During the past year Oregon's loss through forest fires amounted to millions of dollars—more it is said than we realized from the total sales of our apples, fish, wool, and wheat for the same period. During this time the Federal Government spent over \$200,000 for fire protection and the private timber owners over \$100,000, while Oregon's contribution for the same work was the paltry sum of \$250.

---

It is estimated that Oregon has 400,000,000,000 feet of merchantable timber, about one-fifth of the total supply of the United States. At current prices this should bring about \$5,000,000,000. Fifty years will see every stick of this vast forest cut and sawed if the present demand keeps up. The United States alone uses at the present time about 40,000,000,000 feet of timber a year, besides 118,000,000 hewn ties, 15,000,000 staves, over 133,000,000 sets of headings, nearly 500,000,000 barrel hoops, 3,00,00 cords of native pulp wood, 165,000,000 cubic feet of mine timbers, 1,250,000 cords of wood for distillation, and 90,000,000 cords of firewood. The timber industry brings annually into the State about \$25,000,000, and it is estimated that 80 per cent of this vast sum is paid out for labor and supplies, and some part of it, therefore, directly or indirectly, reaches the pockets of every resident of this State.

The legislature of 1907 created a State Board of Forestry and passed an excellent forest code as far as it went, but it did not go far enough. It should have provided means of enforcing the fire laws, provided for educational work, and for an investigation of forest conditions. The Oregon Conservation Commission in its report for 1910 sets out in detail the weaknesses of our forest laws and policy. It also sets out the essentials of a policy which it recommends for immediate adoption, and I assure you that you will find them worthy of your consideration. They are as follows:

1. A trained State Forester familiar with western conditions and experienced in organization for the prevention of forest fires. He should not be a cheap man, but the best available, and chosen absolutely independent of politics. He should be allowed to appoint one or more assistants.
2. A liberal appropriation for forest fire patrol service, with ample latitude for such co-operation with other agencies as the State Forester shall find for the best interest of the public, especially through the encouragement of further extension and efficiency of private and county effort.
3. Improvement and strict enforcement of laws against fire, the State to exert its police authority to this end
4. Systematic study of forest conditions and needs, to afford basis of intelligent action and of any further desirable legislation
5. A system of general education, with specific advice to individuals in proper forest management.

The following are equally important as part of an early rational policy but perhaps less urgently in need of immediate action by the legislature:

1. Dependable low taxation of deforested land not more valuable for agriculture which will encourage its being held and protected for a future crop, the State to be compensated by adequate tax upon the yield.
2. Thorough study of the subject of taxing mature timber with a view of securing the adoption of a system which will result in the greatest permanent community good.
3. Study on which to base the early application of advanced forestry principles to the management of State-owned forest lands, and the purchase of cut or burned-over lands better suited for State than private forestry. This to furnish educative example as well as to maintain State revenue and proper forest conditions.

#### STATE FOREST

When this State was admitted to the Union it was given two sections (16 and 36) in each township by the Federal Government to aid in the support of its common schools. The Federal laws provide that if the State loses any of the said lands by reason of their being covered by homestead or mineral entries, or on account of a township being fractional, it may select other unappropriated government lands to satisfy such losses, and they further provide that if any of the said lands should be included within the boundaries of Federal reserves the State may surrender title to the Government and select an equal amount of other unappropriated lands. These tracts for which the State is entitled to indemnity are called "base lands" or "base". The State has, since its admission to the Union, used for selections several hundred thousand acres of base, but has about 50,000 acres still remaining for which it is entitled to indemnity.

It is my duty as Governor of this State to satisfy the said losses by the selection of other vacant Government lands. It is my purpose, however, instead of following the present practice, which is to select only when a request for a selection is made and an application to purchase filed, to arrange if possible with the Federal

---

Government for the satisfaction of all these losses at once and by the selection of a tract of land in a body somewhere in the Cascade Forest Reserve. The tract should, if possible, be selected so as to cover a stream containing undeveloped water power, and should be withdrawn from sale by the legislature and turned over to the State Conservation Commission, the State Agricultural College, or the State University, whichever is best equipped to handle it. Under proper supervision the matured timber could be marketed, the lands re-forested, and water power developed, all of which in time would be a source of revenue to the State or colleges.

This State forestry system could be further extended by arranging for the turning over to the State Agricultural College and State University all lands, other than city property, subject to sale for delinquent taxes—lands in certain counties to go to the University and in others to the Agricultural College. Through the adoption of such a policy the two schools would in time come into possession of thousands of acres of land which could be re-forested and would become a great source of revenue to the schools. The establishment of a State forest would not only give the students in our colleges an excellent opportunity to study the forestry question but would bring about a better understanding and co-operation between the Government, the State, and the timbermen, and insure the adoption of some sensible policy as to fire protection and without increased cost to those concerned. These forests when established could also be used as a reserve for the protection and propagation of fish and game.

If these suggestions should meet with your approval the movement should be set on foot without delay, for the longer the State is permitted to sell its “base” and the counties their logged-off tracts for delinquent taxes the more difficult and costly it is going to be to establish a State forest and if delayed too long it will cost an enormous amount. The State of New York is now spending millions for just such purposes and hopes, through the creation of her forests, to protect the sources of her streams, and by the construction of reservoirs, to make her streams once more run full and provide additional power which, under State control, may enable her to break the monopoly of the great power trust which now controls all available power in that State.

#### SWAMP LANDS

It is extremely necessary that this legislature pay effective attention to the swamp lands of the State. Under the Federal swamp land act of 1860, and acts amendatory thereto, Oregon was given all swamp lands within her boundaries. Thousands of acres of these lands were selected in early days and sold by the State at the minimum price of \$1.00 per acre. Most of the lists by which the selections were made have been passed upon by the General Land Office and either approved or rejected; a few, however, are now and have been for a number of years before department awaiting action.

Notwithstanding that it has been over 50 years since this State was admitted to the Union, there are still large tracts of swamp land to which the State has not been able to get title. This failure is due largely to the red tape attached to the preparation and filing of the selection lists and to the fact that the early surveyors in making their returns through their field notes did not give the true character of the land.

The Commissioner of the General Land Office has held that the State must show the swampy character of the land at the date of its admission to the Union, and therefore it is essential that all such lands claimed by the State be listed while there are men living who can make the required affidavits. In order to establish the erroneous character of the Government field notes it may be necessary to ask for the sending of a Government agent to Oregon to make, in company with the State Land Agent, a careful examination of all alleged swamp lands and report their true character, so that the State may, without delay, receive patents to all those tracts to which it is justly entitled under the swamp land grant.

Prompt action in this matter is essential in view of a recent ruling by the Commissioner of the General Land Office to the effect that whenever a list covering a tract of alleged swamp land is filed, no matter how small the acreage, the State must attach the certificate of the State Land Agent to the effect that the list covers all the lands in the township to which the State is entitled to under the swamp land grant, and, also, the waiver of the State as to all future claims or selections.

---

## CAREY ACT RECLAMATION

In 1894 congress passed what is known as the Cary act, which provided that 1,000,000 acres of desert land be granted to each of certain States, Oregon included, provided the States would assume the responsibility of reclaiming and irrigating the same and see that it was disposed of to settlers in tracts of not exceeding 160 acres. The act called for the passage of an act of acceptance by the several State legislatures, these acts, of course, to provide rules and regulations for the protection and guidance of the reclamation companies, settlers, and others concerned.

Owing to lack of experience at that time in matters of irrigation our legislature passed an act of acceptance and regulation which was full of imperfections, wholly inadequate, and permitted the segregation of large tracts of land and the launching of schemes which it was impossible to carry to a successful conclusion, and which not only caused the promoter and settlers great financial loss but cast a cloud over the good name of our State.

The State Land Board made repeated attempts to have the law strengthened, but was unsuccessful until the last session of the legislature. A law was then passed which apparently remedies the defects of the old law and has aroused interest to such an extent that seven new enterprises have been initiated for the reclamation of a total of 420,000 acres of arid land and at an estimated cost of over \$20,000,000. Over 280,000 acres are in process of reclamation under the old contracts. All but one of these, however, have been altered recently, requiring some payment to the State for administrative purposes. In order that this subject, which is an important one, may not be overlooked in the multitude of your duties, I call your attention to the report of the Desert Land Board, where it is fully discussed and its needs set forth.

## THE NEW WATER LAW

After many years' struggle the friends of reform secured in 1909 the passage of a water code which is far in advance of the laws of any other State, more particularly because it limits the use of water for power purposes to a period of 40 years and provides the most simple and expeditious methods for settling water rights. The main features of the law are the provision for—

1. The determination of early rights;
2. The protection of existing rights, and
3. The acquisition of new rights.

The passage of this code has proven a great boon to the State and together with the results being obtained through its administration, it stands a monument to those who gave it support. Prior to its passage it took years to have a water right adjudicated. It took nine years to settle the famous Hough-Porter case with only 47 rights involved. The present Board of Control operating under the new code has in less than two years adjudicated seven streams involving over 400 rights, and has taken testimony involving 825 rights on ten additional streams, without expense to the public and at small cost to the water users. It has also been clearly demonstrated that its passage has greatly encouraged development, for in less than two years' time over 1,100 applications to appropriate water have been filed involving expenditures which are estimated at \$50,000,000 and the State has been paid about \$25,000, or more than the cost of conducting the office of the State Engineer for that period.

The passage of this law, supplemented by recent decisions of our courts, has annihilated the old doctrine of riparian rights and water may now be put to a beneficial use and need not be left "to flow undiminished and uninterrupted to the sea."

If this new system is maintained and the law strengthened as suggested by the State Engineer, we will in a few years see practically every water right in the State adjudicated and water titles at last placed upon the same safe footing as titles to land.

## TOPOGRAPHIC AND HYDROGRAPHIC SURVEYS

---

The United States Geological Survey is making a topographic map of the United States. The work has been in progress since 1882 and about two-fifths of the country, exclusive of outlying possessions, has been mapped. The features shown on the map are (1) water, including seas, lakes, ponds, rivers, and other streams, canals, swamps, etc.; (2) relief, including mountains, hills, valleys, cliffs, etc.; (3) culture, i.e., works of man, such as towns, cities, roads, railways, boundaries, etc. The work is being carried on largely through co-operation with the States—the Government standing ready to spend a dollar for every dollar spent by a State. The States of Washington and California make liberal annual appropriations for the work with a result that much of their territory is being mapped while Oregon, owing to the fact that her appropriations have been insignificant, has had but little of such work done within her boundaries and is therefore sadly deficient in reliable information as to her physical features and natural resources.

The United States Geological Survey also stands ready to co-operate with the State in collecting and publishing reliable information as to her water resources and to expend dollar for dollar with the State in carrying on the work. This information would be of inestimable value to the State in carrying out the purposes of the Carey act and our new water code and would prevent the embarkation of irrigation enterprises when there was no water available. Through the floating of several such wild-cat schemes the good name of the State has already suffered and many deserving settlers robbed of their savings and left stranded upon the desert.

This matter is fully covered by the reports of the State Engineer and the State Conservation Commission, in both of which reports the question of State co-operation, its desirability and benefits, is discussed, and I suggest that this important subject be given particular consideration.

#### SALMON INDUSTRY

The salmon fishing industry has been in the past and should be in the future one of the greatest of the industries of the State. Once the streams of the State ran full with fish, but inadequate laws have permitted the hand of greed to dip deep into the waters until the great salmon runs have begun to disappear. To save this once great industry from extinction it now becomes necessary to call on the State for funds to establish hatcheries for purposes of propagation.

There is but one way in which the fishing industry can be saved from extinction, and that is through the adoption of a definite and sensible policy of regulation and propagation and as being in line with such a policy I would suggest:

1. The passage of laws which will enable a fair proportion of the fish to reach and use their natural spawning grounds;
2. Liberal appropriations for hatchery purposes;
3. Take the office of Master Fish Warden out of politics and keep it out.

The first two propositions speak for themselves, and to accomplish the third I would suggest the following:

Provide for the appointment of a board to be known as the Oregon State Board for the Protection of Fish and Game. This board to consist of five members, one of whom should be the President of the Oregon State Agricultural College, and of the other four no more than two should be chosen from the same political party. The members should be men who would be influenced in no manner by politics or self-interest and should serve without pay except when attending board meetings. The board should have power to appoint both the Master Fish Warden and the State Game Warden and all necessary deputies and should be required to advise the legislature as to needed legislation and to see that the fish and game laws were enforced.

I hope that this proposal will find favor with the members of the legislature and that some action will be taken along these lines.

#### STATE GAME WARDEN

The report of the State Game Warden for the year ending December 1, 1910, shows that there were 286 arrests made for violations of our fish and game laws and convictions secured in all but 12 cases. Nearly

---

\$59,000 were collected for licenses and over \$9,000 for fines; all of which has been turned into the game protection fund. The report also shows that there is now in the hands of the State Treasurer in this fund a balance of \$55,107.31, practically all of which has been contributed by the sportsmen of the State through the payment of license fees and which should be spent, as the friends of the law intended it should, for the propagation of fish and game. If the legislature should decide to spend any part of it for trout hatcheries I believe the matter should be given over to the Master Fish Warden, for such work properly belongs in his department. Here the work of propagation could be carried on in connection with that of our other fish hatcheries and such an arrangement, by saving the State the expense of maintaining two separate systems of hatcheries, would be greatly in the interest of economy.

I know from personal knowledge and experience that our Chinese pheasants are becoming less plentiful each year and unless they are given further protection it will only be a question of time until they will be exterminated. I therefore recommend that a law be passed making it unlawful to kill these birds for a period of at least three years. I also recommend that further protection be given to ducks and, with the hope of forever putting an end to the most unsportsmanlike and unpardonable practice, I also recommend that our laws be amended so as to permit, without the State having to prove guilty knowledge, the arrest and conviction of the owner or person having control or charge of any dog or dogs found running deer; and that the killing of elk be made punishable by imprisonment instead of fine.

#### PROHIBIT HUNTING ON STATE FARMS

The State own adjoining its institutions several thousand acres of land which would afford fine breeding grounds for upland birds if they were given protection, and I would suggest that it be made unlawful to take, kill, or have in possession any game bird on lands surrounding the several State institutions in this State.

#### LABOR

No nation can be considered prosperous unless her working classes are prosperous. The prosperity of a nation is not measured by its brownstone fronts and midnight lunches of the upper crust, but by the small cottages and dinner pails of the laboring men. It must follow, therefore, that all legislation which brings prosperity, or give protection, to the working classes adds to the prosperity of the State. Yet legislation favorable to the working classes has seldom come as a voluntary gift from a legislature, but only after repeated demands and the most untiring efforts on the part of organized labor and its friends.

For years the laboring classes have been knocking at the doors of these legislative halls begging for relief from certain unjust rules of law in personal injury cases, but without success. Two years ago they came with an employers' liability bill and stood ready to make any reasonable compromise, but as the opposition had come to annihilate and not to construct labor legislation their bill was defeated and they were driven to the initiative and the people for relief. The result was the passage of a law which is more far-reaching than anything they had hoped to receive at the hands of the legislature. This should convince any one that good business, if not fair dealing, demands that the needs of the laboring classes should at an all time be given careful consideration.

In spite of opposition, however, much progressive labor legislation has been secured. A State Labor Bureau has been created which is achieving gratifying results and a child labor law, which keeps the child in school and out of the workshop, secured. The Child Labor Commission to which the administration of this law has been left largely is entitled to great praise for the good it has accomplished. It is a regrettable fact, however, that Mrs. Millie Trumbull, secretary of the board, and to whose conscientious service is largely due the success attained by the commission, has been obliged to carry on the work at her own expense. This legislature should not fail to see that this good woman is not only reimbursed, but that provision is made for carrying on this most important work in the future.

An eight-hour law was passed at a previous session of the legislature, but as it applies only to the State, county and municipal employees it should, as recommended by the State Labor Commissioner, be extended at least to contractors and sub-contractors doing work for the State, counties or municipalities and thus be made uniform with the Federal law.



---

The railroad employees of this State, after years of struggle, secured in 1907 the enactment of a law intended to prevent railroad companies from working their men more than 14 consecutive hours without rest. The Railroad Commission, whose duty it is to see that all such laws are enforced, made repeated attempts to secure convictions for violations of this statute, but had been so loosely drawn that convictions under it were impossible.

Furthermore, owing to the enactment of the Federal 16-hour law, the State statute is now possible of very limited application. States, in the absence of Federal legislation, may make and enforce laws regulating the hours of labor of all railroad employees, even though they are employees of interstate carriers. But when congress takes action such State law is nullified insofar as it applies to interstate commerce, and is restricted to carriers engaged in strictly State business.

Therefore, the 14-hour law of this State should be so amended that it will be effective and serve its intended purpose. I respectfully recommend that the legislature provide this amendment, and I suggest that when so doing the Federal law be followed as closely as practicable, and that the amended statute be made to cover electric as well as steam roads.

