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## GOVERNOR BEN W. OLCOTT ADMINISTRATION

March 3, 1919 to January 8, 1923

### **Governor's Special Session Message, 1920**

Source: MESSAGE Of Ben W. Olcott Governor of Oregon, To the Special Session of the Oregon Legislature

Convened January 12, 1920

To the Members of the Senate and the House of Representatives of the Oregon Legislature:

You have been convened in extraordinary session for the purpose of considering certain subjects which, information at hand, has led the chief executive of the state to believe of sufficient importance to warrant your careful and early consideration. These are abnormal times and abnormal times are productive of emergencies. It could scarcely have been expected that in your regular session last year human wisdom could have conceived of meeting all possible contingencies during a biennial period fraught with shifting conditions.

To grapple with and overcome the essential emergencies and, as far as possible, to alleviate burdens and solve problems leading to constructive ends, I have exercised the constitutional duty of the executive to "on extraordinary occasions, convene the legislative assembly by proclamation." Following further the constitutional provision I will state to you here in joint assembly the purposes for which you have been convened.

### WORKMEN'S COMPENSATION

My primary object in calling together the legislators at this time is to meet a grave emergency seriously affecting the welfare, and, in many instances, the lives of the men and women employed in the industries of our state.

Compensation benefits provided for injured workmen by the Workmen's Compensation Law were established by the legislature in 1913, when living costs were very materially less than now. If the compensation payments were properly rated at that time, it is self-evident they are wholly inadequate under present conditions.

They are so low that the families of many injured workmen, who are incapacitated for any length of time, are brought to a degree of want that should not prevail when the state has undertaken to provide for its injured workers.

When the legislature was in session a year ago, the prevailing opinion was that the cost of living would soon begin to decrease. For that reason, it was not considered necessary at that time to make a material increase in the compensation benefits. Two changes were made, one increasing the amount to be allowed an injured worker for his children under sixteen years of age from \$6.00 to \$8.00 per month, and the other providing



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that the awards for permanent partial disability shall be in addition to the amount paid to the injured workman for temporary time loss.

With the cost of bare necessities continuously on the increase, conditions in the homes of injured workmen continue to grow worse, and the number of appeals to the State Industrial Accident Commission from injured workers or their wives for greater assistance grow in number.

When the members of the commission brought the situation to my attention, I decided it would not be just nor fair to these sufferers to wait another year until the regular session of the legislature should meet to give them relief. It is a condition which should be remedied immediately.

As the Workmen's Compensation Law was originally drafted by a committee representing the employers, the employees, and the public, I called for a committee representing these three interests to consider the present situation and make recommendations to this extraordinary session of the legislature.

This committee was comprised of five members selected by the organization representing the employers of the state, five selected by the organization representing the employees of the state, and five selected by myself to represent the public at large.

This committee of fifteen met, and has unanimously recommended that a flat increase of 30 per cent be made on all compensation payments dating back to December 1, 1919. A careful investigation into the funds available to the State Industrial Accident Commission indicates that this increase in compensation benefits may be made without an increase in the rates of contribution to the Industrial Accident Fund by the employers or employees of the state.

The special committee recommends that the increase shall be embodied in an emergency measure, and shall apply to all payments falling due between December 1, 1919, and June 30, 1921.

In addition to an emergency increase in the compensation benefits, this special committee recommends that an act be passed giving authority to the Industrial Accident Commission to expend a portion of these funds for the vocational rehabilitation of injured workmen. It is intended that the commission shall turn its efforts to restoring permanently maimed men and women to positions of self-support where they will again become assets rather than liabilities in their community.

Industry, with its modern machinery and speed of production, is producing more cripples than all the wars that have been fought. As the result of industrial accidents men are losing their arms, or legs, or eyes every week in the year. It is right that these industries, functioning through the State Industrial Accident Commission, should aid in restoring these cripples to sufficient earning capacity to enable them to be self-supporting citizens and not dependents upon society.

To do this it will be necessary to re-educate many of them, or train them in new lines of endeavor, and while they are gaining this new education or new training, it is necessary for someone to support them and their families.

I am already informed that the commission is obtaining good results in the physical rehabilitation of injured workmen, and that the commission contemplates immediate expansion of its efforts along this line. The commission should be given ample authority and the right to use a sufficient portion of its funds to carry on this work.

I fully endorse the recommendations of the special committee, and believe there will be no hesitation on the part of any member of the legislature in thus meeting a situation which affects so many thousand injured workmen and their families.

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Approximately 25,000 industrial accidents, affected by the Workmen's Compensation Law, occur in Oregon each year. Considering the families of these injured workmen, it is estimated that between 50,000 and 75,000 persons will be directly concerned in these proposed measures of relief.

#### EDUCATIONAL AID FOR SOLDIERS, SAILORS, AND MARINES

I desire to direct your attention to an action I deem necessary in connection with carrying out the provisions of the bill enacted by the people at the special election last June extending financial aid for the education of soldiers, sailors, and marines who participated in the great war.

Under that bill a levy of two-tenths of a mill on a dollar of the total taxable property of the state is to be included in the state tax levy annually. This levy approximated slightly over \$198,000.00 for the first year. That amount is far below the sum which will be required to carry out the provisions of the act. In fact, it has developed on the basis of an estimate made in the secretary of state's office, that the sum raised by the two-tenth of a mill levy will just about pay the bills to the first of January this year with no actual funds left available to carry out the administration of the act during the balance of 1920.

As you will remember, the bill provides for the payment of \$25.00 a month toward the education of each of these men, but not to exceed a total of \$200.00 in any one year for any one man. This provides for aid during but eight months of the year. Consequently we must make provision for eight months of the year in 1920.

I regret that I can not give you exactly definite figures at this time. The number of applications for this aid fluctuate. Some who have applied for aid have dropped out, or probably will drop out. But on the other hand new applications are constantly being received. So far nearly 3,000 applications have been filed. By as careful a survey as possible under the circumstances, the secretary of state's office now estimates that \$450,000.00 will probably meet the bills accruing under the provisions of this act for the current year. I make no suggestion as to the necessity for providing funds up to the time the next legislature meets, which will be after the first of next year, because on January 1, 1921, a new sum of money will be available from the two-tenths of a mill levy which will tide over the situation until the regular session convenes in that year.

I wish to call your attention to the fact that the emergency board, being apprised of the situation that would arise, already has allowed the incurring of a liability in the sum of \$300,000.00. As you are aware certificates of indebtedness, allowed by the emergency board, bear interest at the rate of 6 per cent until paid. If an appropriation is made at this special session to cover the amount that it will be necessary to expend in administering this act during the year of 1920, several thousands of dollars in interest will be saved, in fact a saving which will in a great measure, at least, cover the cost of this special legislative session.

I also respectfully call your attention to the fact that the emergency board has permitted the issuance of certificates of indebtedness in the sum of \$10,000.00, that law enforcement work may be further carried on by the executive office. Also an authorization of \$10,000.00 was made for the Grain Department of the Public Service Commission. If flat appropriations were made in these amounts interest payments likewise could be avoided on certificates of indebtedness in such sums.

In making the appropriations mentioned it is necessary for you to know that funds will be available so that you will not infringe upon the provisions of the 6 per cent tax limitation amendment. At the time of preparing this message it was impossible to ascertain just the amount that would be available for your disposition owing to the fact that figures were not obtainable from all sources. It is the intention of the secretary of state's office, however, to have as nearly exact figures as possible for presentation to your ways and means committee at an early date this week.

From pure estimates made at the time of the preparation of this message it seemed likely there would be from \$300,000.00 to \$500,000.00 accessible from various sources during the current year, which could be drawn upon by legislative appropriation without violating either the spirit or the letter of the 6 per cent limitation amendment.

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## STATE GUARANTEE OF IRRIGATION BOND INTEREST

Article XI-b of the constitution was adopted at the special election held on June 4, 1919, and provides for the payment by the state of interest on irrigation and drainage district bonds for any one or more of the first five years after their issuance. The Irrigation Securities Commission, composed of the attorney general, superintendent of banks, and the state engineer have encountered many obstacles in the operation of the provisions of the amendment, and while a number of changes could be made to advantage, it being a constitutional amendment, it can not be changed by statute. However, it can be supplemented by legislation to advantage.