Justice and fair dealing demand that whenever an employee of a public service corporation is discharged or voluntarily leaves the service of such corporation that he be given, upon request, a letter setting forth the nature and duration of the service rendered by him, whether he had voluntarily left the company's service or had been discharged, and in case of the latter a statement setting forth the cause which led to his discharge. Such a law would afford some protection against the prevailing unjust practice of discharging employees without giving them a chance to be heard or informing them as to the cause of this discharge.

The mine workers of the State should be given some protection against the operation of bogus or irresponsible mining concerns. These "hot air" concerns often employ men to do development works and then alleging financial embarrassment refuse to pay them their wages. Ours laws should never furnish a breastwork for the crook and the grafter and should, therefore, be amended so as to furnish these mine workers adequate protection. Steps should also be taken through regulation, or otherwise, to wipe out all crooked employment agencies. The working classes should no longer be left as prey to unprincipled concerns of this sort.

There are great quantities of prison-made goods, manufactured in other States, shipped into Oregon every year, which, together with those manufactured by our own contracted prison labor, is sold in competition with similar articles manufactured by free labor. Believing not only that every tub should stand on its own bottom, but that every reasonable protection should be given free labor, I recommend that a law be passed requiring all goods manufactured with prison labor to be so labeled.

#### INDUSTRIAL INSURANCE

United States Senator Elihu Root of New York in a speech delivered before the National Civic Federation in November, 1909, said:

" It seems to me that our present system of dealing with those injuries that come to the employees in our great industrial life is foolish, wasteful, ineffective, and barbarous. It is discreditable to have a great enlightened nation ignoring the fact that in all industries there are accidents, and that every crushed foot, every broken arm, every ruined life, is expended in the business, is a part of the cost of doing the business. All accidents, all injuries, are subject to the law of average. The cost of support which is made necessary by the injuries suffered in a business is just as much a part of the cost of the business as the tools that are worn out or the material that is consumed. It ought to be paid for by the business as a part of that cost and not left to the charity of the nation at large. It ought to be paid for so that the man who has spent his life and his strength as a necessary part of doing the business will feel that he is being paid in a way that preserves his manhood instead of being thrown upon charity in a way that destroys it."

---

There is in operation in some of the European countries a system of industrial insurance which is producing excellent results. Through the co-operation of the employer, employee, and the State—each bearing a portion of burden, which, of course, is passed on to the ultimate consumer—provision is made in advance for the injured. This question has been taken up in this country by the National Civic Federation and has resulted in the organization of a special department on “Compensation for Industrial Accidents and Their Prevention.” This department is composed of a large number of employers, representative labor men, attorneys, insurance experts, economists, and State officials, who are working together in an earnest endeavor to solve the problem of how to lessen the hardships from the hazards of industry and furnish relief to the injured. A movement of this character should be given every encouragement and I assure its friends that they will find me ever ready to lend a hand in bringing about some just solution to this most important problem.

#### GOOD ROADS

Oregon will never come into her own in the way of development until she takes steps to improve her highways. There are sections of our State—great empires where you could lose several of the New England States—absolutely without means of reaching the railroads or markets with their products except by a two or three day’s and sometimes a week’s, journey over almost impassible wagon roads. We may sing the State’s praises to the sky and spend a fortune in advertising our resources to attract homeseekers and settlers, but we will have but little success unless we can point to some movement towards the construction of good roads over which the products of the farms may be hauled to market.

Realizing how greatly the State was in need of good roads and that, through our slipshod methods of road patching thousands of dollars of the people’s money were being squandered annually, a number of our public-spirited citizens, through their organization, the Oregon Good Roads Association, have thoroughly investigated the whole question of road building and I understand will submit to you for your consideration a number of bills which embody their views and recommendations in the matter. Knowing that their recommendations are being prompted solely by an earnest desire to see this State gridironed by the best system of highways in the world and at the least possible cost to the taxpayers, I ask that the whole question be kindly given the most careful consideration by you.

#### OREGON CITY CANAL AND LOCKS

Chapter 80 of the session laws of 1909 provides for the appropriation of \$300,000 by the State, contingent upon the appropriation of a like sum by congress, for the purpose of assisting the Federal Government in acquiring, by purchase, condemnation, or construction a boat canal and locks around the falls in the Willamette River at Oregon City. Congress, at its recent session, met the contingency of this statute by including in the River and Harbor bill an appropriation of \$300,000 for the acquisition of a canal and locks at the place named.

Section 3 of the State law provides that the Governor, Secretary of State, and State Treasurer, acting jointly, in January, 1911, January 1912, and January, 1913, shall provide in the usual manner for raising the \$300,000 appropriated by the act. No specific provision is made, however, for the payment of this \$300,000 to the Federal Government.

It seems to me in the negotiations and possible legal entanglements incident to providing free locks at Oregon City, that the State’s co-operation might be of great assistance to the general Government, and that such co-operation might materially hasten the time when the existing bar to free and open river transportation would be removed. I recommend, therefore, that a statute be enacted by this legislature, empowering the State Board, consisting of the Governor, the Secretary of State, and the State Treasurer, to pay over to the Federal Government at such time and in such manner as may be mutually agreed, the fund appropriated by the State. And I further recommend that this same board be authorized to represent the State in any action which, in the judgment of the Federal Government, would aid in the furtherance of this most important project.

#### JUDICIAL SYSTEM

---

Reform in our judicial system has been long overdue. The people, at the last election, passed an amendment which removes all constitutional obstacles from the path of betterment and the way is now open for the burial of the many antiquated features of our system and the birth of new ones.

Any attempt at revision, however, should come only after thorough investigation and deliberate discussion. I would suggest, therefore, that provision be made for the appointment of a commission, to serve without pay, whose duty it shall be to prepare and submit to the next legislature a bill which will make one thorough revision of the whole system. The two years of investigation and discussion will give everyone an opportunity to be heard and should enable the commission to give the State the best judicial system on earth. I am opposed to all hasty and patch-work legislation at this, or any time, and believe that the plan proposed is the only sane method for ascertaining and making the necessary changes in our present system.

## EDUCATION

Oregon, more than any other State, demands an intelligent and educated citizenship. The voters of this State, by reason of our advanced laws, are regularly called upon to exercise the functions of legislators and to decide by their ballots questions of grave public moment.

It follows, therefore, that Oregon should make liberal provision for its educational system. It would be better and wiser by far to show scanty consideration for other departments or institutions of the State, in order to provide needed funds for the State's schools and colleges, than to scrimp the funds for the schools to aid other institutions or departments. I believe in economy of government but not in economy of education, and I trust that in passing upon the needs of the State's educational system this legislature will show no disposition to refuse any of the schools or colleges such support as their necessities and healthy development may require.

## UNPAID CLAIMS OF NORMAL SCHOOLS

When the normal schools were abolished at the last session of the legislature no provision was made for the payment of the salaries of the teachers for the balance of the term for which they had been employed. Some of them received little or no pay from January 1, 1909, to the end of the school term in June, and what little they did receive was derived largely from private donations. The legislature, therefore, should not fail to provide for the payment of any and all unpaid salaries that may be justly due from the State.

## OREGON LIBRARY COMMISSION

This commission was created by an act of the legislature of 1905 for the purpose of giving advice to public libraries and schools and communities wishing to establish libraries, also to purchase and operate free of cost, except for transportation, traveling libraries among communities, libraries, schools, colleges, and universities.

The commission realizing the importance of the work it was called upon to perform chose a more efficient secretary who has had charge, and has directed the affairs of the office and deserves great praise for the skillful and efficient manner in which she has conducted the same and for her untiring efforts to increase the usefulness of the commission and make Oregon one of the leading States in this line of work.

That the legislature acted wisely in establishing this commission will be admitted by any one who will take the trouble to inquire into its work. The buying of books and the establishment and maintenance of libraries require special knowledge and as this is possessed by the secretary of the commission and her corps of assistants, every little hamlet in the country receives the benefit of it and with the result that the children of the homesteader in the remote districts are provided with a well-selected library of the best books and at an insignificant cost to the community.

During the short time the commission has been in existence it has selected and purchased 131,000 books for public school libraries, and at a cost of about \$76,000. These books were purchased and delivered at two-fifths of what they would have cost the different communities had they purchased them direct and in

---

small quantities. This saving alone nearly equals the total cost of conducting the office of the commission from the time it was created.

The work of purchasing books is but a small part of the duties of the commission. It has been instrumental in bringing about the establishment of libraries in every nook and corner of the State and has given assistance in cataloging the books in most of our public libraries; it has established a system of traveling libraries through which the residents of our remotest districts may have access to the best books; and has assembled, classified, and catalogued a mass of material covering the live issues of the day, which is available at any and all times to members of the legislature, debating societies, or any one interested.

This department has been conducted with the strictest economy. No department has made a dollar go as far as the Library Commission. I hope every member of the legislature will find time to read its report, visit its office, and get in touch with its work, and I trust that the suggestions made in the report for enlarging the scope of the department's usefulness will be given careful attention.

#### RAILROAD COMMISSION

The four years' work of the Railroad Commission speaks for itself. Since the creation of the commission the public has seen a marked improvement in the road-bed, equipment, station facilities and train service of our railroads and is receiving the benefit of an annual saving of several hundred thousand dollars through rate reductions. The great task of ascertaining the original cost and cost of reproduction of all of the railroads in the State is about finished and the information thus obtained will be of inestimable value both for taxation and rate making purposes. This undertaking has cost the State but a small fraction of what similar undertakings have cost other states. The commission is now working under a very effective law and but few amendments are necessary. These, however, will be submitted to you for your approval through measures which are being prepared by the commission. Its further needs are fully set out in its annual report and will no doubt be called to your attention by the members of the commission.

#### OTHER PUBLIC SERVICE CORPORATIONS

There is a demand from many quarters for the better regulation of all public service corporations and a movement is now on foot to place those not now subject to control under the jurisdiction of some commission. Experience has shown that just rates and treatment come only through such effective regulation and there is no excuse for further delaying action in this State.

#### STOCK WATERING

The constant consolidation and reorganization of our public service corporations and the lack of proper regulation in the matter of issuing stock should attract the attention of the members of this legislature and convince them that there is great need of legislation which will protect the public from all unwarranted issues of watered stock. It may be that this is a matter for Federal regulation but in the absence of any action on the part of congress it is surely within the province of the State to take action in the matter.

#### ADVERTISEMENT OF OREGON'S RESOURCES

State officials are daily in receipt of requests from persons residing in other States and in other countries asking for information concerning Oregon and its resources. Owing to the fact that the legislature has never made provision for the publication of publicity matter it is impossible to comply with these requests. Other States are advertising their resources and it seems to me the time has come for Oregon to take similar action. The State could print a comprehensive booklet at very little cost as the material could be obtained from the railroad companies and commercial organizations, assembled by the Oregon State Conservation Commission and printed by the State Printer. The State is thus in a position where it can do some effective advertising at very little cost and it is to be hoped that the legislature will see fit to provide the Oregon Conservation Commission with authority to carry out the work.

#### WHITE SLAVERY

White slavery, a term that spells hideous vice and inhuman infamy, has been for some time engaging the serious thought and active endeavor of the Federal Government. It has been found that organized gangs of

---

lecherous parasites have been swarming in the country, more or less openly engaged in their revolting business. Young and innocent girls have been enticed into this country, oftentimes by trick and artifice, and friendless, have been forced into an existence worse than death. American girls, lured to the cities by clever persuasions and promises of employment, have been cast into the vortex of the lost by these inhuman monsters, never to re-appear unless in the police court or the morgue. The horror of the situation needs no elaboration for every edition of the public press adds fresh chapters to its awfulness.

Congress has enacted stringent legislation against this evil and is making an energetic effort to stamp it out. But cases are continually arising hard for the Federal law to grasp, cases local in their nature and clearly within the jurisdiction of the courts of this State.

I believe that this State, insofar as is possible, should work side by side with the Federal Government in combating this evil, and I recommend that a statute be enacted, following as closely as practicable the Federal law, through which the State courts may lay a heavy hand upon this most loathsome traffic, clean the State of it and keep it clean.

#### REQUESTS OF PIONEERS

Pioneers of the State will very probably appear before this legislature in the interests of projects conceived for the perpetuation of historical events in the public memory. Some years ago the Champoeg Monument Association secured three acres of ground at Champoeg and erected thereon a monument commemorative of the convention of May 2, 1843, at which it was determined that Oregon should be American and not English territory. A movement has now been started for the purchase of 12 acres additional and the construction of a pavilion for housing the historical celebration which is held there annually.

The Oregon Historical Society desires to erect a modest monument above, and a fence around, the sadly neglected grave of Peter Skene Ogden. This noted pioneer was the Chief Factor for the Hudson Bay Company at Fort Vancouver in 1847, and after the Whitman massacre of that year, ransomed 53 women and children captured by the Indians. None of this money was ever repaid, and the historical society desires to pay tardy tribute to the memory of the patriotic and humane pioneer.

There yet remains a few aged veterans of the Indian outbreak of 1855, whose claims have never been paid by the State. These men volunteered their services, furnishing their own horses, arms, and equipment. The legislature of 1856 agreed to allow the men \$2.00 per day for their services, \$3.00 per day for the use of their horses, and to reimburse them for horses killed or injured in service. Legislature after legislature failed to pay these just debts, and only in recent years have a majority of the claims been met. There are still a few claims unpaid and these constitute a debt of honor owed by the State. When these matters are brought to your attention I bespeak for them your thoughtful consideration.

#### INCOME TAX

Congress, some years ago, with a view for bringing about a more equitable distribution of the burdens of taxation, passed an income tax law but the Supreme Court of the United States held it to be unconstitutional. Congress has now passed an amendment to our Constitution, which by removing all constitutional obstructions will permit the passage of such a law, and it is being submitted to the several States for approval or rejection. The proposed amendment is as follows:

Article XVI: Congress shall have the power to levy and collect taxes on incomes from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

This amendment before becoming effective must be ratified by at least three-fourths of the States. A number of the States have already approved the measure, while a few have rejected it. It is to be hoped, however, that Oregon will go on record as being in favor of this most meritorious and progressive measure.

#### THE "OREGON PLAN"

---

The eyes of the nation are focused on Oregon today. The progressive laws of this State are being made the pattern of State after State. Oregon has tried out the direct primary law, the direct election of United States Senators, the initiative, the referendum, and the recall, and has found these measures good. Other States, boss-ridden and machine-controlled, have watched this State strike off the shackles of political slavery and are now driving the old convention system with its ringmasters, its graft and corruption, into oblivion.

Within the past few days Governors Osborn of Michigan, Foss of Massachusetts, Marshall of Indiana, Plaisted of Maine, and Norris of Montana, have declared that their States must adopt the "Oregon System" for political regeneration.

Oregon's system is no longer an experiment. It has been refined in the fires of fierce opposition, and has stood the test well. If imperfections exist, those in time may be remedied or adjusted. But I hold that if changes must come, they should come at the hands of the friends of the law, and I saw now that during my term of office I will zealously guard the integrity of these laws of the people and will combat with every means in my power any attempt to injure, infringe, or subvert them. The people of Oregon, at different times and in no uncertain tones, have declared for these laws, and no men or no hostile influence should be permitted to attempt, in any manner, to wrest from the people their hard-won victory.

#### CONCLUSION

In conclusion, gentlemen, I bespeak for myself that courteous consideration at the hands of this distinguished body, which it and each of its members will receive from me, and I trust that united effort will mark this session as an epoch in the good fortune and prosperity of the State. And in this connection I remind you that as each and every measure appearing during the session should receive your careful consideration you should guard against the usual turmoil of the closing days. I would suggest that should you adopt a resolution at the first of the session providing that no measure should pass from one house to the other during the last five days of the session, it would go far towards permitting fuller discussion of those important measures which are always late in reaching final consideration. And I would suggest that this State now has many laws, and that this legislature would go down in history more blessed for a few well-considered and timely enactments than for a large amount of ill-considered and faulty legislation.

OSWALD WEST,  
Governor.

#### Letters, 1911

Source: MESSAGE Of OSWALD WEST Governor of Oregon, To the Senate February 9, 1911.

MESSAGE FROM THE GOVERNOR  
EXECUTIVE OFFICE, February 9, 1911

To the Honorable the President and Members of the Senate:

I have the honor to transmit herewith the report of a special committee, consisting of Doctors J.F. Calbreath, W.T. Williamson, Harry Lane and Andrew C. Smith, and the special report of State Engineer John H. Lewis, both of which reports deal with the proposed site for the Eastern Oregon State Hospital.

This special committee was requested by the State Board to visit the site selected for the proposed Eastern Oregon Insane Hospital, inspect the same and give their opinion upon its feasibility as regards the construction of those buildings which will, in the future, be necessary.

The State Engineer was requested to make an examination of the site purchased and report his findings.

The two reports have been forwarded to the executive office, and I transmit them to you, bespeaking for them your earnest attention.

---

Respectfully submitted,  
OSWALD WEST,  
Governor.

To the Honorable State Executive Board:

The undersigned, your committee appointed to examine the site selected by the preceding Board of Trustees, and advise you as to the advisability of building thereon, and to assist you in considering other sites mentioned, would respectfully report:

On January 22nd, 1911, accompanied by John H Lewis, State Engineer, we visited the Carpenter-Oliver tract and inspected the site selected. We found room and grade suitable for the main building required for the purpose but the area immediately adjacent was too steep to make it convenient or practicable. A number of other buildings for various purposes becomes necessary as the institution grows and the level tract is too restricted in area for that purpose.

This adjoining steepness should also be considered in the expense of transferring supplies and building materials.

A grade could be selected for a switch, but if the State does not own the ground for switching purposes it might be expensive to acquire and should be secured before determining upon this site.

The character of the soil of the upland would apparently demand irrigation and the bed-rock seems to near the surface for economical building excavations. This could of course be overcome by the necessary expenditures.

The question of water supply demands serious attention. The natural building site when occupied by a two or three story building, such as an institution of this character would necessarily be, would be too high to receive water from the Pendleton works with sufficient pressure by gravity.

The river water which would have to be pumped, would be unfit for drinking and culinary purposes, and could be used by gravity only on the bottom lands for stock and irrigation purposes. If used for irrigation on the uplands as suggested by the engineer, it would have to be pumped and would require a reservoir. The amount going with the water right with this land should be carefully determined by abstract or title, for it would perhaps be quite expensive for the State to acquire it after an institution is established.

The Wheeler site, (the tract three-quarters of a mile down the river), is much better adapted for the extensive building of an institution, and the altitude being less, the water supply from the Pendleton works could be supplied wholly by gravity.

The additional expense would be in supplying the pipe required for this distance.

The water question there, as in the Carpenter site, is a very important one and in this connection we would call special attention to the recommendations and suggestions along these lines made by the State Engineer.

Your committee are of the opinion that the land already purchased by the State should be retained. If the Wheeler tract is used for a building site, eighty (80) acres of the Daniels tract lying immediately adjoining, should be purchased in order to round out the premises. If the Carpenter site is not used for a building site, the Roberts land would not be needed by the State.

We call attention to the report of the State Engineer, hereto appended, dealing with the water problem and the physical features and the various tracts under consideration.

---

Respectfully submitted  
W.T. Williamson,  
Andrew C Smith,  
J.F. Calbreath,  
Harry Lane.  
Committee.

February 3, 1911

To Dr. J.F. Calbreath, Dr. W.T. Williamson, Dr. Harry Lane, Dr. Andrew C. Smith, Portland, Oregon.

GENTLEMEN: I enclose herewith a report of the physical features relating to the building site for the Eastern Oregon Hospital, as a result of our recent investigations under instructions of the board of trustees of such institution.

This report has been hastily prepared, from information gathered from various sources, and I believe is correct so far as it goes. I regret that time will not permit that securing of information upon which a more detailed report can be made.

With reference to the probably growth of such institution, the need for farming lands, and for exercise grounds, the arrangement of buildings and other technical matters pertaining to the management of such an institution, I know but little. Inasmuch as you have each had special experience and training along this line, I am leaving this feature for your consideration. I trust that the maps and information furnished, together with your knowledge from an inspection of the grounds, will enable you to recommend the most suitable site for building purposes, and what additional lands, if any, you deem advisable to purchase.

It appears to me that the Roberts tract of 54 acres should be purchased in any event, to round out the State's present holdings, and to protect the State's interest in the possible water power development.

Very respectfully,  
John H. Lewis

Report of John H. Lewis, State Engineer, relative to the Pendleton building site:

The State, I am informed, now owns 314 acres of land about one mile west of Pendleton, Oregon, upon which, or in this vicinity of which, it is proposed to erect a hospital for the insane, to accommodate at the outset about 800 patients. This land was purchased from two different owners.

The Oliver tract of 154 acres is very largely bottom lands, bounded by the Umatilla River on the south and the bluffs on the north, and along which runs the O.W.R. & N. Co. Railroad. The bottom land is only a few feet above low water, and at high water is subject to overflow in places. Danger from this source can be avoided by building a dike along the east line of the tract. Several buildings are located on the highest points of the bottom lands. About 60 acres have been irrigated by a ditch which crosses the Utopian gardens to the river. These garden tracts, about 40 acres in extent, are not owned by the State. As all the low water flow of the Umatilla River is entirely consumed, water for the irrigation of bottom lands not heretofore irrigated can only be secured during the spring floods unless storage is supplied. Reservoirs for this purpose can be constructed in the mountains. This will probably be necessary in any event, as large quantities of water will be necessary for lawns and general irrigation around the building site, if located on high ground. This method would probably be cheaper than using city water if such supply is found to be adequate.

The outlet for the Pendleton sewer system enters the river just above this tract. The Pendleton authorities state that they expect to extend this sewer to a point below the tract. I am not aware of any executed agreement to this effect. During the low water flow, the two power plants at Pendleton are in the habit of storing all the stream for part of the day, to secure sufficient water for the balance of such day.



---

This condition would compel the State to extend the city sewer about one mile farther down stream, if the city authorities failed to do so.

The only high ground on this tract available for a building site is north of railroad, and this is of restricted area because of a ravine which crosses the most desirable spot. This cove widens to the east, and if the Roberts tract of 54 acres was owned by the State, it would give a building site about 1,000 feet long and 200 feet in depth, with 100 feet or less for lawn purposes. The ground rises about 25 feet in 200 feet distance, and four test pits show loose lava rock within 3.5, 7, 1, and 3 feet, respectively, below the surface. With indications of solid rock close below.

The Carpenter tract of 160 acres is hill land, the west half of which is crossed by a river. A building site about 300 by 600 feet in dimensions is found on the east half of this tract, 135 feet above the present country road and 165 feet above the river. If a building of such dimensions were constructed it would occupy about all the available level land. The average slope in front of such building would be about 14 feet per 100, to the road about 1000 feet distant. On either side the ground slope would be less, probably 6 to 10 per cent. Back of this building site the ground rises gradually, and would furnish an adequate location for a water tank, which will give the necessary pressure for domestic and fire protection purposes. The base of such building will be 47 feet below the bottom of the present city reservoir. The head without allowance for friction losses would give about 20 pounds per square inch pressure. As about 80 pounds pressure is necessary, the present city supply could not be utilized without pumping. This supply is inadequate for present demands of the city, and if the proposed mountain water supply is not installed, it will probably be necessary for the State to sink a bored well in the bottom lands, and pump from the underground water stratum from which the city is now supplied.

The proposed building site on the Carpenter tract can be reached by a wagon road having approximately 7.5 per cent grade, or about 5 per cent grade if started on the Roberts tract, not now owned by the State. It can be reached by a railway spur 4,500 feet long having a maximum grade of 3.3 per cent, with 10 degree curves. To construct this will require approximately 7,100 cubic yards of solid rock excavation, 2,100 cubic yards of earth excavation, and the construction of a 525-foot timber trestle, of 60 feet maximum height. It is extremely doubtful if the railway company can be prevailed upon to operate such spur even if constructed by the State because of its steep grade. To construct a spur of less grade will be longer and more expensive. Right of way will have to be purchased or condemned if such spur is constructed.

The Carpenter tract is bounded on the south by the Oliver tract for 1,320 feet, and an equal distance by the Roberts tract, not owned by the State. This latter tract is directly in front of the proposed building.

Water Power.—The Roberts tract of 54 acres, on which I believe the State holds an option to purchase at \$150 per acre, extends to the river on the east and if purchased would control a possible water power development. There is 33.7 feet fall in the river between the upper corner of the Roberts tract and the lower corner of the Oliver tract. The low water flow of the Umatilla is about 40 cubic feet per second, which under the above head would develop 150 theoretical horsepower. This would be sufficient to furnish lights for the institution and pump the necessary water for domestic supply and for side hill irrigation. Because of the fluctuating use by upper mill owners, some storage would have to be provided to equalize the flow. The cost of such development cannot be closely estimated with the limited information available. It would probably range from \$15,000 to \$25,000.

The Wheeler tract of 320 acres said to be optioned for purchase at \$30 per acre, is all bench and hill land, located one-half mile down stream from the Oliver tract. The lower corner is about 800 feet distant from and 65 feet above the railway track. It is 82 feet above the river. It is described as the west half of Section 5, township 2 north, range 342 east, W.M. From the southeast corner the surface rises gradually to the northwest for 1,000 feet, at the rate of 6 feet per 100 feet, and for the next 1,000 feet at the rate of 11 feet per 100. Beyond this it is somewhat steeper, the surface being closely underlaid by rock, until the top is reached where the soil becomes deeper and is valuable for dry farming crops.

---

The surface soil at the southeast corner is about eight feet in thickness as indicated by Wheeler's cellar and well and is underlaid by hard pan, with probably rock close below. Mr. Wheeler refused permission to dig test pits at the most probable building site; which appears to be in the vicinity of the 160-foot contour, along which a building 1,800 feet in length could be built, with suitable wings, to fit the contour of the ground.

The Daniels place of 320 acres joins the Wheeler place to the south and is optioned at \$75 per acre. The bottom land is badly cut up by the river and railroads, and only partly improved. About 60 acres is located on a bench south of the river, and would probably afford a suitable building site. An expensive wagon road bridge and railway bridge would have to be constructed, if such site were selected. The 80 acres of bench land adjoining the Wheeler place, should be purchased if this tract is selected as the building site. The county road which divides these two tracts can be changed to follow the old railway grade at the foot of the bluff, thus making available a tract of about 100 acres of uniformly sloping land.

A 2,400-foot spur on 2.33 per cent grade will reach the building site. Much of this will be expensive rock work. A profile of the line is not available.

Assuming the 150-foot contour to be the base of the proposed site, it would be 127 feet below the bottom of the city reservoir. This without friction losses would give only 55 pounds pressure and correspondingly less at the top of the building. Some additional pumping would therefore be necessary at this site. If city water is used, the added expense in constructing a ten-inch cast iron pipe from the Carpenter to the Wheeler site will amount to \$15,000, or \$8,200 for a 6-inch pipe.

It seems to me that the Wheeler tract at \$30 per acre, even if not used as building site, would be a good purchase, if additional farm lands are needed, as about 100 acres can be reached with less than 250 foot lift, pumping from the river. This land when irrigated would be more valuable than the bottom lands, and free from destructive floods. If used as a building site large areas will be available for lawns, shrubbery and for exercise grounds for the patients. The Oliver tract while disconnected can be reached by the county road, about as conveniently as from the building site on the Carpenter tract.

A building on the Wheeler tract would be located at a bend in the river, affording a good view of Pendleton, and of the valley looking down stream.

Accompanying this report are the following exhibits:

Exhibit A—Attached; showing in red, lands purchased by the State, and outlined in red, areas for which it is said, options to purchase have been secured.

Exhibit B—Separate; showing topography at three proposed building sites with railroad spurs, and depth to rock and location of test pits, as dug; prepared by Geary Kimbrell, under the direction of the State Board.

Exhibit C—Separate; map showing the location of railroads and streams, with proposed spur to Carpenter building site; prepared by the O.W.R. & N. Co., at request and under instructions of certain Pendleton citizens.

Respectfully submitted,  
John H Lewis,  
State Engineer.  
SALEM, Oregon, February 3, 1911.

### **Biennial Message, 1913**

Source: Oregon Messages and Documents, 1910-1912, Letters, Salem, Oregon, Willis S. Duniway, State Printer, 1913.

---

OSWALD WEST Governor of Oregon, To the  
Twenty-Seventh Legislative Assembly Regular Session 1913

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

GENTLEMEN: In accordance with the usual custom, and the command of the Constitution, it again becomes my pleasant duty to present for your information a brief statement of the condition of our public affairs and offer for your kindly consideration a few suggestions which, it appears to me, would make for the greater development of the State and the increased prosperity of her people.

#### SPECIAL REPORTS

Important questions will be presented for your consideration at this session, among them: A compensation act, a revision of our judicial system, an insurance code and the Jefferson Street Levee and the Columbia Southern irrigation matters. These have been brought to your attention and quite fully discussed through special reports which have been mailed you from time to time.

There is, therefore, no need of my taking your time, or trying your patience, with a detailed discussion of these several questions. Suffice it to say that the reports have been prepared by men who have given the subjects most painstaking investigation and study and whose recommendations merit your earnest consideration.

#### THE STATE'S FINANCES

The State's finances are in a splendid condition. We have no debts, bonded or otherwise, to worry us and there are ample funds on hand to meet all current expenses. Unexpended appropriation and accumulated receipts from license fees and other sources in excess of a million dollars will be available for expenditure during the ensuing year and make necessary a State tax levy of but \$1,000,00 as against \$3,000,000 last year.

#### THE STATE INSTITUTIONS

You were promised two years ago that the maintenance appropriations made by you for the support of our State institutions would answer the purpose and that you would not be called upon to make deficiencies good. I am pleased to advise you that this promise has been kept.

Our State penal and eleemosynary institutions have an approximate population of 2,700 inmates. Their care has necessitated the hire of 370 employees and an average annual expenditure during the past two years of about \$1,000,000. This is a vast sum of money for the taxpayers of the State to be called upon to pay each year, yet it is a condition which to be met. These institutions are a product of the times and present day society and until we consent to study the causes which fill them and take steps to remove these causes we may expect to be called upon to meet, not only the present demands, but greatly increased burdens in the future.

Too often these institutions have been used as political footballs so that their affairs and needs have many times failed to receive at the hands of the legislature the sober, sincere and unbiased consideration which they merited. Inmates have been made to suffer through failure of the legislature to provide adequate funds for their care and support—this due at times to indifference on the part of a superintendent and at others to a desire on the part of someone in the legislature to embarrass him in his work. Politics is not now a factor in the management of these institutions. The present board can say, and without fear of contradiction, that this influence has never in a single instance dictated the selection of an officer or employee at one of them.

The last legislature treated the institutions with fair liberality, and the board, through close attention to their affairs and the hearty co-operation of officers and employees, offer them today for your inspection in a far superior condition than has ever before existed. Should their needs receive the consideration which they merit at your hands, and I am sure they will, the board can promise you tow years hence a group of

---

institutions ranking among the best, if not the best, in the United States, and this notwithstanding that many of the buildings are old and out of date.

The reports of these several institutions set forth in detail the expenditures during the past biennium and make known their future needs. Copies of these reports having been mailed you, it will not, therefore, be necessary for me to discuss their needs except in a general way.

#### THE STATE PURCHASING BOARD

The Purchasing Board has proved its usefulness not only in simplifying the purchase of supplies for State institutions and at most satisfactory prices, but in pointing out the advantages which would accrue to the State from a further consolidation in the management of all State institutions.

#### A SINGLE BOARD OF CONTROL

All State penal and eleemosynary institutions should be placed under a single board of control and to avoid creating new officials and expense the said board should consist of the Governor, Secretary of State and State Treasurer. The State Purchasing Board should be merged with this board. By this arrangement the management of our State institutions can be greatly simplified and the cost reduced.

#### THE SOLDIERS' HOME

The Soldiers' Home appears to be receiving fair treatment at the hands of the legislature and offers many comforts to those old patriots who through wounds, misfortune or old age have been obliged to throw themselves upon the mercies of the State. The Commandant is not asking a single dollar for betterments and, if no change is made in the rules governing admission, will ask no greater amount for maintenance than was appropriated at the last session.

It is being asked, however, that the rule limiting admissions to those who draw pensions not exceeding \$20.00 per month be abrogated and that no restrictions whatever be applied. Inasmuch as the ranks of the veterans are growing thinner each day and in the view of the great debt we owe them, it would undoubtedly be an act of justice to remove the restriction. Should this be done, however, the legislature must first make provision for the erection of additional quarters and the additional cost of maintenance.

#### INSANE HOSPITAL

The overcrowded conditions which have prevailed at the Oregon State Insane Asylum at Salem during the past few years have been relieved to a certain extent by the occupancy of the new receiving hospital and will be further relieved by the transfer within have been made upon the first of the year had it not been for an unfortunate delay in supplying certain hardware needed for the final completion of the institution.

The present needs of our insane therefore are well cared for but their future requirements must not be overlooked. The growth of the State demands that reasonable provision be made for an increased population. It would be inhuman to permit a recurrence of the overcrowded conditions of the past.

Our insane asylum is a wonderful institution. Its management is the best. No similar institution can offer its unfortunate inmates better food, more comfort or more kindly treatment.

The new hospital at Pendleton when finished will be complete in every detail and will stand as a model as far as construction and arrangement is concerned. To avoid past blunders and great financial waste the board in drafting its plans took into consideration the demands which the future would make upon it and laid the foundation for a much larger institution than at present constructed. The administration building, the heating plant and laundry are of sufficient capacity to supply the needs of an institution of far greater size, and future additions, therefore, may be confined largely to the erection of additional wards for the accommodation of an increased population.

#### INSTITUTIONS FOR FEEBLE-MINDED

---

The institution has been unable to meet the demands for admission made upon it. The last legislature, owing to the crowded condition, appropriated funds for the erection of a building to relieve the situation, but made no provision for the maintenance of an increased population. In view of this no particular haste was made by the board in the matter of erecting the new dormitory. It is now completed, however, and will be ready for occupancy at any time or as soon as the legislature makes provision to cover the necessary additional maintenance cost. Additional buildings will have to be constructed at an early date if the ever increasing demands upon the institution are to be met.