In order to pay the interest on district bonds, the state is authorized to issue state bonds and it seems to have been the intent of the constitutional amendment that irrigation and drainage districts should advance to the state each year sufficient funds to meet the interest on the state bonds, in order that the state may stand in a position of guarantor of interest on the district bonds without expense to it. However, no definite provision covering this feature was included in the amendment.

The constitutional amendment also requires the district to deposit with the state treasurer certificates of indebtedness, which bear interest at 5 per cent per annum, both principal and interest payable after the irrigation or drainage district bonds have been paid off.

A statute should therefore be enacted authorizing the irrigation and drainage districts to enter into an agreement with the state to advance to the state semi-annually the interest on state bonds, the proceeds of which are used to pay interest on district bonds, and should also provide that the funds so advanced may be credited on the interest accruing on the district's certificate of indebtedness, filed with the state treasurer. The Irrigation Securities Commission should also be fully authorized to enter into such a contract in order that any question as to the legality of such proceedings be eliminated.

It may be desirable to frame a new constitutional amendments, so as to eliminate the objectionable feature of the present amendment. The only result of a failure to adopt such an amendment would be to leave the present amendment in effect.

## CAPITAL PUNISHMENT

Since the adjournment of the regular session in 1919 a wave of crime has swept over the country. Oregon has suffered from this criminal blight and during the past few months the commission of a number of cold blooded and fiendish homicides has aroused our people to a demand for greater and more certain protection. Of all our assets that demand protection and conservation, none is greater in value than human life. The first object of our laws should be for its protection and for that reason I am submitting to you at this time some recommendations relative to our criminal and penal codes which I trust will have your most careful consideration.

Because of a series of dastardly homicidal offenses a distinct public sentiment has developed that the people of the state should once more be given an opportunity to pass upon the question of the restoration of capital punishment and that there should be no unnecessary delay in bringing this question before the electorate.

Because of this urgency I am taking the liberty of suggesting that the matter of repealing the present constitutional inhibition on capital punishment and enacting such amendments to our organic law in that regard as may be deemed proper, be submitted to a vote of all of the people of the state at a special election be held in connection with the regular primary elections on Friday, May 21, of this year.

At my request the attorney general has examined into the legality of holding such special election on primary day. He advises me, that after a thorough examination of the law, he is satisfied such an election may be held without fear of jeopardizing the validity of such constitutional amendments or statutes as may

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be enacted at that time. He advises further, however, that to legalize such an election would require a special legislative act.

The attorney general has called attention to the fact that following the abolition of capital punishment by the enactment of a constitutional amendment to that effect, the legislature repealed a number of statutes which provided for the carrying out of the death penalty for commission of certain crimes.

As a result, he points out, to merely deal with the constitutional phases of a question would not again place capital punishment in actual operation. To meet the situation he has suggested that the legislature, at this session, re-enact those old statutes, or replace them with others. By the legislature pursuing this course, whatever statutes might be enacted would become effective at such time as the people remove the constitutional inhibition against the death penalty.

While it is a matter solely for legislative determination, I would be opposed to the calling of a special election to be held upon any other day than primary election day. To hold such an election upon any other day would entail an expense of approximately \$100,000.00, or possibly more. Held upon primary day the election machinery used for the primary elections could be set under way for the special election and the expense to the state would be nominal at the most.

## CRIMINAL LEGISLATION

While touching upon the question of capital punishment I feel it incumbent upon me to further mention some phases of criminal legislation which I deem of such urgency as to warrant your serious thought. These recommendations also deal with the safety of the lives of our citizens and consequently are of paramount importance.

By watching the operation of the parole law of 1919 with a careful first hand survey I am satisfied that its provisions are such, in many particulars, as to have a tendency toward placing the lives and persons of our citizens in jeopardy.

I wish to respectfully recommend that your body so amend the parole law that its operation will be suspended and that it cease to function entirely as to all persons convicted of commission of the graver crimes against the person. In my opinion the law should be amended that flat sentences be imposed in cases where convictions has been had on charges of homicide in any degree; rape, where violence is an element of the crime; robbery of any kind; burglary, when armed with a dangerous weapon, and assault with intent to kill while being armed with a dangerous weapon. There can be no palliation of such offenses, and I would have the word go forth that Oregon will in the future meet such offenses with a flat penalty that will be carried out to the end. The only mitigation I would suggest would be to allow the deduction from the total sentence of a reasonable number of days for good conduct, but this deduction should be nominal and not such a deduction as to make any decidedly appreciable reduction in the sentence.

For all classes of crime other than those enumerated, I would still leave the functioning of the parole law, but with such amendment as I am about to suggest.

For those of you who may not remember distinctly the provisions of that law I will say, in brief, that for all offenses, except murder or treason, parole privileges are allowable upon the expiration of one-fourth of the maximum sentence, minus deduction of certain days as credit for good conduct.

While I would make the law applicable for all cases except in the cases of men convicted for the grave crimes against the person, which I have pointed out to you, I would increase the minimum sentence allowed to one-half the maximum sentence, minus deduction of certain days as credit for good conduct.

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half the maximum to supersede the one-fourth of the maximum now allowed. I still would leave in effect the credits allowed for good conduct. Granting of such credits is excellent in theory and has worked well in practice.

The minimum sentence of one-fourth of the maximum, as allowed by the law as it now stands gives an inadequate degree of punishment. As a concrete example, a man sentenced to one year in the penitentiary is entitled to parole at the expiration of two and one-half months, when he is given the benefit of his good time credits. This throws the parole boards into an impossible position. Unless recognition is given for exemplary conduct the advantages of the good time credits are nullified. To give such recognition reduces the sentence to a travesty. The solution is a much longer minimum. By imposing the longer minimum the courts may take into account the gravity of the offense in imposing sentence; the offender is given more nearly that degree of punishment which the crime calls for, and the good time credits feature gives the prisoner something practical to work for.

In further explaining my reasons for these proposed changes I wish to say primarily that as far as paroled men themselves are concerned, the parole system has been in the main a success. A great majority of paroled men have "made good," to speak to in their own parlance. Cases of genuine reformation are frequent and many of them have been excellent citizens of your state for years.

In punishing criminals society has two functions to perform. One is for the protection of society itself; the other the reformation of the criminal. Society owes its first duty to itself. For that reason a criminal who commits a grave crime against the person should be sentenced for a definite term and should be compelled to serve that term, unless his innocence is alter established. Because some of that class of prisoners "make good" upon parole is not a complete solution of their problem. The fact that many of such prisoners, by operation of the parole law itself, are allowed to enjoy parole privileges, sometimes after comparatively brief periods of incarceration, has a decidedly bad effect on the potential criminal. By a stern and unyielding application of the law in the cases mentioned, the potential criminal will realize what is awaiting him if he oversteps the bounds of the law. Rigid enforcement of the penalties imposed I believe will result often in staying the hand that otherwise might be raised to rob, to attack or to kill.

On the other hand, reasonable parole privileges, with a minimum sufficient to insure ample punishment for the lesser crimes, will tend to satisfy the demand for reformation which all of us are anxious to see worked out in the breasts of the youthful and the less violent offenders against our laws.

During my administration a decidedly serious effort has been made to use the power of executive clemency conservatively. In all vases where conditional pardons have been applied for no consideration has been given such applications without first receiving affirmative recommendations from the presiding judge and district attorney who acted on the case. This rule may have been deviated from in one or two instances where the prisoner was in a serious physical condition which demanded prompt outside attention, but in those cases proper precautions were exercised.

The parole board has used as conservative a policy as the very broad an liberal law of 1919 has allowed. That law, with its good time credits and the very low minimum established, has practically forced the parole board on occasions to make recommendations even against its judgment. This situation should be changed and because of its serious phases I earnestly urge your serious consideration of these recommendations that greater protection and safeguards may be thrown about the lives, persons and property of the citizens of our state.

#### RATIFICATION OF SUFFRAGE AMENDMENT

It will be my pleasure to have forwarded to your honorable body for ratification the resolution of the congress of the United States of America providing for an amendment to our federal constitution which will extend to the women of our nation the right of suffrage. This is a matter which I recommend to your early

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attention and I am certain you will not deem it presumptuous if I express the hope that you give your unanimous approval to the ratification of this amendment.