#### TUBERCULOSIS SANATORIUM

This institution was established to serve a worthy purpose but for some reason, either because it is improperly located, its advantages not thoroughly understood, or because it is ahead of the times, is not proving the success its friends anticipated. The board having supervision of the institution's affairs is made up of a number and public spirited citizens who have unselfishly devoted much time and effort in an endeavor to make it a success. Most of these gentlemen contend that the institution should be continued and believe that it will eventually prove its worth. I am unable to take this view of the situation, however. It may be that I am looking more to the expense than the benefits, but I cannot help thinking that under some different system the same money could be made to produced far greater results.

The institution is top-heavy. We are spending much money to heat and maintain a large structure which is of but little use to the inmates. This unnecessary burden and the small population produce an unusually high per capita cost. It seems to me that until the demands of the State justify the maintenance of such an institution, that all indigent sufferers from tuberculosis should be permitted to patronize such private sanitariums as may be license by the State through the State Board of Health and that a reasonable per capita charge be paid to cover the expense of keeping them. This arrangement would work a considerable saving for the State while the people would not shirk their duty toward these poor unfortunates.

Should the institution be abolished the buildings could be used for a Home for the Aged or a Home for Wayward Girls.

#### THE SCHOOL FOR THE DEAF

This school is well located and such buildings as have been erected are well adapted to the needs of the institution. Some additional outbuildings and equipment are still needed as will be shown by the report of the superintendent.

Many acres of land surrounding the institution, formerly swamp and brush, have been reclaimed through the aid of convict labor and have proven most productive. These lands will do much towards keeping down the maintenance cost of the institution.

#### THE SCHOOL FOR THE BLIND

The buildings at this institution are not only veritable wooden fire traps, but are so located that a railroad track, a mill race and a creek, which at times in the winter is a raging torrent, must be crossed by the blind children in going to or from the school or city.

Fire proof buildings should be provided or the school closed. Otherwise it is only a question of time until we will be called upon to shudder at an awful holocaust. I am opposed to any further appropriation for the maintenance of this school unless it comes coupled with provision for better fire protection. Should fire proof buildings be provided for the school, the matter of securing a more suitable location for the same should be given consideration.

#### THE STATE TRAINING SCHOOL

This institution is being used as a dumping ground for boys who should be living in better homes. Many parents cause, or permit, their children to be committed her for no other reason than that they may be relieved of the burden of their maintenance. This should not be tolerated. Parents should not be permitted

---

to cast a life-long stigma upon a child in order that they may be relieved of a duty which they owe to it and to society.

On the other hand there are incorrigibles committed here who are too vicious to be associated with boys whose reformation would otherwise be possible. These should be sent to another institution—a reformatory, a halfway station between the training school and the penitentiary, a place where those whose age or records make them out of place at either institution, could be confined.

The institution's daily average population appears to have been one hundred and the monthly per capita cost \$23.25, to say nothing of the expenditures for betterments and improvements. Of this monthly per capita cost about \$10 went for salaries of officers and employees. This is an amount nearly twice that of similar expenditure at the penitentiary. These figures go to show that the institution is, and will be for years to come, top-heavy, and that it is placing unnecessary burdens upon the taxpayers.

I would, therefore, recommend that the institution no longer be used for the purposes to which it is now devoted. I would further recommend that simple cottages and other necessary buildings be erected upon the lands owned by the State at Union, Oregon, and that after about one-half of the boys now at the school have been returned to their parents or placed in suitable homes, the remainder be transferred to said farm at Union there to receive all necessary training and education.

#### THE OREGON STATE PENITENTIARY

This institution had its birth about forty years ago. Added years and population brought it added filth and added rubbish. For two whole years we have shoveled and scraped and scraped and shoveled in an endeavor to make the institution and grounds clean and sanitary. We have made much progress, but still have far to go. However, this coming year will see such work pretty well taken care of and the institution and properties take on an appearance which will compare favorably with the best of similar institutions in other states.

The superintendent's report presents in detail much information in regard to the affairs of the institution and merits your careful consideration. The institution's problem is what to do with its surplus labor. This question must be met. During the past year we have been able, in spite of unjust criticism, misrepresentation and many obstacles, to keep the men all busily engaged and at occupations which were of profit to the public.

Upon taking office I found scores of idle men in the institution and their ranks were suddenly swelled by the cancellation of the stove foundry contract. Notwithstanding the dilapidated structures and the filth and rubbish sadly in need of removal, many of these idle men were locked in their cells or permitted to loaf around the prison year.

To relieve the situation, those whom it was thought could be trusted were sent out to work on the roads and at various State institutions. The balance were kept busy in and about the prison premises cleaning and repairing the building and in clearing and reclaiming waste and unproductive lands.

The people of this State at our recent election by a large vote endorsed the policy of working convicts on county roads and at State institutions. It can therefore be taken as a settled policy and one which will take care of about one-third of our prison population. A similar number can be utilized in the ordinary upkeep of the prison and prison properties. This leaves one-third of the population not provided for. These men cannot and must not be left in idleness. The institution can work out its own salvation if the management is given the right and authority to conduct it on business principles and use institutional earnings to cover operating expense, install additional industries and take care of needed improvements.

Turn to the brick year account of 1911 and you will find, notwithstanding over one-third of the brick manufactured was delivered to State institutions at \$5.000 per thousand, the sum of \$16,700 was turned into the State Treasury. Ten thousand dollars of this amount was profit and the total would have been \$12,000 had full value been collected for brick furnished the institutions.

---

Then came the critics who attempted to prove it was unlawful for us to make money for the taxpayers and we were obliged to cease. It was with difficulty that we found a way to manufacture brick to meet the needs of the several State institutions during 1912 and keep within the law as pointed out by our critics.

The total cash earnings of the institution during the biennium was \$40,955.01. Earnings through labor furnished State institutions and counties, figured at 75 cent per day, but not collected, amounted to \$29,615.75, making a total of \$70,570.76 or just about one-half of the maintenance cost of the institution.

What Oregon's prison policy shall be in the future rests largely with you. We have put forth our best efforts in an endeavor to solve the prison labor problem and feel that we have made much progress—in fact far more than was thought possible in the beginning.

With the installation of industries and the manufacture of articles of State institutions only, the prison can within a few years be made self-supporting. Industries can be gradually installed and paid for out of the institution's earnings if such a course is authorized, but if not authorized then an appropriation of at least \$25,000 should be made for the use of the management in procuring needed machinery.

The last legislature appropriated \$11,250 to install 24 new steel cells. Through favorable prices on materials and the use of our own labor we were able to install 48 cells, thus fully supplying the demands of the institution.

#### EDUCATIONAL INSTITUTIONS

Our institutions of higher education are either needed or are not needed. If needed they should receive liberal support; otherwise they should be abolished. Provision should be made at this time for placing them on a millage tax basis in order that they maybe relieved of the necessity of coming begging to the legislature each session.

#### OTHER PROPOSED INSTITUTIONS

Drunkard's Home—Our jails and State institutions are crowded with victims of the drink habit. These unfortunates are a continual expense of the taxpayers. A meritorious compensation act which makes each industry provide for the families of its killed and injured is being proposed at this session. In view of this, I can see no reason why the burden of providing for down and out "booze fighters" or their families should not be borne by the liquor traffic. These individuals being the product of the saloon should be cared for by that institution.

A Reformatory Necessary—Some day, and in the no distant future, this State must have a reformatory where the better class of prisoners may be placed and thus avoid their being thrown in contact with the confirmed criminals at the penitentiary. Should the recommendation made as to the State Training School be followed that institution could be used as a reformatory to accommodate the said better class and overflow from the prison. The lands surrounding the institution could be farmed through the aid of this labor and the products distributed to such institutions as might be in need of them.

Home for the Aged—Figures obtained for the year 1911 show \$236,272.23 to have been spent by the several counties in this State in the support of their poor. It is estimated that there are about 600 of these unfortunates now being cared for by the counties. This number could be cared for at a State institution for about one-half the said cost and receive much better treatment than many of them are now receiving. Should the tuberculosis sanatorium be abandoned, the buildings and grounds would afford an ideal location for such a home. The cost of maintaining the home would be apportioned to the several counties upon the basis of the number of inmates charged against each.

Home for Wayward Girls—There is a crying need for a home for wayward girls and a request which will be made at this session for the establishment of such an institution merits your earnest consideration.

---

## PRIVATE SANITARIUMS AND CHARITABLE INSTITUTIONS

All charitable institutions receiving State aid and all private sanitariums devoted to the care of the insane should be under State supervision and regulation.

## TRANSPORTATION OF INSANE AND PRISONERS

The average per capita transportation cost based upon admissions during the biennium ending September 30, 1912, for the insane and prisoners was as follows: Convicts, \$37.00; insane, \$13.00.

It will be seen that it costs the taxpayers far more to transport a prisoner than it does an insane patient. This difference in cost is due to the fact that the insane are transported by attendants from the asylum while the prisoners are delivered at the prison by the sheriffs. The cost of transporting the insane is now only about one-half what it was when the work was being performed by the sheriffs. The transportation of prisoners should be placed with the prison authorities; or legislation of some kind should at least be adopted with a view of reducing the cost.

## STATE INSURANCE

The State does not insure its property, for it is well able to carry its own insurance. However, it might be good business, and prevent sudden burdens from being thrown upon the taxpayers if an insurance fund was created through annual appropriations, to cover fire losses in the future.

I can see no good reason why the State should not engage in a general insurance business and would recommend that the appointment of a commission be provided for with a view of fully investigating the subject and submitting a bill to the people at the next election.

## GOOD ROADS

We still need good roads legislation. The people indicated through their votes at the last election that they were opposed to any but conservative action along these lines. We have made some headway during the past two years, and the way is open for further progress through the passage of legislation not inconsistent with the vote of the people at the said election.

The ocean beach from the Columbia River on the north to the California State line on the south should be declared a public highway.

## USELESS OFFICES, APPROPRIATIONS AND LAWS

The taxpayers are being the burdens of many useless officials and appropriations and should be given relief. The Code contains many out-of-date and useless laws which should be repealed.

## APPROPRIATIONS BILLS

The practice of the past of submitting for your consideration blanket appropriation bills should be avoided. These bills should be reduced to the smallest practical unites in order that the members may have a better opportunity for considering the merits of each.

Our constitution should be amended so as to permit the Governor to veto any item in an appropriation bill. As the matter now stands useless appropriations are allowed to slip through for the reason that they are included in a bill carrying appropriations of merit.

## TAXATION

Three tax amendments approved by the legislature were submitted to the people at the last election. Of these two were defeated and by a very small vote. Their defeat was not due to any particular opposition, but because of the great number of tax measures upon the ballot and the inability of many voters to distinguish them from others which they were anxious to defeat.

Similar measures should be again submitted, for they open the way for rational tax reform. The amendments should permit the adoption of the so-called "Michigan plan" of devoting the taxes collected from public



---

service corporations to the support of the public schools. Such a plan would do away with the necessity of school districts levying a tax.

In this connection you should not allow the many burdens which will be thrown upon you to cause you to forget the needs of rural schools. Upon these schools we depend largely for the growth and development of our rural districts. Whatever contributes to their development adds to the wealth of our State.

It is the duty of the Board of State Tax Commissioners, in January of each year, to ascertain the total amount of money necessary for State purposes and to apportion the same among the several counties. In ascertaining this amount the law states that the board shall take into consideration all items of expense to which the State will be subjected under the existing laws, all deficiencies, including interest upon unpaid warrants, the current expense of the Oregon National Guard, the sum required for the support of the University of Oregon and the Oregon Agricultural College, and when such apportionment is made in an odd year that \$200,000 shall be added to cover appropriations which may be made by the legislature for additional public buildings.

The system is all wrong as it fails to equalize the levy as between odd and even years. Last year the levy was in round numbers \$3,000,000, this year \$1,000,000. The board, following the law, has estimated the State expense for 1913 at \$2,200,000. After deducting cash on hand, or which will be on hand, there is left a balance of about \$1,000,000 to be raised by taxation.

Should the appropriations at this session place the expense for the biennium at the same figure as the last, viz., \$5,600,000, there will remain the sum of \$3,400,000 to be taken care of in 1914. Deducting \$600,000.00, or the estimated amount of accumulated license and other fees, would leave \$2,800,000 to be raised through direct taxation in 1914 as against about \$1,000,000 this year.

To bring about greater equality as between odd and even years, the law should make it the duty of the State Board, consisting of the Governor, Secretary of State and State Treasurer, to prepare for the use of the Tax Commission a budget setting forth the amount which in its opinion would be necessary for the proper conduct of the State government. This would enable the board to base its levy upon actual needs and not upon useless standing appropriations, and would make possible far greater equality between years. And further it would place upon the State Board the responsibility of keeping a check upon expenditures and would make even an ambitious politician on the board a valuable asset, for, being held to account the taxpayers for all extravagant recommendations of levies, he would be inclined to be conservative.

This reform has long been needed. The matter is submitted with a hope that you will see your way clear to approve the suggestion.

## LABOR

Most important among the questions which affect the interests of the laboring classes in this State is the proposed compensation act. Just compensation to an injured workman or his family is right in principle. The measure proposed was drafted only after painstaking investigation by representatives of the different interests involved. These different interests each had to give and take a little in order to construct a measure which would work for the common good. It is easy to find fault with a measure of this kind, but so long as it is founded upon sound principles minor objections should be waived in order that the bill may become a law and given a trial. Its shortcomings, should any exist, will develop and can easily be taken care of in the future.

A minimum wage bill will also be presented for your consideration. The bill is aimed primarily to protect the working girls of this State in a living wage. Such a law would fill a long-felt want and would go far to remove conditions which often drive deserving, but helpless, girls to lives of shame.

---

It appears that the eight-hour law passed at the last election was without an enacting clause and will therefore be of no effect. I would, therefore, suggest that a new bill covering the eight-hour feature of the said bill be passed at this session.

The Labour Commissioner in his report has called your attention to the needs of labor in this State and I hope you may find time to look carefully into his recommendations.

#### WIDOWS' PENSION BILL

A measure providing for the pensioning of widows will be presented at this session. The bill appears to possess much merit and deserves your earnest consideration.

#### AUDITOR OF MUNICIPAL ACCOUNTS

This State needs an auditor of public accounts. A good man in this position would each year save the cost of his office many times over. AS matters stand today millions of dollars are being expended annually by public officials and practically without supervision. This failure on our part to throw proper safeguards around such expenditures opens the way for waste and graft.

Legislation providing for a uniform system of accounts throughout the several counties should be passed and measures along these lines will be offered for your consideration.

#### WATER POWER AND IRRIGATION POSSIBILITIES

The federal government has indicated its willingness to appropriate \$50,000, to be spent, with a like sum to be appropriated by the State, in the investigation and development of the water power and irrigation possibilities along the Deschutes River. The subject is fully covered in the reports of the State Engineer and the State Conservation Commission. This is a matter which deeply concerns the future development and prosperity of the State and I sincerely hope the movement will have your support.

#### MINERAL RESOURCES

The Conservation Commission in its report has also called your attention to the long standing neglect of our mineral resources. The Commission makes many valuable suggestions which are worthy of your consideration.

#### STATE FOREST

Aided by the State Land Board I have been negotiating with the Federal government for the exchange of all scattered school sections within the boundaries of the Federal forests in this State for a compact body of timber. Should the trade now under negotiation be carried through, it will result in the State securing title to some very desirable lands, and will go far in making our State school of forestry rank with the best of the nation. A plan for the administration of this State forest will be submitted for your approval.

#### COOS BAY WAGON ROAD GRANT

Congress by an act of March 3, 1869, granted to the State of Oregon certain lands to aid in the construction of a military wagon road from the navigable waters of Coos Bay to Roseburg, in this State. The lands granted were alternate sections of public lands, designated by odd numbers, to the extent of three sections in width on each side of said road. It was provided that the lands granted should be exclusively applied to the construction of said road and that no other purpose and should be disposed of only as the work progressed. It was further provided that the grant was made on condition that the land should be sold in quantities not to exceed one-quarter section to any one person, and at the price not to exceed \$2.50 per acre.

On October 22, 1870, an act was passed by the legislature of this State granting to the Coos Bay Wagon Road Company "all lands, rights-of-way, rights, privileges and immunities heretofore granted or pledged to the State by the act of congress heretofore cited, for the purpose of aiding said company in constructing the road mentioned and designated in said act of congress, upon the conditions and limitations therein prescribed."

---

On the 4th day of February, 1908, the government brought suit against the Coos Bay Wagon Road Company, or rather its successor the Southern Oregon Company, to forfeit to the government, the lands embraced within this grant. No trial or hearing has yet been had in the case.

I wish to submit for your consideration the following:

1. That the State and not the government is the proper party to bring suit to recover these lands.
2. That the provision in the Federal grant that the lands should not be sold in quantities to exceed 160 acres to any one person and for a price not exceeding \$2.50 per acre, are self-executing limitations upon the power of the State of Oregon to alienate the lands embraced within the grant.
3. That the act of the legislature of October 22, 1870 should not be construed as a conveyance of the title of the lands in question from the State to the Wagon Road Company, but merely in the nature of an equitable assignment of the proceeds to be derived from the future sales of the lands in accordance with any act of congress.
4. That any attempted violation of the Federal grant by the State of Oregon, being an unconsummated act, could not be made the basis of a claim for forfeiture by the United States.
5. That the State is entitled to resume the administration of this grant and, in accordance with the provisions of the act of congress of March 3, 1869, proceed with the enactment of laws necessary for the disposition of the lands.
6. That the State of Oregon in resuming the administration of this grant should ascertain the amount that would have been derived from the sales of the lands at the time of the grant, had the terms of the act been complied with, also taxes paid by the Wagon Road Company and supervisory expenses incurred, in order that the said company may be reasonably reimbursed and justly dealt with.

#### LAW ENFORCEMENT

The Governor is admonished by the Constitution to take care that the laws be faithfully executed, but neither the Constitution nor the statutes give him adequate authority to execute this command. It is true that he may call the militia to his aid in the execution of the laws, but this is an extraordinary power which it should be necessary to exercise only upon grave and extraordinary occasions. The Governor should not be forced to use the artillery of the State to bombard bootleggers or pursue blind pigs.

The governor should not be expected to go out and gather evidence and arrest and prosecute offenders. That is a function which should be performed by subordinate officials chosen for and charged with that particular duty. If these officials fail to perform their duty, the Governor, being charged with the enforcement of the law, should have some suitable reserve powers which would enable him to call them to account. He should have power to remove them, at least temporarily. Such a power would have a wholesome effect upon delinquent officials, while in no manner embarrassing those who faithfully perform their sworn duty.

Our liquor laws should be strengthened as follows:

Shipments of liquor of any kind into dry territory, except under certain restrictions, should be prohibited.

The sale of near beer should be prohibited in dry counties.

No license for the sale of liquor should be issued to anyone doing business outside of an incorporated city or town.

Saloons should be kept closed Sundays, and on week days between the hours of say 11 o' clock at night and seven o' clock in the morning.

No saloons should be permitted in or about a railroad station.

All saloons should have open or glass fronts; all chairs and card tables should be prohibited.

---

Saloons should not be permitted to cash checks.

Illegal sale of liquor by druggists should work a forfeiture of license to do business.

The several measures recommend by the Portland Vice Commission should be given State-wide application and stringent laws as to the sale of cocaine, morphine and similar drugs should be enacted; also laws which will better enable us to abate nuisances through injunction proceedings.

#### STERILIZATION

Degenerates and the feeble-minded should not be allowed to reproduce their kind. Society should be protected from this curse. Our asylums and our prisons are being populated afresh through such parentage. We confine the vicious and the irresponsible for a while, only to send them forth to blight the future by the creation of defective children that grow into the criminal or the imbecile.

Society is crying for protection and this protection should be given. False modesty, in the past, has caused us to speak softly and to handle this subject with gloved hands. Recent disclosures have emphasized the fact that the time has come to speak aloud.

The State has been shocked by the recent exposures as to degenerate practices. But this is an old story to those who deal with our jails and our asylums. Should you gentlemen desire to investigate this subject I would refer you to the superintendents of the penitentiary and the asylum.

But do not delude yourselves with the idea that these conditions are confined within the walls of our prisons or asylums. These degenerates slink, in all their infamy, through every city, contaminating the young, debauching the innocent, cursing the State.

Two remedies are needed—one of prevention, another of cure. We have been session to session been considering the first. We should now act upon the two.

Sterilization and emasculation offer an effective remedy. I would recommend, therefore, that a statute be enacted making it the duty of our State penal and eleemosynary institutions to report all apparent cases of degeneracy to the State Board of Health. It should be made the duty of the said board to cause investigation to be made and, if the findings warrant, to cause such operations to be performed as will give society the protection it deserves.

#### “BLUE SKY” LAW

A “Blue Sky Law” proposed at the last election failed to pass, not because the voters were opposed to such protective legislation, but because it apparently created a new office and carried an appropriation.

This is a question which merits your careful attention and I earnestly hope you will favor legislation which will drive from our State the many bogus concerns which are preying upon our citizens.

It should not be forgotten, however, that the passage of such an act will throw a vast amount of work and investigation upon someone and the work cannot be carried on successfully without a reasonable appropriation.

#### LOAN SHARKS

A law to regulate the business of “loan sharks” has been prepared and will be submitted to you for your approval. Such a law has long been needed in this State and I earnestly hope one may be adopted at this time.

#### COUNTY FAIRS AND SALARIES

---

The present system of making appropriations for support of county fairs is not only unscientific but leads to much log-rolling in the legislature. An equitable system whereby each county would receive just treatment should be worked out and substituted for the present indefensible method. Some new system should also be adopted with a view of equalizing the salaries of the different county officers and do away with the practice of continually applying to the legislature for increases.

#### FIRE ARMS

The passage of a law throwing restrictions around the carrying of concealed weapons do much to prevent crime in this State.

The man who carries a revolver usually does so because he expects to have occasion to use it and if he continues to carry one it is only a question of time until he does use it. To reduce the number of revolvers carried means to reduce murders and hold-ups.

#### APPROPRIATION OF PRIVATE PROPERTY FOR PUBLIC USE

The Constitution says that private property shall not be taken for public use without just compensation. By just compensation is meant the value of the property. The law also says that such property shall be assessed at its full cash value. Yet we find the State and municipalities called upon in condemnation proceedings to pay for a needed piece of property many times its assessed value.

This condition of affairs should not be allowed to exist. The assessed value should be more of a guide to the price which the public should pay. It should not under any circumstances be obliged to pay more than double the assessed value and the passage of a law to this effect would result in a great saving for the taxpayers of the State.

#### IMMIGRATION

The office of State Immigration Agent and the State Immigration Board should be consolidated. With the coming of the Panama Canal there will be much work for this board to do. The next few years will decide whether our State is to receive an increased population of desirable or undesirable citizens. The flood-gates of Europe are soon to be thrown open and it will be the work of the Immigration Board to see that the stream which flows toward this State carries as many farmers and home-builders as possible.

#### PANAMA EXPOSITION

The committee appointed in accordance with an act of the last legislature to select a site for Oregon's buildings at the coming San Francisco Exposition met with kindly treatment at the hands of the good people of California. Oregon was especially favored in that she was given the first choice of the offered sites and it is to be hoped that there will be erected thereon a building which will be admired by all.

This exposition will undoubtedly prove the greatest of all expositions and will redound to the benefit of the entire west. The Pacific Coast states in particular will profit and each in proportion to its activities in bringing to the attention of the visitors its wonderful resources.

A liberal appropriation should be made that Oregon may make a showing in keeping with her wealth and resources, and thereby reap her full share of the benefits to be derived from the exposition.

#### DIRECT ELECTION OF SENATORS

There will be presented for your consideration and approval a resolution of Congress proposing an amendment to the Constitution providing that Senators shall be elected by the people of the several states. I earnestly hope that this amendment will receive your endorsement that the people of the several states may at least enjoy the privilege of choosing their own senators.

I wish to invite your attention to the California System of holding divided sessions of the legislature. The system appeals to me as having much merit, as it affords the members a reasonable opportunity to examine the many bills presented for their consideration.

---

## THE OREGON SYSTEM

Oregon's system of popular government, having successfully withstood the attacks of its enemies, is here to stay. The time has come therefore when its friends should take steps to remove such defects as a fair trial has shown to exist.

None but registered voters should be permitted to sign initiative or referendum petitions. Each petition should have a precinct heading and signatures should be taken accordingly. This would enable county clerks to quickly check the signatures and when necessary certify the list for the Secretary of State. As the matter now stands it is physically impossible for the Secretary of State to check the signatures on the petitions filed in his office. Bogus signatures can be filed with impunity, and such a condition is equivalent to the nullification of all safeguards which the framers of the law attempted to throw around it to prevent its abuse. This matter merits your careful attention and consideration.

In conclusion, gentlemen, I desire to congratulate you upon the promptitude of your organization and upon your very evident earnestness and intention to give to the people of the State an energetic and business-like session. In past years much time has been lost during the first week of the session and I trust that the pace you are now settling will not falter during the remainder of the forty days.

And in this connection I call your attention to the past scramble and chaos during the closing days of the session. This is unnecessary, and, for the good of your record and of the people and laws of the State should be avoided.

Before leaving my message with you, permit me to express my every confidence in this, the Twenty-Seventh Legislature. I believe that it is your intention and desire, and will be your effort, to give to the people of Oregon a session which the members of past legislatures may envy and after which those of the future may pattern. It is said to be your purpose to reduced the volume of our present statutes, rather than to increase it. This purpose alone, if intelligently adhered to, will make your record a monument tin the history of the State.

In anything you do, or attempt to do, in the interest of the taxpayers and for the good of the people of Oregon, I pledge you the untiring effort, co-operation and influence of the executive office in the present, and its unswerving championship during the two years to come. I assure you of my appreciation of your most courteous attention.

Respectfully submitted,  
OSWALD WEST,  
Governor.

### **Governor's Message, 1915**

Source: MESSAGE Of OSWALD WEST Governor of Oregon, To the Twenty-eighth Legislative Assembly Regular Session 1915

"Laws cannot prevent extravagance; and this perhaps is not always an evil to the public. A shilling spent idly by a fool may be picked up by a wise person who knows better what to do with it; it is, therefore, not lost." - Franklin

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

GENTLEMEN:

In keeping with the usual custom and with the hope of bringing to your attention information and suggestions which will lead to such governmental reforms as make for reduced expenses and increased

---

efficiency, I am pleased to submit for the consideration of your honorable body this, my last message as governor of Oregon.

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

#### CONSTITUTIONAL CHANGES

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

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

#### CONSTRUCTIVE LAWS

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

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

All penal and eleemosynary institutions have been placed under a single board of control and a splendid system adopted in reference to the purchase of supplies. The fee system in the State Printing Office has been abolished and the printer has been placed upon a flat salary. The state now owns the printing plant and is saving \$30,000.00 a year. Our educational institutions have been placed upon a millage tax basis, which insures liberal support and removes them as a factor in legislative log-rolling.

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

Needy mothers have been given aid through the Widows' Pension Act. The Workmen's Compensation Act and Minimum Wage Law have been passed in the interest of the working classes; shorter hours of labor have been obtained; the prison contract system has been abolished and prison labor taken out of competition with free labor.

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

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

Laws aimed at the regulation of the liquor traffic have been passed and progress made in the direction of limiting the sale of habit-forming drugs. An effective abatement law is in force; also a law preventing white slavery and one limiting the sale of revolvers.

---

A long-needed Industrial School for Girls has been established and all charitable institutions receiving state aid placed under state supervision. The creation of a Parole Board and an amendment to the indeterminate sentence law have made possible great progress in the direction of prison reform.

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

#### COST OF GOVERNMENT

Our state government for the years 1913-14 has cost in round numbers \$7,500,000. Of this amount, \$5,287,000 was met by direct taxation, and the balance by fees and unused appropriations. The average annual amount raised by direct taxation during the said period was \$2,643,500.

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

County \$4,262,000 19.8%

School \$6,538,500 30.3%

Road \$3,064,000 14.2%

Miscellaneous \$3,884,000 18.0%

State (annual avg. 1913-14) \$18,935,000 87.8%

\$2,643,500 12.2%

Totals \$21,578,500 100%

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

#### STATEMENTS

Showing growth of population, assessed valuation and state tax

Year Population Assessed Value Raised by direct Taxation State tax rate of levy--Mills

1893 ----- \$160,263,646.00 \$1,121,845.51 7.

1894 375,000 \$168,088,905.00 \$722,782.29 4.3—5.7

1903 ----- \$148,099,601.65 \$760,000.00 4.96

1904 500,000 \$173,559,888.58 \$1,225,000.00 7.06—6

1913 ----- \$905,011,679.00 \$1,122,214.48 1.24

1914 750,000 \$954,282,374.09 \$4,165,000.00 4.36—2.8

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



---

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

#### PENAL AND ELEEMOSYNARY INSTITUTIONS

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

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

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

Oregon State Hospital	\$660,123.96
Eastern Oregon State Hospital	\$362,663.67
State Institution for Feeble-Minded	\$148,507.62
Oregon State Penitentiary	\$179,118.61
Oregon State Training School	\$76,008.03
Oregon State Industrial School for Girls	\$30,643.10
Oregon State Tuberculosis Hospital	\$63,891.04
Oregon State School for the Blind	\$34,820.07
Oregon State School for the Deaf	\$79,247.97
Oregon State Soldiers' Home	\$54,708.46
Total	\$1,689,733.53

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

The total population of these institutions on September 30, 1914, was 3072, being an increase of about 400, or nearly 15%, during the biennium. The greatest increase of population appears to have been in our hospitals for the insane and our Institution for the Feeble-minded. The combined population of these two institutions shows an increase of 17%. This growth of population is alarming and drives home to use the necessity of giving earnest thought and study to the causes which produce this great army of dependents.

---

The records covering the United States appear to show that each inmate of a state penal or eleemosynary institution represents an expenditure of \$1,100 in lands, buildings, and equipment. Oregon has been far more liberal in this direction than most states, and \$1,000 is a very low figure upon which to base an estimate. Figuring upon this basis, however, and from records available, it will be found that we have over \$3,000,000 invested in lands, buildings and equipment devoted to institutional purposes.

Our annual expenditure for maintenance runs about \$625,000, and for ordinary improvements \$220,000; taken together it means that when a charge is committed to our state institutions the taxpayers must contribute \$1,000 to provide shelter and, annually thereafter, \$75 for improvements and repairs and \$216 for maintenance.

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

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

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

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

#### PRISON REFORMS

Great changes have taken place in and about the prison during the past four years. The institution has been given a bath, a supply of clean clothes and plenty of fresh air. All buildings and structures have been placed in good condition and painted. Improved ventilating facilities have been installed and the old, obsolete and expensive system of heating has given way to an improved system with a central heating plant. Forty-eight new steel cells have been built with the expenditure of an appropriation intended for but one-half that number. An automatic telephone system now connects all departments, including the guard houses, and through the installation of a new electrical system all wires have been placed in conduits. A long-needed cold storage and ice plant has been added and is giving splendid results. The guards' old quarters, over the administration building, have been turned into a women's ward. The guards have been provided with new quarters through the remodeling of the old brick stable near the prison entrance. Old barns have been

---

rebuilt and long-needed shelter sheds provided for the farm machinery. Model chicken and hog houses have been constructed and every effort made to develop these industries.

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

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

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

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

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

Oregon has taken the lead in prison reform and with most satisfactory results. Many good people, however, through lack of information as to our true aim and purpose, have thrown obstacles in the way which have made progress most difficult. Notwithstanding statements often made to the contrary, we have never lost sight of the fact that the prison was a place of punishment; nor have we, on the other hand, forgotten that a prison should be a place of reformation. Society should be more concerned in the reformation of the man than in his punishment.

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

When we take into consideration the fearful conditions which have in the past prevailed in many of the penal institutions throughout the land and which prevail in many of them today, and think what prison reform means to hundreds of thousands of unfortunate individuals, we ask ourselves why we have been so long in coming to our senses in this direction. The trouble is we have from time immemorial been giving more thought to property rights than to personal rights; more thought to the protection of the thing than to the protection of the person. In other words, we have been placing the dollar above the man, and we have

---

yet to get away from the practice. It was not many generations ago that it was the custom across the waters to mete out the severest punishment to those who dared trespass in the slightest degree upon property rights. For petty offenses men were degraded, their ears were cut off, their nostrils were slit and they were branded upon the forehead or in the hand. Some of this old spirit has been handed down to this day and we see it breaking out occasionally through an insistence upon the lash and the dungeon and the prison labor contract.

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

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

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

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

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

Our laws provide:

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

With the view of providing employment for the men left idle through the abolishment of the stove foundry contract, various industries, as heretofore mentioned, have been installed for the purpose of supplying certain institutional needs. If the system is extended the state will be in position not only to absorb its prison

---

labor, but to offer a variety of employment to the prisoners and by assigning to each a task for which he is best suited, prevent that great economic waste which prevails in those prisons where no particular thought is given to such questions.

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

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

The law provides: "Upon the written request of the County Court of any county in the State of Oregon, or any superintendent of any state institution, the Governor may detail from the state penitentiary such convicts as in his judgment may seem proper for use on the public highways, on or about any state institution. Said convicts shall be delivered to any County Court, or the superintendent of any state institution on such terms and conditions as shall be prescribed by the Parole Board and approved by the Governor."

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

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

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

#### STATE LAND OFFICE

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

College Lands 88,800 (acres)

University Lands 46,000

School lands 3,054,200

Special grant 500,000

Capital Building grant 6,400

Tide Lands 25,200

Swamp Lands 261,300

---

3,981,900 acres

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

Swamp lands \$1.00

Tide lands \$2.00

College lands \$1.25

School lands \$1.25

University lands \$1.25

Indemnity lands \$1.25 and \$2.50

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

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

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

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

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

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

An Act of Congress approved February 28, 1891, provides: "Lands of equal acreage are . . . hereby appropriated and granted and may be selected by said state. . . where sections 16 and 36 are . . . included within any . . . reservation."