## FISH AND GAME LEGISLATION

Because of the relative value of Oregon's fish and game life in all that the state in endeavoring to accomplish in the attracting of tourists; in the move to make life better for our own citizens, and in light of the fact that in involves one of our greatest and most productive industries, I feel that it devolves upon me to present at this special session of the legislature some pertinent recommendations in regard to the fish and game situation.

It is too well known a fact to need corroborative evidence from me that dissension and factionalism over the administration of this important branch of state government has resulted in robbing it of its highest degree of efficiency and materially impairing development and conservation work. I assume that all who have expressed conflicting opinions as to the situation have done so with honesty of purpose and the best of intent. Regardless of this, dissension has been evident, the people of the state have developed distrust, and a condition has grown up which demands a speedy and effective change.

In prefacing my proposals as to what I deem the most expedient and essential changes I wish to say frankly that my familiarity with the situation and with the temper of the people in all parts of the state convinces me beyond the shadow of a doubt that unless some material and beneficial changes are made the life of one of our greatest industries—the salmon industry—may be placed in jeopardy. In addition the conservation of our wild game birds and fish may also suffer and their propagation may decline.

I have no intention or desire to enter into the merits of the various controversies which have shaken the fish and game administration. Regardless of what the merits of these controversies may be, the fact remains that bickerings and wranglings have developed a hopeless situation which must be met by a new deal if we are to attain what we desire—highest efficiency and the best results. Doubt and distrust have existed. We must recognize this fact and that as long as such continue we will have a condition not conducive to the best welfare of the interests involved, or of the state as a whole.

To meet the situation openly and frankly, to forget old trials and tribulations may be difficult to do, but I deem it our duty in the premises to do so. For that reason I have formulated certain suggestions which I trust you will weigh carefully and consider advisedly. If my suggestions may be improved upon, if a better plan can be devised to bring about the same results, I will welcome that solution with the same sort of an open mind which I am asking all interested to have when they approach this situation for final determination.

Briefly I propose the following recommendations for your consideration:

Creation of a new commission of three members to have complete control and jurisdiction over the enforcement of all laws, over the expenditure of all money and over such other matters as may pertain to the state's administration of the commercial fishing interests of the state.

Creation of a new commission of five members to have complete control and jurisdiction over the enforcement of all laws, over the expenditure of all money and such other matters as may pertain to the state's administration of the wild game and fish life of the state.

For your information I will advise that a week ago I called together in Salem members of the fisheries and game committees of both the house and senate to discuss various phases of the fish and game controversy and if possible to formulate a bill for presentation to this session.

As a result of that meeting such a bill, I understand, will be presented to you providing, in a general way, for one commission with two separate divisions within the commission, to have control over the commercial

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and sportsmen's interests, respectively. With an additional member independent of the two divisions acting in the capacity of an arbitrator.

I still feel, however, that a complete separation of the two interests would lead to more harmonious relations.

But there must be give and take in arriving at a conclusion where many minds are thinking along many lines and the best compromise the legislature may effect which to my mind will bring about harmony and good results will be acceptable to the executive office.

Whatever may be your disposition of the matter, I wish to assert positively that the chief executive of the state should not be a member of either or of any fish and game commission. It is not properly in line with the sphere of his duties, it is not for the best welfare of the interests to be represented, nor is it productive of the best results. To separate the executive office from a membership on the commission is the right and proper thing to do and I assume you would be a move meeting with my hearty approval as a move dictated by discerning wisdom.

The fish and game situation is one close to the hearts of many thousands of our people, it is one of too far reaching importance to allow petty consideration to override and overrule the big results that may be attained. I am confident that, as representatives of the people of the state of Oregon, you will enter into a discussion of this question calmly and dispassionately, with your minds removed from local and personal prejudices and with the single goal in view—the greater welfare of all the state.

## CONCLUSION

In the foregoing message I have endeavored to point out as clearly and as succinctly as possible those matters of material and essential importance which I have deemed most worthy to present to you for consideration. It will be noted that I have somewhat enlarged, in my message, upon the scope of the subjects brought to your attention in the proclamation convoking you into special session. In doing so I acted only after grave consideration, realizing full well the necessity of confining your deliberations to as brief a time as possible to secure the best results. Those additional matters came to my attention since issuing my original proclamation and presented phases which I believed should have your early and earnest attention.

With no thought of intruding on your legislative authority, I feel that this session should not be opened to miscellaneous legislation and should be confined to consideration only of the subjects I have outlined, or matters of similar urgency and importance. I am certain everyone of us feels that the expense of this session should be curtailed to the minimum and that none of us desires to extend its time a solitary day past that which is absolutely necessary to the transaction of important business.

In making my recommendations, I am giving you the product of my best judgment and they are submitted to you for what they are worth. What disposition may be made of them is for legislative action only and I desire to make it clear that during your consideration of legislation no influences, direct or otherwise, will come from the executive offices to endeavor to swerve legislative opinion in one direction or another.

All of us are profoundly mindful of the responsibilities entailed in the tasks set before us. All of us have the aim and object in view to assist in what way we may toward continued peace, prosperity and well being in this great state of our nativity or adoption and I feel well assured we will all look ahead to meeting those tasks and accomplishing them with earnest minds and conscientious, honest effort.

January 12, 1920.

### **Governor's Message, 1921**

Source: Message of Ben W. Olcott Governor of Oregon to the Thirty-First Legislative Assembly Regular Session Convened January 10 1921



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Members of the Legislature:

Grave responsibilities rest upon this Thirty-first Oregon Legislative Assembly. I feel gratified that in addressing you I am addressing a body of men that will take into serious and full account the gravity of these responsibilities, that will meet them with only the best welfare of the state at heart, and that will apply themselves to their tasks with a patriotism, a vigor and an earnestness which will mean nothing but a better, a happier and a more prosperous condition of our people.

Under our constitution the governor shall give to the legislative assembly information touching upon the condition of the state, and recommend such measures as he shall judge to be expedient.

We have been passing through an era of great prosperity which has reflected itself generally throughout the state. More recently has come a decline in prices, touching some of our leading products and many look ahead to the coming biennium with none too optimistic a view. I would not be one to assist in the creation of a psychological panic, nor, on the other hand, would I advise that business be transacted with a feeling that the conditions which have existed during the past few years are to be with us always.

It is our duty to gravely weigh these conditions; to use such vision and prophetic power as we may have been endowed with by our Creator, and in our solemn acts of legislation reflect well upon the possible contingencies as well as upon conditions as they now confront us. I think I speak the common mind when I say that our era of high prices is passing; that I feel there may still be a greater slump in business; that employment conditions may be less satisfactory; that there are possibilities of industrial decline and a smaller return for our agricultural and horticultural products, and for the products of our forests and streams. We trust that prosperity will remain, that each of our citizens will have his full and fair share of it, but I believe we should look ahead to other possibilities and attempt to adjust our acts on the basis of such contingencies.

With faith in the sound, hard-headed business sense of the American people, I must say I look to the future with the utmost confidence. I believe that business, which is now going through a reconstruction period, will soon readjust itself and the prosperity of this state will continue to flow to its citizens. But this is a time when we should studiously avoid enacting legislation which might tend to unsettle rather than stabilize industry.

The people of the state by their ballots have increased the cost of state government largely in excess of that allowed in the six percent limitation amendment. Measures adopted by the people at the special election last May carried heavy tax provisions and the expenses of these must be met. Burdens of taxation, already heavy, have been augmented to a great degree but it removes none of our responsibilities in seeing that our institutions and necessary adjuncts of state government continue to operate efficiently and well.

You, as legislators, by the practice of economy in your appropriations, by a careful scanning of items for those that are unnecessary and unwise, may very materially help the situation. The executive and administrative arms of government must fulfill their responsibilities to the people, after you have made appropriations for them, by a sound and economical administration of affairs, based upon efficient management and judicious expenditure. I for one wish to assure you that it will be the aim of the executive department to ever keep foremost the thought that state business must be conducted on a business basis and under strict business management.