---

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

The state has been endeavoring to secure the permission of Congress to exchange about 45,000 acres of scattered school sections in the federal forests of this state for a compact body of timber. Should the exchange be effected upon the proposed acre for acre basis, it will prove a very profitable transaction for Oregon.

It being discovered that the beds and waters of Summer and Albert Lakes, in Lake County, contained valuable deposits of mineral salts, and there being numerous applications to lease these properties, the State Land Board advertised for bids thereon. Mr. James C. Moore was the successful bidder. The lease, which was made subject to your approval, will run for a period of forty years. The state is to receive royalties as follows for all commercial salts:

50 cents per ton for potassium salts

10 cents per ton for sodium chloride

25 cents per ton for other salts.

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

A report made by the State Bureau of Mines and Geology covering these deposits is on file with the Clerk of the State Land Board.

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

Large sums are lost to the state annually through the unbusiness like manner in which escheats are handled. Inasmuch as the school fund is the beneficiary of all such estates, the matter should be controlled by the State Land Board. All litigation should be under the direction of the Attorney General, who should have authority to call upon district attorneys for assistance.

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

#### COMMON SCHOOL FUND PRINCIPAL

Loans secured by first mortgage on real property \$5,885,054.00

School district bonds \$206,750.00

---

Certificates of sale \$285,388.09

Cash \$26,648.37

Total \$6,403,840.46

AGRICULTURAL COLLEGE FUND PRINCIPAL

Loans secured by first mortgage on real property \$189,176.47

Certificates of sale \$1,960.00

Cash \$10,977.52

Total \$202,113.99

UNIVERSITY FUND PRINCIPAL

Loans secured by first mortgage on real property \$103,141.52

Cash \$493.84

Total \$103,635.36

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

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

While the matter was heard by the Circuit Court and an early decision favorable to the State Land Board rendered, it was the gossip of the street that an appeal would be taken and an endeavor made to delay the hearing until after the fall election, and if possible, until after the adjournment of the legislature. It appears this rumor was well founded, for the State Treasurer, aided by the retiring Attorney General, has interposed delays until the contest is all but forgotten. Had the proceedings been expedited it would have been possible fro the Supreme Court to have heard the matter and rendered a decision prior to the convening of this legislature.

The safety of \$6,400,000, the heritage of the school children of this state is involved in this contest. The Circuit Court has held that the State Land Board is the lawful custodian of the securities. They are therefore being arbitrarily held without authority of law by the State Treasurer and without being protected by a bond. The State Treasurer is bonded only for the faithful performance of the duties of his office, and since the investment of the school fund and the custody of the securities is a constitutional duty imposed upon the State Land Board, the State Treasurer's bond would not insure protection. The clerk of the State Land Board is the lawful custodian of all records and securities and is the only one from whom the Board appears to have



---

authority of law to demand a bond, and which may be fixed in such a sum as the Board sees fit. While these securities may be in safe hands today, they may be in unsafe hands tomorrow. The recent experience of a neighboring state teaches us that even state treasurers go wrong. It is your duty therefore to take such action in the premises as will insure the school fund protection.

#### TREASURY DEPARTMENT

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

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

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

#### STATE PRINTING DEPARTMENT

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

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

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

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

---

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

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

State Capitol, Salem, Oregon, November 20, 1914

To the Public:

Owing to the confusion which exists in the mind of the public in reference to the cost of State Printing, the following statement has been prepared with a view of showing just what has been expended during the past two biennial period:

STATEMENT.

Cost of Printing, 1911-1912

Printing, ruling, binding, paper, etc. (Printing Fund) \$102,202.57

Printing and binding Supreme Court reports \$12,600.00

Printing paid for by departments (approximate) \$25,197.43

Total \$140,000.00

1913-1914

Printing, ruling, binding, paper, etc. (Printing Fund) \$84,299.28

Printing and binding Supreme Court reports \$7,425.00

Printing to be paid for by departments (approximate) \$31,275.72

Total \$123,000.00

Although the demands upon the State Printing Department are increasing from year to year, it will be seen that the expenditures for printing during the 1913-1914 biennial period will be \$17,000.00 less than for 1911-1912.

The reduction of expenditures for the present biennial period is due to the present system of handling State printing. The records show a saving of over \$30,000.00 to have been made during the past year as a result of the change. In other words, had the old system remained in effect, the expenditure for this biennial period would have been at least \$30,000.00 in excess of the amount set forth in the above table.

The State Printing Board will have on hand in the General Fund at the first of the year something over \$31,000.00. This money is being paid to the printing department by the different departments of State and the amount is included in the above 1913-1914 cost table. Owing to an oversight in drafting the law no authority was given the Board to use these funds, and it was therefore driven to ask the Emergency Board for authority. While it appears, therefore, on the face of the record that there will be a deficiency to meet on

---

January 1, it must be remembered that there will be ample funds on hand to cover this deficiency, and that its existence is due only to the lack of authority on the part of the Board to wipe it out.

STATE PRINTING BOARD:

OSWALD WEST, Governor.

BEN W. OLCOTT, Secretary of State.

Thomas B Kay, State Treasurer.

#### THE STATE LIBRARY

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

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

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

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

As the work of the Library is constructive and widely extended, and its usefulness is limited only by its means, it should be put on a permanent basis, with a sufficient appropriation to allow the trustees to form a settled policy of extension and to acquire the store of valuable books needed to meet the demands made upon it, as the library center depended upon by the entire state. The present appropriations, amounting to \$17,000 annually, could not be decreased without directly affecting the interests of thousands of our people. I therefore respectfully urge that you give the recommendations of the trustees your thoughtful consideration and cordial support.

#### FISH AND GAME DEPARTMENT

A Fish and Game Commission, having control of all matters pertaining to our fish and game, was created by the legislature of 1911. The Board is supposed to be non-political and the members to fairly represent the different sections of the state. Good men have been appointed from time to time upon this Board, none of

---

whom, however, has been able to curtail the extravagances which, like barnacles to a ship, cling to the department.

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

The game and fish department is under the immediate control of the State Game Warden. When the commission was created there was on hand in the game protection fund \$67,000. The law provided that the said sum and all revenues thereafter derived through the sale of fishing and hunting licenses should be given over to the uses of his department. Since the passage of the law the receipts have rolled in so rapidly that they have become a burden to the commission, and it has taken great ingenuity, coupled with unpardonable extravagance, to prevent an accumulation of funds. The game department alone has spent nearly \$450,000 during the three and a half years the commission has been in existence.

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

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

The commission should be abolished. The Governor should be given power to appoint a State Fish Warden, who would be the administrative head of the department of Commercial Fisheries and a State Game Warden, who would be the administrative head of the Game and Game Fish Department.

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

The general police duties of these departments should be performed by a force under the direct control of the Governor's office. This force might be called a state constabulary, state police, special agents or may be given any name which would please the fancy of the power that creates their office.

When the dry amendment goes into effect the Governor will have many additional burdens in the direction of law enforcement thrust upon him. Such an arrangement as above suggested would provide him with not only the machinery necessary for enforcing the liquor laws of this state, but such as will insure a strict enforcement of our fish, game and forestry laws and without throwing a dollar of additional expense upon the taxpayers. The number should be sufficient to provide a deputy for each county and several deputies for special field work.

---

An appropriation of \$35,000 would be required to maintain this force. This sum is \$15,000 less than was paid for the salary and expenses of the deputy game wardens for the year ending November 1, 1914. An appropriation of \$50,000 should be made for the support of the Game and Game Fish Department. This would mean a saving of at least \$50,000 per annum in this department alone. The usual liberal appropriation should be made for the support of the Commercial Fisheries Department.

#### DEPARTMENT OF FORESTRY

The reduction of fire loss during the past few years has more than justified the creation of the Department of Forestry. The State Forester has perfected a splendid organization whereby all interested agencies are brought to co-operate in forest protection and the cost is thus reduced to a minimum.

With a view of securing a more equitable distribution of tax burdens, a fairly accurate cruise of standing timber has been made by the authorities in a number of our counties. In other counties the cruise has been made only after a fashion and cannot be accepted as correct or exact. As this information is much needed from time to time by both state and county officials, it would appear most advisable to obtain, through the office of the State Forester, a reliable cruise of all standing timber in the state. By checking the information already secured by the counties, and that which may be received from other reliable sources, this work could be completed with a reasonable time and at a low cost. Data covering the government's holding could no doubt be obtained from the federal authorities if desired.

#### OREGON NATIONAL GUARD

Through the passage of our Military Code, and co-operation of the War Department, the efficiency of the Oregon National Guard has been greatly increased during the past few years. I have found the officers and men ready and willing at all times to respond to duty. They deserve great credit for the sacrifices of time and money they are obliged to make in the interest of the organization.

As there is more or less objection to members of the Guard being called upon to perform police duty, it has been suggested that a state constabulary be provided for. This suggestion can be met without additional expense if the recommendation as to reorganization of the Fish and Game Commission is carried out.

IN the interests of economy the office of the Adjutant-General should be moved to the Capitol and provision made at the Clackamas rifle range for the storage of state and government supplies and equipment.

#### NAVAL MILITIA

In the Naval Militia discord has given way to harmony. Increased efficiency has brought recognition from the Navy Department and a splendid organization is being maintained.

An effort is being made to have the Navy Department substitute the battleship "Oregon" for the cruiser "Boston," now under lease to this state as a training ship.

#### INDUSTRIAL ACCIDENT COMMISSION

The last legislature passed, and the people approved by a large vote, a Workmen's Compensation Act. Automatic workmen's compensation is a recognized principle in the industrial life of the nation, and it is gratifying that Oregon has placed itself in the forefront through the enactment of legislation of this character. The act, while making ample provision for the working man and his family, relieves the employer of onerous burdens and legal uncertainties. Experience will demonstrate the correctness of the theory upon which such legislation is based.

While the life of the act has been short, it has been of sufficient length to develop its strength and uncover its weaknesses. Every apparent defect will be seized upon as ammunition by the casualty insurance companies in their campaign of destruction. It, therefore, becomes the duty of those who would aid legislative business and extend protection to those who toil to join hands not only in withstanding such assaults, but in supplying amendments needed to insure the stability of the act.

---

There are a few among those who are still unwilling to allow equal rights and opportunities to women, that question the advisability of naming a woman as a member of the commission. The purpose of the act is to insure relief to the wives and children of killed or injured workingmen, and no one can be better qualified to carry out the true spirit and purpose of the law than a woman commissioner.

#### STATE ARCHITECT

In the construction of state buildings it has been the custom, in years past, to employ architects and pay them the usual charge of 5% for their services. The State Board of Control believed, however, that it would be in the interest of economy to employ an architect at a fixed salary and have him devote his entire time to the state's interests. During the period the present State Architect has been employed he has had charge of ninety (90) building projects entailing an expenditure of \$1,395,289.19. The operating expense of the architect's office during the said period has been \$42,457.99, or just a little over 3% of the building expenditure. Under the old fee system the cost would have been \$64,495.78. It will thus be seen that a saving of \$22,037.79 has been made through this board's policy of employing and placing its architect upon a flat salary.

#### PUBLIC UTILITIES

For nearly half a century the people have waged a continuous fight to determine whether this country should have a government controlled by the railroads or railroads controlled by the government. The smoke and battle is now clearing away and victory seems to perch upon the banner of the people.

In this state not only the railroads, but practically ever public utility has been placed under the control of our Railroad Commission. All disputed legal questions have been adjudicated and as a rule the results have been favorable to the people. The railroads are becoming reconciled to the change and are showing a disposition to meet the new conditions. It is incumbent upon the people therefore to meet them half way and accord fair treatment.

During the last decade there have been passed in the United States about 2000 state and national laws having to do with the regulation of railroads and extending to almost every detail thereof. We regulate their rates, service, facilities, safety appliances, hours of labor, system of accounting and the amount of their taxes. We leave them but one unrestricted duty—the duty of finding the money to pay the bills.

The people's fight against the railroads grew out of unjust treatment, discriminations and the piratical operations of those early in control. Those days are past, however, and so long as the railroads show a disposition to perform their true function—that of rendering the public adequate service at reasonable rates and without discrimination—their problems and their needs should always receive courteous consideration at the hands of the people. Such laws as may be needed from time to time to insure adequate control should be favored, but all "pin-sticking" legislation, serving no useful purpose and tending only to created additional burdens and expense, to be met in the end by the public, should be frowned upon.

Our Railroad Commission has been performing a splendid service and has given close study to all matters having a bearing upon this great question. It would be well, therefore, if the said Commission could be given an opportunity to be heard and make recommendation upon all measures of this nature presented for your consideration.

Since its creation the Railroad Commission of Oregon has been given many new duties, and its name is hardly indicative of the scope of its work. I would therefore recommend that its name be changed to that of "Public Utilities Commission".

#### BOOM LAW

Although possessing a larger amount of standing timber than any other state, we have failed to provide the legislation needed for the development of our logging streams. Oregon should follow the examples of other timbered states in the enactment of legislation of this character. The maintenance and operation of log booms is of a public nature, and their rates and service should be made subject to state regulation.

---

## BLUE SKY LAW

The "Blue Sky" Law passed at the last session of the legislature has been in effect long enough to show its many most admirable features and develop its numerous defeats. It has driven from the state during its short life worthless securities to the amount of \$60,000,000.

The Corporation Commissioner has this to say as to strengthening the law:

"If every company, and every dealer in securities, file with the corporation department a full and fair statement of all the material facts regarding the proposition upon which the securities are, or are to be, based, and are required to use this statement as the basis upon which their representations rested, then fraud will vanish, because it flourishes only in concealment and dies in the sunlight of publicity.

Link to this prospectus feature the fraud section of the Federal law, and provide that any representation made beyond the recorded representations of the prospectus is a misrepresentation and punishable as such, and that the omission of a material fact, or its misstatement, comes within the same classification, and you have the heart of a blue sky law, model in its simplicity and undoubted in its effectiveness. Provide also that any contract for, or sale of, securities, induced by such unlawful representation shall be voidable at the option of the purchaser, and that the sums paid may be recovered of the seller, and you have an added remedy for those who have suffered because of the violation.

With these two fundamental ideas as a groundwork, add a very few amendments to the general statutes as they now exist, and the Oregon corporation law will be a model for other states to copy, as far as the protection of investors is concerned. These amendments should go to capitalization control, the control of the sale of what is popularly called "promotion stock," and, in the organization of mining corporations, to the acquisition of title to property claimed as a primary step in the promotion of the company.

In the State of Oregon today, aside from the arbitrary restrictions of the corporation commissioner, three men can capitalize a hope of the future for a million dollars, convey their hope to the company in exchange for its stock, and take it 'full paid and non-assessable'. By virtue of the same statutes, a man who does not even possess credit at the grocer's can subscribe for a half million of stock and serve as a principal agent in launching a company into active operation. That this is not good business needs no argument.

The authorized capital stock of a company should be estimated on a basis of money needed for promotion and development, and not on a foundation of nebulous hope or rosy dreams of future value."

When the bill carrying the recommendation of the Corporation Commissioner reaches your hands, I trust that it will receive that careful consideration the importance of the subject demands.

## PUBLIC UTILITY STOCKS

The defrauding of thousands of small investors in the east through the sale of inflated securities issued by the New York, New Haven & Hartford Railroad Company, has brought home to us the necessity of throwing reasonable restrictions around the issuance of securities by public service corporations. The power of these corporations to issue stocks and stock certificates, bonds, notes and other evidences of indebtedness, and to create liens on their property situated within this state should be declared a special privilege and made subject to regulation by the state.

Such issues of securities should be permitted only for the acquisition of property or for the construction, completion, extension or improvement or maintenance of its service, the discharge or refunding of lawful obligations or for the reimbursement of certain approved expenditures from the treasury, and I am advised that a measure along these lines will be submitted for your consideration.

## BANKING LAWS

---

The Superintendent of Banks has pointed out to you wherein our banking laws need strengthening. While only a few fundamental changes are necessary, the entire banking act should be rewritten in order that conflicts between certain sections may be removed and the meaning of others placed beyond dispute. The Superintendent of Banks has given this question close study and his recommendations will be embodied in a bill which will be introduced at this session. Should you see fit to follow his suggestions, I feel safe in saying that Oregon will be given as effective banking laws as will be found in any state.

#### LOAN SHARKS

Our Loan Shark Law is not what it should be, and needs revising. Reform along this line is greatly needed, as no one should be permitted to capitalize the misfortune of others.

#### RURAL CREDITS

Acting under authority of an act of the legislature of 1913, it was my pleasure to appoint a commission to investigate the rural credit systems of Europe. A splendid report, covering the commission's findings, will be presented to your honorable body and will be found worthy of your most earnest consideration. A special committee made up of men deeply interested in the subject has been appointed to draft a bill carrying the recommendations of the commission, and the same will in due time be submitted to you. The rural credit system has done much for the farmers of Europe, and its adoption in this country will relieve our farmers of many burdens which come through excessive rates of interest.