With a thought of possible assistance to you I have asked a committee composed of persons well versed in the subject to ascertain possible sources of additional revenues from indirect taxation.. The direct tax against real property and improvements I understand furnishes about seventy-five percent of our state revenue and it is proper and right that those who can afford to pay their just share of governmental expenses, but are not now compelled to do so, should be assessed in a fair measure for that purpose. The findings of the committee which I have mentioned will be available to members of the legislature at all times for such assistance as it may give them in their efforts.

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Oregon, being essentially an agricultural state, I bespeak your consideration and help in ascertaining ways and means to bring products of the farm closer to the consumer. Some well devised move of this sort would be of vast benefit both to the people on our farms and to the population of the cities. While the people rejected the state market commission bill, I do not consider that as a repudiation of the idea that there should be a more direct means of disposing of the products of the farm, and legislation tending to curb excessive profits in between the producer and consumer will be a decided boon to mankind.

I need not mention to you that it is a well defined legislative interpretation in this state that the six percent limitation amendment mean not only that no greater tax levy shall be made from year to year by the tax levying body than an increase of six percent over the preceding year, but it means as well that the legislature shall confine its appropriations within the available revenues. I shall deem it my constitutional duty as the executive to disapprove any items that may be in excess of the six percent limitation. While I feel assured that no member of your body would take any other view of the amendment than the interpretation that has been given it by all legislatures, still I feel I would be remiss if I, as well, did not state my position in that regard so that it may be clearly understood at the outset of the session.

### Our Budget System

Perhaps one of the gravest responsibilities is to deal with the financial system of our commonwealth. I have long believed that the basis of an economical administration of state affairs in the budget system. We have had such a system in operation in this state since 1915, with splendid results. But there are weaknesses in the system which I desire to call to your attention, and also, in turn, to present what I consider a remedy.

Our budget is prepared on the following basis: The head of each department, institution of state activity estimates his needs for the coming year and, except in the care of state institutions coming under the board of control, submits these estimates directly to the secretary of state. He, in turn, compiles them in budget form for submission to the legislature. The secretary of state has nothing to do with these estimates save to act in a purely ministerial capacity and do the mechanical work of compiling. Estimates covering the state institutions are submitted to the board of control by the various institution heads, and before such estimates finally pass into the hands of the secretary of state for inclusion in the budget, they are carefully gone over by the board, and altered or changed as deemed necessary and wise.

I believe all estimates should be passed upon by some responsible body before they are presented to the legislature and its ways and means committee for their consideration. This body should have such an intimate knowledge of the need of the state that it could prune estimates down to essentials, and this enable the legislature at the outset to take stock of its finances and determine to what extent appropriations may be made to cover them, as the final responsibility, of course, for the appropriation of the people's money rests upon the legislature.

Under present conditions there is no central body responsible for the budget estimated, leaving each department and branch of the state government to make such estimates and claims upon the state's finances as they see fit. I recommend that the state board of control be made responsible for all budget estimates, and that each department and branch of the government be required to submit their estimate to this board a sufficient time in advance of the biennial session of the legislature to permit a full examination of all claims. The board of control should be given authority to consider and prune these estimates at it deems necessary for the best interests of the state. After the board had passed upon the estimates they should be filed with the secretary of state for compilation in budget form for presentation to your body. This change in the budget system would give to the legislature the benefit of the judgment of the members of the board of control, who by experience are familiar with the needs of the state. This would necessarily place a heavy additional burden upon the members of this board, and ample provision should be made for providing the board with necessary expert and clerical help to give this matter the close attention which its importance would warrant. Our budget would then be a budget in substance as well as in name and I am convinced that the results attained from this plan would more than justify any expense that may be connected with it.

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Our financial affairs should be subjected to the closest scrutiny. Every just demand should be met as far as it is possible to do so. Every unjust and unnecessary demand should be eliminated. I submit this to you for careful thought. Expenses of state government are growing rapidly. Expenditures should be placed upon the soundest business basis it is possible to attain and no more firm nor sure foundation can be found for the business structure than a budget carefully prepared under some responsible guiding head.

#### Institutional Support

The first charge upon the public finances should be the care of those unfortunate wards of the state, who through some mental or other defect are restrained against their will. While continually confronted with the growth of the state and the consequent increases in the number of such wards, Oregon has liberally supplied wards for such institutions in the past and I have no fear that the legislature now convening will do other than extend to our institutions all financial support within its means. Realizing that the six per cent limitation amendment still confronts us, the board of control in passing upon budgets for these institutions has carefully eliminated everything that it deems unnecessary and unessential.

Our first wish is for ample maintenance so that the unfortunates may be properly fed and clothed, given proper medical attention and all of the necessities required to make them as happy and comfortable as possible under the conditions into which circumstances have forced them.

I would urge that these men, women and children be made your first care above all other considerations in the expenditure of public funds and I will guarantee for the board of control and the institutional heads careful and conservative expenditure of these funds.

There has been some talk of the erection of an additional Capitol building. I appreciate to the fullest extent the crowded and cramped quarters in which our departments are housed, and the handicaps under which they suffer because of such crowding, and every consistent effort should be made to alleviate such conditions. But while we are attempting to care for youthful offenders in a training school, the physical plant of which does not reflect credit to the state; while the institution for the feeble-minded and the state hospitals for the insane are crowded to capacity, and while other institutions are suffering for want of room, I am of the opinion first consideration should be given to these institutions.

#### Boys' Training School

The boys' training school I consider one of the most important of all of the institutions coming under state support. Here is laid the foundation for present reform of future criminals and present conditions show us the economic fallacy of leaving undone any step which may result in turning the youthful offender into a good citizen. The physical plant at the training school is hopelessly obsolete. The building is antiquated, the plan of the institution is medieval, and the name of "training school" attached to it is without apology. With the exception of a few successful, but limited attempts to provide some vocational training for the boys, nothing is done to prepare them to battle with life by the use of their hands in an honest trade. Academic instruction is given, it is true, and to a measure in a satisfactory degree but the instruction received is but poor material upon which to remodel a life started under such unfortuitous circumstances and such impractical environment.

The percentage of criminals in our penitentiary who graduated from reform schools is so startlingly high as to leave the inference that perhaps, rather than reforming, these schools breed criminals. Such a school presents all of the aspects of an economic waste. If we send these boys into the world from the training school, only to receive them back into the penitentiary, the state's burden merely continues and grows from year to year. Aside from any humanitarian standpoint, aside from the social fallacy which permits these boys to become criminals when a large percentage of them at least might be reclaimed, it is a sheer financial extravagance to herd these boys into a cavernous, gloomy institution, practically as devoid of hope as the structure is of sunlight, there to let crime breed and fester and develop.

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I feel that one of the gravest responsibilities that rests upon this legislature; that rests upon the people of the state; that rests upon every man and every woman of us wherein any responsibility at all might lie, is in the future of these one hundred and forty odd little souls confined in that institution and the thousands of other little souls who will succeed them there as the years pass on.

I will not attempt to outline in detail here what steps should be taken to remedy the situation. They have been outlined before and the last legislature provided for an inspection of the school with the idea in view of securing recommendations as to an entire revolution in the scheme of handling and in the physical plant of the institution. I will pass that phase by saying that now we make scant provision for vocational training for these boys; we make no attempt at segregation; but superficial provision is made for gathering data as to the history of individual cases, and as the physical plant stands today the incorrigibles and those for whom there is a chance become as one under the millstone that is grinding them down, and where one actual criminal enters the institution, more leave it.

I believe the state should rehabilitate its training school and give to the thousands of homeless or worse than homeless boys who will sooner or later become unwilling inmates there a school that will be a school indeed. It should be a school which would produce honest, self-reliant citizens, rather than hardened and hard-boiled criminals, and a school which instead of being reared on the foundations of false economy and false pretenses, would be reared on the solid foundation stones of the right kind of environment and education for development of the minds, the hands and the hearts of its inmates.