#### PANAMA-PACIFIC FAIR COMMISSION

I am no in position to advise you concerning the activities of the Oregon Commission, as no report covering its progress or expenditures has been made to this office.

#### OREGON STATE FAIR

The members of the board having the conduct of this splendid institution, while not always the best of weather prophets, deserve a great deal of credit for the tireless and unselfish effort put forth to make the fair a success. The Oregon State Fair is a permanent fixture and deserves to be liberally supported, but many of the improvements now being asked should be delayed until such time as the taxpayers are better able to bear the burden.

#### STATE SANITARY LIVESTOCK BOARD

As the duties of this department are performed by the State Veterinarian, who appears to be rendering splendid service, the board should, in the interest of simplicity, efficiency and economy, be abolished and the duties given over to the said official.

#### STALLION REGISTRATION BOARD

This board should also be broken up and the duties given over to the State Veterinarian.

#### STATE BOARD OF HORTICULTURE

It is generally conceded that our horticultural laws are defective and need attention. I am advised that associations and private individuals deeply interested in the protection of our fruit industry will present to you a carefully prepared horticultural bill, and I trust their recommendation will receive your thoughtful consideration.

#### STATE HORTICULTURAL SOCIETY

The State Horticultural Society is a kind of vermiform appendix to the State Board of Horticulture, and as its use has never been discovered, should be removed.

#### PURE SEEDS COMMISSION

This department came into existence at the last session of the legislature. Before it starts to germinate and draw nourishment from the public treasury, it should be merged into some other department.



---

#### SEALER OF WEIGHTS AND MEASURES

This is another department which should be taken in hand while yet in its infancy and led to a home with the Railroad Commission or the Dairy and Food Commissioner.

#### PILOT COMMISSION

The commission is no longer a public necessity. Its duties can well be performed by other public agencies having control of the shipping.

#### STATE HIGHWAY DEPARTMENT

The report of the Highway Engineer covers in detail the activities and expenditures of the Highway Department, and I am sure you will find it both interesting and instructive.

My short experience as a member of the State Highway Commission has convinced me:

First—That good roads are our greatest need and no material development can come without them.

Second—Many favor better roads, but few are willing to pay for them.

Third—That he who undertakes the construction of roads get damned for the cost, but no credit for his effort.

#### WOOD BLOCK PAVING

Growth and prosperity depend largely upon our success in developing our resources and exploiting home products. The fact that we have within our borders such a large share of the world's timber should prompt us to make every endeavor to create a demand for wood products. Pavements for many European cities are made from products of our forests, and I can see no reason why the same materials could not be used to good advantage here at home. With a view of encouraging the use of wood blocks, it should become the policy of the state to favor their use when highways receiving state aid are hard surfaced.

#### BUREAU OF MINES AND GEOLOGY

While this bureau has been rendering a valuable service, I should think it could be done away with and the investigations conducted under the direction of the Department of Mines at the O.A.C.

#### STATE ENGINEER'S OFFICE

This department makes most interesting reports, but irrigation projects built on paper have never been known to grow alfalfa.

#### STATE WATER BOARD

The law requires that the Water Commissioners shall devote their whole time to the duties of their office.

#### DESERT LAND BOARD—CAREY ACT PROJECTS

With a view of bringing about the reclamation of western arid lands, Congress in 1894 passed what is known as the Carey Act. By this act one million acres of such land were allotted to the State of Oregon upon condition that it provide for its reclamation and disposal in small tracts to actual settlers.

The Carey Act was accepted by our legislature in 1901. Our law provides that the state, through the Desert Land Board, may enter into contracts with private parties or corporations for the reclamations of these lands—the said concerns to secure their profits and be reimbursed for their outlay through a lien upon the lands.

The first withdrawal in this state was made in April, 1902. Since that time, or during a period of fourteen years, temporary and permanent withdrawals aggregating 750,000 acres have been made. While there are still withdrawn for the purpose of reclamation 358,000 acres, but a little over 10% of this acreage has been

---

reclaimed in such a manner as to raise ordinary agricultural crops, and but two small projects, covering 1520 acres, have been fully and satisfactorily completed by the promoters.

All work upon these Carey Act projects is at a standstill—the promoters being unable to finance them. The situation is similar to that which confronts most of these enterprises and is clearly set forth in a letter received from Secretary of the Interior Lane, under date of February 6, 1914. He says:

“It is now fairly well recognized that while some of the large private irrigation enterprises have been successful agriculturally, nearly all, especially those requiring water storage or other extensive works, have been failures financially. Owing to this fact, there are large amounts of bonds and stocks held by eastern and foreign investors upon which the interest is defaulted. Thus there is, at this time, little hope of securing additional capital for similar investments.

“It appears therefore that no further large development can now be expected unless it is (a) by the use of public funds, state or national, upon which no profit or interest is required, or (b) by the use of funds procured by taxation, as in the case of irrigation districts and where also the question of profit and interest in the works themselves is secondary to the gain which comes to the whole community through the increased land values and the productivity of the soil.”

One Carey Act concern, known as the old Columbia Southern Irrigation Company, with a 27,000 acre project on the west side of the Deschutes, near Laidlaw, Oregon, after collecting thousands of dollars from prospective settlers, went completely upon the rocks. It was found that while water rights covering 19,289 acres had been sold, only about 1000 acres were being served. Much of the money collected through the sale of water rights was expended upon the works, but was largely wasted through poor engineering and construction methods.

The state, having permitted its name to be used in connection with the promotion of the project, carried a moral, if not a legal, obligation to see that it was completed and the lands fully reclaimed. In view of this, an engineer’s report covering the cost of an entire new system was submitted to the legislature by the Governor, and upon a showing made that it would prove a profitable venture, the sum of \$450,000 was appropriated for the construction of the works.

With the exception of the diversion of a small mountain stream—delayed on account of early snow—the Tumalo project is finished and the cost has been kept within the appropriation made for that purpose. The system opens for sale water for 17,464 acres, and the price has been fixed at \$40 per acre. The sale of these water rights, therefore, will result in a neat profit to the taxpayers, as will be shown by the following statement:

#### ASSETS

17,464 acres at \$40.00 \$698,560.00

Due account old vested water rights \$6,617.89

\$705,177.89

#### LIABILITIES

Amount advanced by State \$450,000.00

Interest due the State \$31,104.66

Old contract holders \$86,761.71

---

Broken Top Diversion \$5,516.00

\$573,382.37

Profit for the State \$131,795.52

The work on the Tumalo project has been under the immediate direction of O. Laurgaard, Project Engineer. His technical knowledge, combined with his splendid executive ability, business sense and energy, has given the state the best possible system in the shortest possible time and at the lowest possible cost. It was but eighteen months ago that the funds for the Tumalo project became available. Organizations had to be perfected, surveys made, rights of way purchased or condemned, dams and many miles of canals constructed, yet the project stands completed today, ready to carry life-giving water through its arteries to the desert lands and turn them into productive fields.

The detailed report covering the work upon the Tumalo project has been forwarded to you and is worthy of your most careful consideration, especially in view of the fact that this legislature will undoubtedly be called upon to consider suggestions having a bearing upon the disposition of a number of other projects, the affairs of which, like a nightmare, come at regular intervals to disturb the peace and quite of your otherwise complacent public officials.

There are those who will oppose any movement to launch the state into irrigation enterprises, holding that it favors particular individuals and communities. They overlook the fact, however, that the state is not only reimbursed for every dollar expended, but receives interest upon its advances and a profit besides; that by turning desert lands into productive fields great wealth is added to the state and all benefit thereby. Whatever the state may do to develop her resources adds to this prosperity and happiness of her citizens and is therefore in keeping with the legitimate functions of government.

It is folly to attempt to lead ourselves into thinking that our Carey Act projects will be completed by private capital. The only solution is state or federal aid, and the sooner we bring ourselves to realize this fact and face the problem squarely, the sooner will we have the agony over. The settlers upon a number of these uncompleted projects have been crying out in the wilderness, and the only answer has been the echo of their own cries softened by assurances from state and company officials. The time has come, therefore, for the legislature to call a halt. The Desert Land Board should be restrained from making further extension on old reclamation contracts or entering into new ones and should be directed to relinquish to the federal government all lands now withdrawn from entry and not covered by satisfactory contracts. The foregoing recommendations, if followed, would relieve the state of a large number of projects now upon its hands.

The predicament in which we find ourselves at this time is due largely to an unbridled desire upon the part of the State Engineer to build up and increase the prestige of his department. The more projects, good or bad, he can get upon the list the more business his department will appear to be doing. THE state therefore appropriates year after year large sums to carry along and compile voluminous reports covering the progress, or rather lack of progress, of these "hot-air" irrigation schemes which would better be undertaken by the federal government.

The Desert Land Board, which has control of Carey Act projects, consists of the Governor, Secretary of State, State Treasurer, Attorney General and State Engineer. This department should be abolished and the duties assigned to the State Land Board. The demands upon the clerk of the latter board grow less as land sales fall off and these new duties could be taken over without any great inconvenience. Should the State Land Board find need of legal or engineering advice, that of the Attorney General and the State Engineer will still be available.

INSURANCE DEPARTMENT

---

A report from the Insurance Commissioner came recently as a welcome visitor, for it carried the news not only of increased revenues, but, what was most remarkable, decreased expenses.

Realizing that our insurance laws were greatly in need of revision, this office appointed in 1912 a special committee to investigate our requirements in this direction and draft an entire new insurance code to be submitted to the legislature. This committee was made up of representative citizens of high standing and well qualified for the duty assigned them. The measure when submitted brought opposition from certain affected interests, which fact, coupled with a lack of time for proper consideration, resulted in its defeat. It will again be submitted, either in whole or in part, at this session.

The vast sums which leave the state each year for insurance premiums, and the profitable nature of the business, seem to justify our carefully investigating the situation with the view of ascertaining whether it would be possible for the state to engage in any of the branches with profit to itself and saving to its citizens. I would therefore recommend that a committee be appointed with authority to investigate the matter and instructed to report to the next legislature.

The duty of expediting the books of the state and county officials handling public funds was imposed upon the Insurance Commissioner by the last legislature. His activities have developed the fact that while county affairs are as a rule honestly conducted, lax business methods and poor accounting systems result in waste and extravagance. The turning in of the sunlight of publicity, however, is bound to make for improved conditions.

#### EMERGENCY BOARD

The Emergency Board is composed of the State Board, the President of the Senate, Speaker of the House and the Chairman of the two Ways and Means Committees. The legislature has attempted to give this board power to authorize expenditures and the issuance of certificates of indebtedness to cover. Such authority being equivalent to the power to appropriate money, belongs solely to the legislature and cannot be delegated. The Emergency Board as a rule simply follows in the recommendations of the State Board and serves no useful purpose other than to furnish a convenient place to shift responsibility when it is desired to exceed legislative appropriations. Such board should be abolished. If it is desirable to throw restrictions around the incurring of deficiencies by the different departments, the power should be placed in the hands of the State Board of Control, which is now largely responsible for the conduct of the business end of the state's affairs.

#### HIGHER EDUCATION

Our institutions of higher education are dependent on a millage tax for most of their appropriations and a similar policy should be adopted as to the balance in order that they may be placed absolutely upon a permanent basis and relieved of the necessity of coming to the legislature for support.

At one time I was of the opinion that the several boards of regents of these institutions should be consolidated. Close touch with their affairs, however, has convinced me beyond a doubt that the existing policy of having separate boards is sound and makes for the best results.

#### STATE CENSUS

Section 5 of Article IV of the Constitution provides: "The legislative assembly shall, in the year eighteen hundred and sixty five, and every ten years after, cause an enumeration to be made of all the white population of the state."

Section 3736 of Lord's Oregon Laws provides: "It shall be the duty of the assessors of the several counties of the state, at the time of assessing their respective counties for the year 1865, and every ten years thereafter, to take an enumeration of the inhabitants and industrial products of the same."

---

Section 3743-4 of Lord's Oregon Laws provide that when said state census is taken an enrollment shall be made of all able-bodied persons liable to military duty.

Inasmuch as the federal census is taken every ten years, the taking of a state census is a useless expenditure of money and both the constitutional provision and the law providing therefore should be repealed. Should the enrollment of those liable to military duty become necessary at any time, it can be done through authority given the Governor by Section 3745 of the Code.

#### DEPARTMENT OF TAXATION

This department has control over the assessment of the properties of the common carriers of the state and by its effort such properties have been brought to bear their just share of taxation. Through its close co-operation with the assessors of the several counties it has done much to strengthen our laws and improve conditions in reference to assessment and taxation.

Little or no progress can be made in the direction of tax reform unless amendments eliminating the old "equality" and "uniformity" provision of our constitution are adopted. Strange as it may see, these words defeat the very purpose they were expected to serve. The many tax amendments submitted to the voters during the last few years have made it impossible to draw public attention to our real needs in this direction. Such changes as will permit a reasonable classification of subjects and taxation by "uniform rules" are necessary. This reform has reached many states and has the endorsement of experts on taxation throughout the land. The changes suggested are as follows:

Section 32 Article 1: Present Section: No tax or duty shall be imposed without the consent to the people of their Representatives in the Legislative Assembly; and all taxation shall be equal and uniform

Section 32, Article I: Proposed Amendment: No tax or duty shall be imposed without the consent of the people of their Representatives in the Legislative Assembly. Taxes shall be levied and collected under general law and for public purposes only; the power of taxation shall never be surrendered suspended or contracted away.

Section 1, Article IX, of Oregon: Present Section: The Legislative Assembly shall provide by law for uniform and equal rate of assessment and taxation; and shall prescribe such regulations as shall secure a just valuation for taxation of all property, both real and personal, excepting such only for municipal, educational, literary, scientific, religious, or charitable purposes, as may be specially exempted by law.

Section 1, Article IX, of Oregon: Proposed Amendment: The Legislative Assembly shall, and the people through the initiative may, provide by law uniform rules of assessment and taxation. Taxes shall be levied on such subjects and in such manner as shall be prescribed by general law. Reasonable classifications of the subjects of taxation may be provided, and specific taxes may be imposed. Taxes may be imposed on incomes, from whatever source or sources derived; such taxes may be either proportional or graduated and progressive, and reasonable exemptions may be provided.

As a check to extravagance in state, county and municipal government some constitutional limitation upon taxation should be adopted. A plan suggested, and what seems to carry merit, is that taxes levied by any political subdivision shall not exceed those of the preceding year by more than, say five per cent, and that an increase beyond the said limit must be ratified by a referendum vote within the political subdivision concerned.

#### UNTAXED TIMBER

By an act of Congress, slipped through a few years ago, a railroad company was given the privilege of surrendering a large acreage of worthless lands within the boundaries of the Olympic National Park, in the State of Washington, and the right to select in lieu thereof from the public domain a like acreage of surveyed or unsurveyed lands. This right has been largely exercised and within the borders of our state. Thousands

---

of acres of magnificent timber land, unsurveyed and therefore not open to settlement or purchase by private individuals, have been taken by the railroad through the filing of the said forest reserve scrip. Being unsurveyed and unpatented, these lands are not listed for taxation. An endeavor should be made to locate all such selections and, if it is found that they cannot be defeated, surveys should be demanded in order that patents may issue and the lands listen for taxation.

#### CONSERVATION OF OUR RESOURCES

I wish to call your particular attention to the splendid report recently issued by the Oregon Conservation Commission. The report brings home to our citizens a world of valuable information and offer food for thought to those who would interest themselves in the questions which make for the protection and development of our vast resources.

Oregon is deeply interested in the conservation question. The large land holdings of the federal government and its attempts to control our undeveloped water power, through an alleged riparian ownership, make it imperative that we concern ourselves at all times in those movements which have to do with the molding of governmental action along these lines.

Oregon stands as the champion of a policy of conservation which, while making for the early development of our resources, will throw every safeguard around these great birthrights of the people. While we are ever fighting to cut our way through red tape entanglements at Washington and open the door to legitimate endeavor, we have always opposed the encroachments of the selfish interests.

There are representatives of organized greed and monopoly who oppose every conservation movement; their sole desire being freedom to loot the public domain. To accomplish this end, they desire to seize every opportunity to poison the mind of the public against the policies of the federal government. A favorite method of attack is through the charge that the government has a large acreage of agricultural land locked up in its forest reserves, and that settlers are thus deprived of an opportunity to secure homes, and the development of the state is greatly retarded.

This same cry resulted in restoring to entry in 1901 something over 705,000 acres in the Olympic National Forest, in the State of Washington. Notwithstanding the statements that this land was free from timber and suitable for agricultural purposes, within ten years 526,500 acres drifted into the hands of timber barons who had found the lands covered with valuable timber. Over 178,000 acres were included in five holdings, and one man owned 81,630 acres. Of the entire acreage eliminated from the reserve, but little over 600 acres, or one-tenth of 1% of the eliminated area, appear to be under cultivation. This incident teaches us that we should be wary of the cry of the wolf. While lending aid to every legitimate movement which will make for progress and development, we should not be fooled into opening the door to the land pirates.