#### State Penitentiary

It is a pleasure to call your attention to the condition of the Oregon State Penitentiary which I believe to be equal to any time in its history, both as to the physical appearance of the plant and the morale of the men. This is a condition that exists regardless of the fact that but few appropriations have been made for betterments and repairs at the institution during the past several years, due to the fact that on two occasions the electorate were asked to pass upon the question of an appropriation for a new penitentiary and until such decisions were passed the current legislative assemblies doubted the wisdom of expending much money in betterments or repairs on the old plant. Through the initiative of Dr. R.E. Lee Steiner, temporarily acting as warden, as his successor, L.H. Compton, the present warden, vast improvements have been made at the place, largely through betterment funds derived from work at the institution itself. I will be pleased to have the members of the legislature investigate the institution and ascertain what has been done there.

It is deemed essential, and the part of wisdom, to establish an industry at the plant which will keep the men from being idle, which will do away with the necessity of appropriating money for the maintenance of such men as may be employed therein, and which, at the same time, will not compete with outside labor and which, as a deeply important consideration, will allow money to be earned by the men themselves to assist in the support of their wives and children who often become a charge on public charity or the philanthropy of their friends.

After due consideration recommendation is made that an appropriation be provided for the initial investment in a box factory at the prison. Lumbermen engaged in the manufacture of boxes have expressed their sympathy with the movement. It is a well known fact that the supply of boxes is inadequate to meet the demands of our enormous fruit industry and these may be manufactured at a minimum expense and the maximum of profit for the institution, and at the same time be sold at a reasonable cost to the consumer. This plan would seem to offer a happy solution of the prison employment problem without coming in unfair competition with free labor. It is believed sound sense that whatever industry is established should be an industry drawing upon a native raw material and not necessitating shipments of raw materials from abroad or from another state, at a heavy first cost, and with high freight charges. A modest equipment should furnish employment the year around for at least one hundred inmates of the institution, and the balance could be provided employment in other lines largely available now.

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The plan is to entirely eliminate waste by delivering the raw logs inside of the prison walls, there to be cut into box shooks, and such other products as found feasible, such as chair rounds and numerous other small articles, essential to institutional work. The slab wood would be used as fuel by the institutions themselves, with the result there would be no waste.

I am advised by those closely in touch with prison management that such a plant could be operated in a manner which would require the employed prisoner to first earn a sufficient amount of pay for his own maintenance cost to the state and that over and above this amount certain sums, the product of his labor, could be set aside monthly or weekly to be disbursed in the support of his dependents.

Such a plan would largely, if not completely, solve the year around problem of idleness at the penitentiary; it would give the man himself something to work for in a gainful occupation, and in addition would remove from the rolls of public charity the names of hundred of innocents, who are victims of a misstep made by their husband and father. These latter are the people who pay the heavy penalty for man's misdeeds. Seldom, if ever, does the man himself suffer comparable to the sufferings of the women and children who must move and live in society at large, ostracized because of their loved one's anti-social tendencies, and further suffering under the stigma of having to depend upon public funds or private charity for support.

This legislature has an opportunity to take a great forward step by the expenditure of no great sum of money and I strongly request that you give most sympathetic consideration to this proposal as it will be further outlined to you by those in touch with the prison management.

#### Prison Flax Plant

We still have the flax plant at the prison in operation. As an industry it does not fit prison needs because it gives employment at only certain times of the year and then to only a limited number of men.

I desire to report to you that, after due and careful consideration, it was decided that to further allow convicts in the flax fields for the purpose of pulling flax was economically unsound. As a result, during the 1920 flax season, it was insisted that the flax growers provide for the pulling of flax by free labor. This was done with a great degree of success and a minimum of complaint, both from growers and pullers.

The state has largely done its duty in regard to the flax industry. It has demonstrated beyond a doubt that flax may be grown here successfully. The time has come to place flax on the basis of every other agricultural product. The wheat grower, the prune raiser, and the numerous other men engaged in agricultural pursuits receive and ask for no subsidy from the state. They are required to employ their own harvest hands and meet their own labor problems without the assistance of convict labor. I am convinced that the place for convicted men is inside the walls of the penitentiary, so far as they may be kept there, and working them on the outside, save where it is absolutely necessary, is fallacious in principle and demoralizing in practice.

I would continue the operation of the prison flax plant to handle the crop on the inside of the walls, but would do so only until such time as there has become established and in actual operation a privately owned plant of sufficient magnitude and soundness to give assurance that all of the flax crop will be taken care of through that medium. When such time comes I believe the prison flax plant should be discontinued and the state realized as much as it may from the sale of the plant I suggest that this legislature authorize the board of control to take such steps at any time such a plant is actually in working operation and ready to handle the crop. My reason for this is based upon the belief that those who would be willing to finance a new private venture may be standing aloof, unwilling to come in and compete against a state plant. If it were written upon the statute books that whenever private capital shows its good faith toward the industry that the state retire from it, an impetus would be given to private capital to develop the industry here on a large scale. It is important that we enact laws for the encouragement of private investments, and I believe such a law, granting this discretionary power to the board of control, might have a highly salutary effect on bringing a material amount of new capital into Oregon.

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## Prison Wood Camp

In conjunction with the statement that wherever possible convicts at the penitentiary should remain within prison walls, I wish to call your attention to what has been done at the prison wood camp. Several years ago the board of control entered into a contract for the cutting of a large acreage of stumpage to furnish fuel for the state institutions, and to carry out this delayed contract the present wood camp was established near Aumsville in November, 1919. Previously a camp had been conducted in another location. On the recommendation of the then warden, Dr. Steiner, a paroled man was placed in full charge of the camp. Up to now approximately 4,500 cords of wood have been cut at the Aumsville camp, at a nominal cost to the state, the men being paid 50 cents a cord for the wood they cut, this being paid them upon their leaving the institution. An average of about twenty-five men have been employed daily at the camp. Only five of them have escaped during the entire time, and of these all but one have been recaptured and returned to the institution. There have been no guards over the camp aside from foreman, the paroled man in question.

Despite this splendid record I believe this situation could be improved if the legislature would allow the employment of paroled men entirely on this work, with no convicts from the inside of the walls allowed there. Now, when a man leaves the institution, unless he has had an opportunity to earn a little money as a prisoner, or had funds when received, he leaves the prison with five dollars and a suit of clothes. If he could be given an opportunity to work at the wood camp for a time at a reasonable wage, until he had earned sufficient money to make him somewhat self-reliant, his opportunities for returning to good citizenship on the outside would be vastly improved; the possibilities of his again committing crime be vastly lessened; the necessity for allowing convicts outside of the prison walls be that much diminished, and the expense to the state in securing the wood not very greatly increased.

## Non-Support Law

While touching upon the fallacy in our laws which places men behind prison bars without proper occupation to prevent their own idleness or to provide support for their families, I wish to lay particular stress upon our law which provides for the conviction of a man of a felony for failure to support his wife and children. I would not condone such an offense in the least. But the state spends thousands of dollars a year bringing these men back for prosecution and places many of them in the penitentiary. That is well and good as far as it goes. But the wrong is not remedied. The law, while intended as a deterrent, works as a punitive measure only. The man is embittered behind prison walls; the wife and children secure no more support than before the prosecution, save the pittance from public charity awarded by the mothers' pension act, and when the prisoner is discharged he is so bitter against those who sent him to the penitentiary that the wife is again abandoned and the children pauperized, because the man feels he has paid his penalty and refuses to give assistance further.

I would believe in the law which prosecutes such a man because no man should attempt to evade the responsibilities he has brought on himself when he enters wedlock and brings defenseless children into the world—providing that law compels him to actually do something for their support of his conviction and sentence. This may be accomplished through the installation of a proper industry at the prison, and the conditions to which I have just alluded give one of the strongest arguments in favor of the installation of the box factory at the penitentiary as previously recommended in this message.

## Care of the Blind

At the special election last May provision was made for the creation of a school for the adult blind in Portland. Apparent weaknesses in the law have brought a ruling from the attorney general that the millage funds provided for under this act do not become available until 1922, and, in addition, the act is so loosely drawn as to leave several of its provisions ambiguous and in need of amendment for more certainty in interpretation, particularly as to the extent of the powers and duties of the board of control. Proper amendments might be made to provide for the early functioning of this conceived institution.

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While upon the subject of the blind I respectfully direct your attention to the possible necessity of developing more highly the vocational side of the training at the present blind school. The object of the school, as I understand it, is to give a chance to these afflicted children to become self-supporting citizens, regardless of the handicap under which they suffer. This is done to a certain extent, but I believe it may be amplified by installation of additional means for vocational training which will give them larger and more diversified fields for the exercise of their developed talents.

While perhaps it is not pertinent here, nevertheless I wish to say that people of the state who are interested in the progress of the blind are working toward the end of devising means for group employment of the blind in connection with some of our industries. It is a move which has worked successfully elsewhere and no doubt will here. Coordination of that work with the vocational instruction in our blind schools, both in the present institution and the one to be constructed for the adult blind, will have a far-reaching effect in the solution of this problem. The war, with its trail of permanently blinded heroes, has opened up many new methods for the rehabilitation of the blind which have been used with surprisingly successful results.

It is with a great degree of satisfaction that I am able to report that very few if any of these high-minded blind students ever seek for the bread of charity after leaving the institution. Though most of us could conceive of no worse fate than to be deprived of our sight and set upon our own resources and initiative with the world dark to our eyes and the sunlight and shadow shut away from us forever, these boys and girls turn bravely to their allotted tasks, work them out cheerfully, and provide the means for their own sustenance as competent citizens. Their work should be an inspiration of the most exalted kind. To give them every assistance toward making their difficult road through life easy should be a rare privilege for each of us.

#### State Hospitals

Our two state hospitals at Salem and Pendleton have functioned splendidly under admirable management during the past biennium. Of all of the wards of the state, the unfortunates confined in these institutions because of mental disorders are worthy of having their existence made as comfortable as possible. In your careful distribution of the funds which are at your disposal I am certain that you will be as magnanimous and liberal as possible to these institutions. They have been operating on a sound basis, both financially and in the larger sense for which they were intended, the proper care and treatment of the insane. The state is fortunate in being able to secure the services of such high-class men as those who form the heads and staffs of these two institutions, and the recommendations which they make to you in regard to the care and management of them are worthy of every favorable consideration you find yourselves able to give.

One important work which has heretofore been neglected in this state is that of keeping a watchful eye on and giving assistance to the insane after they leave our state hospitals. The prison has its parole officer to be an aid to the paroled man but no such function exists for the state hospitals.

It would be an act of great humanity and of splendid business sense to authorize the superintendents of the state hospitals to designate persons for that purpose. The insane are discharged, presumably cured, but often without friends to aid them in securing employment or to help them in any way. The state which confines them for a period of time and breaks off their relations with the world should aid them to find their proper place again when the hospital doors open to release them from restraint.

#### Aiding Escapes from State Institutions

We have upon our statute books an act making it a criminal offense for any person to aid or abet in the escape or attempt to escape of any convict in the state penitentiary. This act should be broadened in its effect, or parallel statutes should be enacted, making it a similar offense for any person to aid in the escape of any one confined in the boys' training school, the girls' industrial school, either of the state hospitals for the insane or from the institution for the feeble-minded. Such a law or laws would be of great benefit to the

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institutions and would be for the protection and promotion of the welfare of institutional inmates as well as for the protection and benefit of society at large.

#### State-Aided Institutions

Eleemosynary institutions which care for indigent, homeless or orphan children and which receive aid from the state seem to have been functioning well during the past biennium. A noble work is being done by such institutions and without state aid it would be difficult for them to thrive, and, in fact, many of them would probably be compelled to desist from their philanthropic activities. It is a healthy sign when the public conscience takes cognizance of these little waifs who are turned adrift to float hopelessly upon the sea of humanity unless rescued by the powerful arm of society. I know you will continue to give these the material support necessary for their sustenance and proper development.

#### Other Institutions

I have entered into detail in regard to some of the state institutions wherein conditions existed to which I wished to call your more especial attention. The Girls' Industrial School, the State School for the Deaf, the Oregon State Tuberculosis Hospital and the State Institution for the Feeble-Minded all have been continuing their work during the past biennium for the purposes for which they were intended in a manner to meet with the approval of the board of control. I have no need to tell you that each of these institutions is carrying out a highly deserving work; that each one is entitled to your time and careful thought in the consideration of their needs and that none should be slighted in granting the funds necessary for the continuation of their highly beneficial work during the next two years.

#### Traffic Regulations

The use of motor vehicles has grown to such tremendous proportions, that not only our city streets, but our state and county highways frequently are congested with traffic and danger to life and limb becomes greater daily.

Laws never can wholly eliminate this danger. But they may become effective to a large degree in saving the lives, limbs and property of our citizens and very earnest consideration should be given to any and all suggestions which may be offered in the way of traffic regulation. Many will be offered; many will be untenable and undesirable, but none should be passed over without careful thought. If measures of any kind may be adopted which will result in the saving of one human life, or the saving of one individual from being maimed and mangled, they should be accepted gladly and readily.

I am informed that there is a concerted movement on foot for the adoption of uniform traffic laws throughout the states. To this end the secretaries of states of Montana, Idaho, Washington, and Oregon recently met and formulated a code of traffic regulations, with the purpose of urging its adoption in their respective states. The intention of this action is to secure the greatest possible convenience to the motorist, so that in moving from one state to another state he may not be required to conform to a different code of laws prescribing and restricting his activities. If we are to take a step in the line of uniformity in this direction we must cooperate with these states to the fullest extent, else we shall fail in any such effort.

The matter of traffic regulation is one of immense and growing proportions. Its possibilities are so great as to forbid any detailed recommendations in this message but I am confident that you will give the careful consideration to the subject which it deserves.

#### Japanese Question

How to meet the Japanese situation in this state is one that will come before this legislative assembly for consideration and possible determination



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As in other Pacific coast states murmurings have long been heard in Oregon that the Japanese, an alien race of differing ideals and aspirations from our own, are gradually acquiring a tenacious foothold within the confines of the state, and that unless their progress is curbed they will become yearly more and more of a menace to our institutions. This is a question too widely discussed and upon which our people have too well formed ideas to evade the issue.

Realizing the importance of the subject and the magnitude to which it has grown in the minds of the people, I caused an investigation of the situation to be made personally, by the Hon. Frank Davey, a member of your honorable body and a capable, conscientious and honest investigator. He went into the subject with open mind and for the purpose of securing a fair and impartial statement of the Japanese situation as it exists in those localities of the state where the Japanese problem is uppermost. Mr. Davey has compiled a report giving ideas and expressions as gathered from various citizens in the communities which he visited and also covering generally data as to the progress of that race in Oregon, industrially and otherwise. Copies of this report will be submitted to each of you for your information.

In my opinion steps should be taken by means of proper legislation to curb the growth of the Japanese colonies in Oregon; to preserve our lands and our resources for the people of our own race and nationality. I believe the ultimatum should be issued that it is the sense of the people of Oregon, speaking through their representatives, that this state is a state with a government of Americans, by Americans and for Americans and that Americanism is the predominant asset of its citizenry.

Here in Oregon the pioneer blood flows more purely and in a more nearly undiluted stream than in any other state of the Union. As a precious heritage, passed down to use from those heroic fathers who braved the perils and the trials and tribulations of pioneer days, it should be preserved unsullied as they gave it to us. I believe in that pioneer blood. I believe that when the little band of men voted at Champoege that the soil of this state should come under the dominion of the American flag that they intended that whosoever should come to Oregon should come as Americans, or should be of such a race that they could be assimilated into a nation which believes in the traditions and ideals for which we have fought.

The Japanese are a race high in culture. They have made remarkable progress since Commodore Perry, an American, first opened to them the door which showed them the dawning rays of a western civilization. They are a courteous people, a high-minded people, a people of education and of progress. But they are not our people. We cannot assimilate them and they cannot assimilate us. Oil and water will not mix. I would live in peace and amity and concord with them, but it would be a peace and amity and concord which extended the hand of friendship across the sea. So long as Japanese and American attempt to till their acreage side by side, so long will there be enmity and distrust. Centuries of history have shown us that Mongol and Caucasian must each work out his destiny alone.

There should be peace between the two nations, but conditions as they now exist can serve no other purpose than to finally lead these two nations to the brink of serious eventualities. I believe the Japanese should work out his destiny in Asia, in the continent which God allotted him, and under God we should work out our own destiny on the American continent.