#### TIMBER RESOURCES

Oregon has within her boundaries 545,800,000,000 feet (board measure) of standing timber, or about one-fifth of the timber supply of the United States. Two-thirds of this timber is held in private ownership—the balance by the federal government. About 35,000,000,000 feet of the said privately owned timber was at one time owned by the state, being part of her land grant.

A careful study of past events and the records discloses:

1. That had not the federal government through the creation of forest reserves withdrawn certain of its lands from entry practically every acre of surveyed timber land in this state would by this time have passed into private ownership.
2. That the lands now in private ownership are rapidly passing from the hands of the original entrymen and small holders into the hands of a few powerful timber operators whose aim is to control the timber supply of the United States.

---

The timber records for the Pacific Northwest show a little over 23% of the privately owned timber to be in the hands of three corporations. They also show that a little over 50% of this timber is owned by a group of thirty-eight holders.

The Southern Pacific Company (through the O & C R.R. land grant now it litigation) claims ownership to 71 billion feet of timber in this state, and The Weyerhaeuser Timber Company owns 18.7 billion feet. At the rate of cutting which has prevailed during recent years these two holdings could supply the 46,500 sawmills in the United States for four and one-half years, and all of the sawmills in Oregon, Washington and California for nearly thirty years.

The acreage of the privately owned timber in this state is distributed as follows:

1 Southern Pacific Co.	22.5%	2,300,000 (acres)
30 Other holders (averaging 66,666 each)	19.5%	2,000,000
75 Other holders (averaging 22,000 each)	16.1%	1,650,000
80 Other holders (averaging 6,875 each)	5.3%	550,000
171 Other holders (averaging 3,216 each)	5.5%	550,000
521 Other holders (averaging 1,098 each)	5.5%	572,000
2,905 Other holders (averaging 335 each)	9.5%	974,000
13,185 Other holders (averaging 128 each)	16.3%	1,682,000
16,968 Total	100%	10,278,000

The above holders are classified as to residence as follows:

Residing upon the land 3,838

Residents of the State, but not upon the land 6,367

Non-residents 3,657

Addresses unknown 3,106

Total \$16,968

It will be noted that a single holder controls 22.5% of the timber acreage; 31 holders control 42%; and 106 holders control over 58%. The forest reserve holdings of the federal government in this state amount to over 13,600,000 acres, but perhaps not to exceed one-half of this acreage carries merchantable timber.

#### STATE VS. FEDERAL CONTROL OF OUR WATER POWER

Oregon has within her borders undeveloped water power to the extent of over 3,000,000 horsepower, or ten times the developed power at Niagara Falls. We are therefore deeply interested in the question as to who shall control development—the State or the Nation. The question is of particular interest at this time, as there is a bill now before Congress authorizing the Secretary of the Interior to lease, for power site purposes, and rights of way for pipe and transmission lines, lands in national forests which control many of our great power possibilities.

---

That the waters of a stream, as to their appropriation and application to a beneficial use, are subject to state jurisdiction no one will seriously deny. In fact, state jurisdiction is recognized by the federal government and compliance with state laws governing the appropriation of water is imposed as a condition precedent to the lease of government lands to be used in connection with the development of water power. The position of the advocates of government control is well stated by President Taft in a message to Congress in relation to the conservation of our natural resources. The President said:

“With respect to the public land which lies along the streams offering opportunity to convert water power into transmissible electricity, another important phase of the public land question is presented. There are valuable water power sites through all the public land states. The opinion is held that the transfer of sovereignty from the Federal Government to the territorial governments as they became states included the water power in the rivers, except so far as that owned by riparian proprietors. I do not think it necessary to go into a discussion of this somewhat mooted question of law. It seems to me sufficient to say that the man who owns and controls the land along the stream from which the power is to be converted and transmitted owns land which is indispensable to the conversion and use of that power. I cannot conceive how the power in streams flowing through the public lands can be made available at all except by using the land itself as the site for the construction of the plant by which the power is generated and converted and securing a right of way thereover for transmission lines. Under these conditions, if the government owns the adjacent land—indeed, if the government is the riparian owner—it may control the use of the water power by imposing conditions on the disposition of the land necessary in the creation and utilization of the water power.”

Congress, through the Desert Land Act of March 3, 1877, declared that “the waters of all lakes, rivers and other sources of water supply upon the public lands, and not navigable, shall remain and be held free for the appropriation and use of the public for irrigation, mining and manufacturing purposes, subject to existing rights.”

It is admitted by those who insist upon government control that such control or supervision can be exercised only through limitations imposed upon the disposal of power sites upon the public lands, for the waters of streams as to their appropriation and application to a beneficial use are subject to state jurisdiction.

The advocates of state control contend that this is an arbitrary exercise of power upon the part of the federal government; that up to the point of controlling navigation the state is sovereign in all matters pertaining to the control of the waters within its borders; that the federal government in its ownership of public lands within the state stands as a “proprietor” and not as a “sovereign,” and that in leasing its lands for power-house and dam sites, rights of way for pipe and transmission lines the government is entitled to the same consideration and compensation, and no more, as is any other land owner.

The bill (Ferris) now before Congress is a production of Secretary of the Interior Lane. In drafting this measure he has evidently tried, in the interest of progress and development, to reconcile the differences between the East and West upon the great subject. He has tried to satisfy the East by recognizing the Government’s right to control, as heretofore stated, and the West by aiding development and sharing the revenues. While our water power is fully protected by our effective state laws, we have an interest in the Ferris Bill because its aim is to remove many of those federal obstacles which have so long stood in the way of power development.

#### COMMUNITY WELLS

One of the greatest drawbacks to the settlement of the vacant lands in many of the arid and non-irrigated section of the state is the lack of water for domestic purposes. Owing to the depth the settler must go in order to get water, and the great cost attached thereto, the sinking of a well is usually out of the question. Water, therefore, must be hauled—often many miles. Farm life cannot be made attractive under these conditions, and it is the duty of the state to meet the situation and offer some relief.



---

Provision should be made for the drilling of wells as such points as will best serve communities. By thus placing an adequate domestic water supply within a reasonable distance, you will remove one of the most serious obstacles in the way of the early settlement and development of our dry-farming sections. Little progress can be made by a settler who is obliged to spend so much of his time on the road hauling water. No opportunity to develop our resources and add to the happiness and prosperity of our people should be overlooked. A reasonable expenditure in aid of these dry districts will prove a great boon to the struggling settler who is doing so much to develop the West.

#### WATER SUPPLY—WILLAMETTE VALLEY CITIES

Perhaps one of the most important and difficult problems which municipalities are called upon to solve is that of securing an ample supply of pure mountain water. It is well known that there are a number of cities, towns and public institutions in the Willamette Valley greatly in need of a better water supply, and while it would be out of the question for many of them to undertake single-handed the installation of an extensive system, they could with propriety join in a co-operative movement leading to the construction of one which would serve the needs of all.

While this might be looked upon as purely a local problem, it should not be forgotten that there are many such matters which can only be solved through state co-operation; that cities and towns are but units which go to make up the state, and that whatever may be done toward their betterment benefits the state as a whole.

Having called the matter to the attention of the legislature of 1911, at the last session I submitted a measure giving the state board power to secure water rights and rights of way as might be needed by these cities and towns. Although this bill carried no appropriation and was merely for the purpose of laying the ground work for a great movement in the public interest, it received only that consideration necessary to rock it to the deep and lasting legislative sleep which knows no awakening.

The State Board of Health has made a careful investigation of the water supply of the Willamette Valley cities and gives its endorsement to the proposed plan for co-operation. The following statement shows the existing means of water supply for ten Willamette Valley cities and towns and the several state and federal institutions.

[Editor's Note: Please see table at bottom of page]

These cities, towns and institutions have at present a total population of about 50,000. It is estimated, however, that it will reach 125,000 in fifteen years, and close to 200,000 in twenty-five years.

The State Board of Health, through Louis C Kelsey, its consulting engineer, has chosen Clear Lake as a source of water supply. Perhaps nowhere can be found a better one. Clear Lake is beautifully situated near the foot of the Three Sisters, in the heart of a federal forest and the Cascade Mountains. Repeated examinations prove the waters to be of exceptional purity. The lake is a natural reservoir and discharges approximately 400 cubic feet per second in the summer season. This minimum discharge is sufficient to supply the needs of a million and a half population. The water could be delivered to the cities in the valley at about the same pressure as normally obtained in the City of Portland.

My purpose in calling this matter to your attention is that steps may be taken to secure title to this wonderful reservoir and its crystal waters that same may be held in trust for the people and put to a beneficial use when the circumstances and conditions will justify a co-operative movement along the above suggested lines.

#### ACQUISITION OF PRIVATE PROPERTY FOR A PUBLIC USE

Experience has taught us the need of legislation which will protect the taxpayers against the payment of excessive sums when private property is taken for public use. Owners are entitled to just compensation, but not to exorbitant prices. Property is supposed to be assessed at something near full cash value, and a law

---

limiting the amount to be paid in condemnation cases to double that of the assessed valuation would save thousands of dollars for the taxpayers and at the same time insure fair treatment to the property owner.

#### JEFFERSON STREET LEVEE

The last legislature appropriated \$50,000 for the use of this office in recovering possession and title to the old public levee near the foot of Jefferson street, Portland, Oregon. I am pleased to report that I was able to perform the mission without the expenditure of any part of the appropriation. The small amount of expense connected with the adjustment of the matter was taken care of by the city of Portland.

#### THE DALLES-PORTLAND WAGON ROAD

By an act of the last legislature, the Governor was directed to make an investigation of the claims of the state and several counties in and to the right of way formerly used as a wagon road between Portland and The Dalles. While this investigation was under way the railroad company and counties interested amicably adjusted all differences and further action upon my part was made unnecessary. But a small part of the appropriation provided was expended.

#### PORTLAND GAS & COKE COMPANY FRANCHISE

In accordance with instructions contained in Senate Concurrent Resolution No. 17, passed at the last session of the legislature, I have examined into the law and the facts having a bearing upon certain franchises granted in years past by the legislature and now held by the Portland Gas & Coke Company. And my findings will be submitted in a special report. But one-half of the expense authorized by the Emergency Board has been incurred.

#### LAW ENFORCEMENT

As a result of the last election this state will be "dry" January 1, 1916. For a number of years after the prohibition amendment goes into effect, the friends of the movement will find they have a much harder fight upon their hands than they had before the vote was taken. William Allen White of Kansas, who speaks from experience, has this to say to the people of Oregon:

"The great danger to the temperance cause and the prohibition cause was not before the election, but it is now after the election. You have only the opportunity to enlist; you have not won the fight. Prohibition will prohibit only as men and women of faith and courage put their lives into it. You Oregon people must be willing to stand jeers and insults; you must be willing to go down into your pockets and spend money. You must give your time and lose patronage from your business. You must have faith to see those who thought they could vote in the millennium grow weary and go back to the fleshpots.

"In ten years, perhaps in less time, but in ten years surely, you will have begun to win this fight, but it will take courage and common sense and faith that moves mountains. The fight is not won. The time for cheerful fighting has just begun."

If prohibition is to be made effective the "dry" amendment to our constitution must be supplemented by such legislation as will give the Governor of the state, who is charged with the enforcement of the law, an effective means of enforcing the law. There are those who would crucify the cause by imposing penalties so drastic that no jury would convict. It has been suggested that having liquor in one's house be made a felony. Who serving upon a jury would vote to brand his neighbor as a felon and send him to a felon's cell because a bottle of beer was found in his home?

Montesquieu says: "If we examine the cause of all defiance of law, we shall see that it is to be found in the failure to punish crime, not in the moderation of the penalty."

These words are as true today as they were in Montesquieu's time and are worthy of your thoughtful consideration. An effective law carrying reasonable penalties strictly enforced will produce results. Excessive penalties will not bring us a strict observance of the law; they will bring us nothing but hung juries, costly trials, disgusted taxpayers and revolt.

---

Section 10 of Article 5 of the Constitution provides that the Governor shall take care that the laws be faithfully executed.

Those who made this provision a part of our constitution undoubtedly assumed, and they had a right to so assume, that the legislature would promptly provide, through adequate laws, a means by which this mandate could be fulfilled and without resorting to certain extraordinary remedies provided by the constitution.

If the Governor is to be charged with the enforcement of the law he should be fully provided with the means of performing that duty. Among other things, he should be given, free from any red tape restrictions, the power to remove and appoint successors to district attorneys, sheriffs and constables, whom he may find refusing or failing to enforce the law, or otherwise perform the duties of their office.

The Governor should be given power to call upon the Attorney General for assistance in all matters pertaining to law enforcement, and to this end the hands of the said official should be strengthened. The Attorney General should be given general supervision over the offices of the several districts attorneys and the power to direct their activities when the occasion so demands. Each and every district attorney should be required to make monthly reports advising him fully as to the progress of the office.

It is well known that prompt action is had by the federal government in all matters passing through the hands of its several United States Attorneys. This is due largely to the fact that monthly reports are made to the Department of Justice at Washington. The Attorney General is thus kept fully advised as to the work of his subordinates. These reports set forth the docket entry made in each case pending at the date of the last monthly report; also the new cases and every conviction, acquittal and dismissal—in fact, all transactions of the office.

Should a like system come to prevail in this state it will go far towards bringing order out of chaos, raising the standard of efficiency and promoting law enforcement. AS it is now, each district attorney enforces, or fails to enforce, the law in his own peculiar manner. This lack of uniformity and system opens the way for favoritism and graft and throws many obstacles in the way of law enforcement.

Should the aforesaid recommendations be made the law by your honorable body, I am sure the executive office and that of the Attorney General will be fully advised at all times as to the work of the District Attorneys, an effective means for enforcing the law will be provided, and the necessity for resorting to that extraordinary constitutional remedy—the Militia—practically eliminated.

#### CAPITAL PUNISHMENT

Now that capital punishment has been abolished in this state, restriction should be thrown around the pardoning power in those cases where life sentences have been imposed. It has been suggested that no pardon should be granted in such cases except upon recommendation of the court which originally tried the case.

#### THE UNEMPLOYED

Unemployment is not a temporary evil, but a permanent condition resulting from social maladjustment. We cannot hope for immediate relief. All we can do for the present is to treat the evil with specific remedies, making the best possible distribution of idle labor and available industry. Decent wages should be paid and proper working conditions provided, as the problem is not one of charity. A definite and permanent policy should be striven for. Temporary relief in the long run only tends to aggravate the situation.

Many private employment agencies have been guilty of abuses that have blackened them in the public eye. Whether these agencies can constitutionally be abolished is a debatable question. The courts may not be inclined to permit more than regulation, which might remove many of the abuses, but could hardly create efficiency. It seems to me that a step in the right direction would be the establishment of a State

---

Employment Bureau, with the power not only to regulate private agencies, but to co-operate with municipalities. This bureau should be made a clearing-house for the distribution of labor and labor information.

#### RETRENCHMENT

A cry for relief went up from the overburdened taxpayer and you answered that you would come to his aid. The time for action is at hand. Appropriations must be held to the lowest level consistent with good business, every useless board and commission should be abolished and, where possible, others consolidated.

I have been asked by those who would protect certain needless offices to recommend the appointment of a commission to fully investigate the whole question and report at the next session of the legislature. This I refused to do, as I consider it the plain duty of this legislature to meet these problems fairly and squarely now and in such a manner as will not only bring relief to the long-suffering taxpayer, but greater efficiency in state government.

These matters have already been given close study by members of your honorable body and other state officials. At the commonwealth conference recently held in Eugene and presided over by His Excellency, Governor-Elect Withycombe, the whole situation was thoroughly gone into and the results of the labors of those present placed in the hands of His Excellency, who has no doubt used them as a basis for recommendations to your honorable body. Such suggestions as he may make along these lines should receive your most thoughtful consideration. He has been chosen by the people as their executive and should be given every aid and assistance in his efforts to initiate and maintain those policies which in his opinion will make for a more economically and efficient government.

These matters have already been given close study by members of your honorable body and other state officials. At the commonwealth conference recently held in Eugene and presided over by His Excellency, Governor-Elect Withycombe, the whole situation was thoroughly gone into and the results of the labors of those present placed in the hands of His Excellency, who has no doubt used them as a basis for recommendations to your honorable body. Such suggestions as he may make along these lines should receive your most thoughtful consideration. He has been chosen by the people as their executive and should be given every aid and assistance in his efforts to initiate and maintain those policies which in his opinion will make for a more economical and efficient government.

Continuing appropriations and the expenditure of fees collected by many departments lead to extravagance. Fees of every character therefore should be turned into the General Fund and continuing appropriations reduced to the lowest possible point. Other extravagances come through legislative approval of blanket appropriation bills presented by the Ways and Means Committee and the executive's lack of authority to veto single items therein. The right to veto single items is a reform long needed, and this legislature should become the medium through which a constitutional amendment along these lines may be submitted to the people. In the meantime, it is your duty to oppose the passage of omnibus bills and demand the consideration of each item upon its merits.

Trusting that the information and suggestions offered herewith will prove of some help to you in your earnest efforts to solve the many problems which will be your during this session and with assurances of such hearty co-operating as one in private life may give, this message is

Respectfully submitted,  
OSWALD WEST  
Governor.