This may be the most momentous question to consume the time of your deliberations. Whatever you do with it, I know you will act fairly and justly. That you will act with the highest idea ever before you that first, last and always we are American citizens and that what is to be done will be done with the firm resolve to preserve this state as foremost in its loyal allegiance to the flag which we all revere.

#### Law Enforcement

Under our constitution it is the duty of the executive to take care that the laws be faithfully executed. A modest appropriation was made by the last legislatures for the payment of expenses of special agents employed by the governor in law enforcement work. Emergencies required that this be materially enhanced through the emergency board. When activities of radicals were rampant, this office, at the request of some

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leading citizens, conducted thorough investigations of those activities and cooperated to the fullest possible extent. Other extraordinary situations made a drain upon the funds, including an investigation of the state treasurer's affairs made under the direction of the attorney general and the grand jury.

The larger share of the funds were expended in enforcement of the prohibition law. This office had investigations made in every county of the state, and in addition thereto investigated, either through its agents or through the proper law enforcing officers of the various counties, every complaint made to it. In this connection I wish to say that I have found the district attorneys and sheriffs of the various counties ready to respond and cooperate for the advancement of law enforcement. It must be understood that sheriffs very frequently labor under a heavy handicap, particularly in the enforcement of the prohibitions laws, as they are well known in every community of their respective counties, and their appearance is a signal for discontinuance of operations. We have endeavored to answer appeals for assistance from sheriffs where we could.

The executive office is asking for an appropriation of \$10,000 for the biennium in the continuation of the employment of special agents.

To give greater latitude in this work, however, I ask that the laws be amended so that all of the fines collected for violations of the prohibition law be placed in the county funds as a special fund for the prosecution of law enforcement work, to be paid out on the approval of the district attorney and to be expended at his direction. This would provide district attorneys with a fund whereby they could collect evidence in prohibition cases and employ special agents at their discretion. It would be an added incentive to the agents to carry on their work successfully, as the greater the number of convictions the longer the work could continue. Some such plan as I have suggested I believe the only equitable adjustment for the financing of this work, and at the same time will be the only successful way in which sufficient funds may be raised to stamp out illicit manufacture and sale of liquor.

The problem has become much greater since the national prohibition act went into effect. Before that time our main problem was to capture and convict bootleggers who secured supplies of whiskey from other states. As the source of bonded supply dwindles the army of bootleggers becomes greater, and our principal problem now is to deal with the moonshiner and his emissaries who dispose of his wares. Their name is becoming legion and the federal government cannot do the work alone.

I would be opposed to any alteration of the prohibition laws which would make them less effective. If they can be amended so as to bring about better enforcement results I will welcome such changes and be glad to give them my hearty approval.

#### Roads and Highways

Under the direction of an able and self-sacrificing highway commission our immense road program has advanced during the past two years steadily toward the desired goal. The people have spoken in no uncertain terms as to their desire for good roads. The Oregon plan for financing road building through bonds, the interest and maturity of which are paid off through the revenue derived from motor vehicle licenses and the gasoline tax, has so far more than justified itself, inasmuch as returns from such licenses are in excess even of the estimates of the most ardent advocates of the plan.

The path of the highway commission by no means has been altogether as smooth as the roads which it is laying. Prices for materials have been high; freight rates increasingly; labor conditions far from satisfactory as far as road building is concerned; contractors hesitant because of fluctuating prices on commodities and labor, and numerous other difficulties have arisen to make progress difficult. Gilt edge Oregon bonds have sold below par because of an abnormal condition of the bond market. Yet, under a heavy demand from all classes of people, as amply indicated by the vote at the special election last May, those who are paying the bills desire roads and more roads as rapidly as they can be constructed. The commission has gone ahead with the work against heavy odds, and while no one connected with the administration of the commission's

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affairs attempts to deny there has been some waste, possibly some extravagance, some excessive costs, nevertheless I believe the work has been done as expeditiously and as economically as human wisdom would allow under the abnormal conditions and times confronting the state and nation and taking into consideration insistent demands by those furnishing the money that the roads be forthcoming. We must also bear in mind that, as long as human nature is as it is, as long as minds are constructed along different lines and track in different grooves, there will be disagreements over highway projects and highway work, as there are disagreements over every other subject under the sun. These disagreements many times seem large to us, because we are dealing with a large subject, uppermost in the minds of the people. To give to the greatest number the best that we can; to give as nearly a dollar's worth of road for a dollar's worth of money as human ingenuity and human limitations will allow, and to furnish as durable and as satisfactory a system as perishable materials will permit must be our first duty and object. I am confident that such is the aim of our highway commission, and I am equally confident that legislature wishes to see nothing else done. I am equally confident we will have your active and hearty cooperation in bringing about such realities.

More funds through bond issues will be needed by the commission and the people have authorized you to grant such funds. The question of changing the road map undoubtedly will come up for your consideration. I would earnestly urge that you coordinate your work with the commission in this regard, that you meet with the commission on common ground. The commission has made a scientific and exhaustive study, not only of the road situation, but of the manner in which the funds may be used in giving the largest returns to all of the state. I am pleased to abide by the commission's judgment in these matters, and if any changes are contemplated I would suggest that they be made by and with the commission's sanction and consent. Such is the logical and proper way to bring about the largest and best results for all concerned.

#### Our Timber Resources

Oregon has about one-fifth of the nation's timber supply within its borders and more standing timber than any other state. While it is now third among producing states it will soon be first and its annual lumber pay roll is approximately \$50,000,000. Timber is one of our greatest resources and assets and we should look ahead to its conservation and production to the best of our ability. To denude our forests without looking ahead to their replacement would be a calamity to the commonwealth.

Our State Board of Forestry, which in the manner of its composition and its functioning is probably the most advanced in the Union, has recently adopted a forestry policy unparalleled by any other state and which represents a definite and exceedingly forward looking program. The board itself will see that this policy is brought to your attention in detail but among other things the board advocates state forests, assistance to farmers and timberland owners in management of their properties, tax reform, land classification, protection of all potential forest lands and a campaign of education looking to better understanding of our forest problems. As chairman of the state board I appreciate what care and thought have been given to the outlining of these plans and the immense value which they may be to the state.

Fire prevention is one of our greatest problems and one of the most important in the preservation of our forests. Ample aid should be given to that branch of our forestry work. Our climate and the species developed here are highly favorable to rapid forest growth and natural reforestation. In maintaining our fire prevention work on a high plane we are not alone protecting our great existing forest resources, but we are assuring rapid development of timbered areas for future use. In those areas fitted to natural timber growth and not essentially fitted for agricultural development we find that the forests will naturally reassert themselves after cutting, if fire does not prevent. Consequently the key to solving the reforestation problem for Oregon may be found in our efforts to prevent fire and to keep fires from destroying the new growth. Proper fire prevention will mean a natural reproduction of our forests during the course of a reasonable number of years. It is one of our most solemn duties to protect and preserve this enormous asset and to augment it and replenish it while we may. I am certain this legislature will not slight the demands which will be made upon it from that direction. Every effort is being made by the board to secure a continuance of federal assistance for fire prevention; timber owners themselves bear a great share of this expense, and the burden of the cost is by no means borne by the state alone.

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## Aerial Fire Patrol

One of the most successful phases of forest fire prevention work in Oregon during the past two years has been the aerial forest fire patrol, manned by aviators of the United States Army, working under the direction of the war department and the state and federal forest services. We hope to see that patrol extend all over the Pacific Northwest. No appropriation is being asked for this from the state, although the emergency board granted assistance in the sum of \$5,000 last year, only a small portion of which was used. The patrol is financed by the federal government and gives to army aviators the finest possible kind of practical training. While exact figures are not obtainable it unquestionably has saved hundreds of thousands of dollars of fire losses to the State of Oregon during the past two fire seasons. The aerial patrolman may see over a great area, while the land patrolman has greatly restricted vision and a greatly restricted area to patrol. The aerial patrolman may cover hundreds of miles in a day to the tens of miles covered by the patrolman on foot. The aerial patrol is the greatest single step yet taken in advance in forest fire patrol work, and, while we are asking for no money from the state in carrying on this work, it will receive the constant and continued cooperation of our forestry department, and we do ask the earnest moral support of each of you in connection with any measures which may come before the federal government for a continuance and expansion of this work.

Accomplishments of the aerial fire patrol in Oregon during the past year may be summed up briefly from a report of the air service of the war department. This report shows that from July 1 to September 15, inclusive, one hundred and twelve patrols were made out of Eugene, Oregon, covering 27,688 minutes of flying time; with 1,988,090 square miles of lands patrolled; 54,535 miles flown by the planes and 648 fires discovered. Out of the station at Medford, Oregon, from July 1 to September 15, inclusive, 71 patrols were made. The flying time for these patrols required 16,365 minutes, with 974,151 square miles of territory patrolled and 32,730 miles flown by the planes. These patrols discovered 85 fires. The figures disclose that the aviators in the Oregon patrols located a total of 733 fires during the season. None but the Omnipotent knows how many of these incipient blazes might have become devouring conflagrations, bringing in their wake waste and ruin to millions of dollars of timberland had they not been located by the keen-eyed pilots aloft and stamped out before becoming irresistible.

## Industrial Accident Commission

The Industrial Accident Commission of Oregon has grown into one of the most important functions of state government. The affairs of that commission are now in splendid condition; claims are met promptly; the addition of an expert accountant as a member of the commission has resulted in a record of the funds being kept which is plain and intelligible to the ordinary layman; and back payments from employers have been collected until deficits are reduced to a minimum. Before the special session of 1920 a committee of fifteen, containing representatives of the employers, employees, and citizens of the state at large was designated to investigate proposed changes in the workman's compensation act and make recommendation to that session. This was done so successfully it was deemed advisable by all parties in interest to continue such work under a similar committee. This committee has had a large number of meetings, has gone carefully into all suggestions and recommendations which have been offered, and has had at its command at all times the services of the members of the commission as well as their employees. Not only has the method of considering these amendments by the committee proved highly beneficial to the workmen's compensation act but has given a splendid basis for considering advanced proposals along the line of safety first and accident prevention work-highly essential features in our industrial life of today.

Rehabilitation work, first recommended by this committee previous to the special session and authorized by legislation of that session, has proved itself a wonderful success. One member of the commission has devoted much of his time to development of this work. As a result an expert investigator of the federal government has declared the work of the Oregon commission to be far in advance of that in any other state; numerous other states are investigating our methods for adoption by themselves, and, what is better than all, the commission's activities are showing large results in placing maimed and injured workers back in the field of self-supporting, competent and happy citizens.

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I bespeak for this committee's recommendations your most careful and earnest consideration. The work being done by the commission vitally affects the welfare of thousands of citizens of our state and any legislation in connection with it is worthy of deep and thoughtful attention.

#### Oregon's Soldiers, Sailors and Marines

Two years ago, while memories of Chateau-Thierry and the Argonne were fresh in the minds of everyone, much was talked of as to assistance for our returning soldiers, sailors and marines, and considerable was done. Our financial educational aid act has brought inquiries to us from every state in the Union, from those who would re-enact it into law elsewhere. Legislation was provided furnishing money for their immediate needs. An effort was made to work out some satisfactory land settlement and reconstruction projects, but these failed to meet with the approval of the people at a referendum election. In other ways efforts were made to show the men who gave up their places in civil life to fight our battles abroad for us, that the people of the state were not unmindful of the sacrifices they had made.

Their deeds and sacrifices should by no means be forgotten. If by any possible chance it appears there may exist any unemployment situation during the coming biennium; if there is a chance that some of them may be in hardships or straits of any kind, this legislature should do all in its power to foresee such as prospect and to see that a remedy is at hand should see contingency arise. I would further suggest that if any continuation of land settlement plans are contemplated that by all means they have as their basis a preferential right to be extended to honorably discharge soldiers, sailors and marines.

I cannot let this opportunity pass without remarking upon the splendid manner in which these men have become absorbed back into civil life; upon the magnificent way in which they are taking up arms in the battles of peace. In the organization of their American Legion they have shown a whole-hearted patriotism and a desire for a continuation of a high type of Americanized citizenship which makes them doubly worthy of any consideration which should be shown them by this legislature.

#### Financial Aid for Our Fighting Men

A reluctant congress has had before it for some time a proposal to give a slight reward to the soldiers, sailors and marines of the great war for the services they rendered. At thirty dollars a month, these men offered to sacrifice their lives, and those who returned home unwounded and in perfect health, nevertheless rendered great sacrifices without hope of reward. I firmly believe the nation should do something for these men. If the nation will not, Oregon should come forward in the same spirit of patriotism which actuated her during the war and show in a material way her deep appreciation for the services given. I further believe the state should wait no longer. Congress has delayed and haggled over this measure until the light of hope is fast fading. If we do our share, and congress eventually should come forward with additional funds, our men will then receive little enough for what they did.

I appreciate that our soldiers, sailors and marines went into this war without hope of monetary reward. No monetary reward could repay in even an infinitesimal part of a measure for what they gave up and for what they did. But that does not remove the fact that we owe them, and our prosperity forever will owe them, a boundless debt of our sentiment in words is well and good, but it may be conveyed in a substantial way which indicates that we mean each word we say.

I would have the state give these men at least \$25 for every month of actual service they each had in the military or naval branches of the United States government. I would not call it a "bonus." It would not be a bonus. It would be a very small share of their rightful due, particularly when compared with some of the wages paid to men who worked at home while these men were fighting abroad.

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I realize full well that your legislative assembly cannot appropriate any such sum of money as would be required to stand the expense of paying this amount of money to the soldiers who served from this state. The six percent limitation amendment would forbid that.

But, in the first instance, the money should come from all of the people themselves, in a generous response for the service rendered. This legislative assembly can, and I believe it will, refer to the people for their consideration a bill of this nature and I believe the people of the state are sufficiently appreciative of these great services to respond with an enormous majority in favor of such a measure.

I respectfully urge upon you to place such a measure before the people of the state to be voted upon at an early date.

#### National Guard

None of us can ever forget the spontaneous outpouring of Oregon National Guardsmen when the call came for America to enter the great war, nor are the people of this state unmindful of the record they made during that period of stress and storm. The National Guard has now been made our first and strongest arm of national defense and Oregon holds a proud place among the states of the nation in its National Guard personnel. It is essential to the welfare of the state that the Guard be maintained upon a high plane. We are to get many more companies and units of various kinds. The federal government stands a large share of the burden of this expense, but the state must stand a reasonable share. I urge upon the legislature to so its full duty in this regard.

#### Soldiers' Home at Roseburg

The surviving veterans of the war between the sections are becoming more feeble with each passing year, and much as we regret to whisper it, yet it is an inevitable truth that there can not elapse many more years before they have passed into history. At one of the most beautiful sites in the state, near Roseburg, the state maintains a home for these old veterans. Some recommendations will come to you for the support and betterment of that home and by all means it should be aided to the extent of your finances. It is a duty not to be lightly slighted, for us to see that these men, who fought on so many battlefields, who went through so many of the dark shadows for the preservation of our Union, should spend their declining days surrounded by all of the cheer and affection we may show them.

I have mentioned the American Legion to you, and I would also call your attention to the splendid record in peace at which has been made by the Grand Army of the Republic. At each roster roll the camps of that army finds their ranks thinned, but those who are left may look back over a record of solid patriotism and splendid citizenship which soothes and sustains them in the last few years of their lived, and which, aside from their record in war, should make them forever enshrined in the memories of their countrymen.

#### Insurance Department

Work of the insurance department has been progressing satisfactorily and that department has been yielding a revenue of about \$275,000 a year to the state. Experience has shown that non-resident property owners in many cases place insurance on their property, in some instances in large amounts, with companies not authorized to transact business in this state. This results in the state losing the revenue it would otherwise receive in fees from the companies and taxes on the premiums. It in turn works an injustice on the companies complying with our laws and contributing a large share of revenue. I believe the condition one that should be remedied.

The 1919 legislature created a new duty for the insurance department-the licensing of real estate brokers. This branch of the work is developing into one of considerable importance, and one yielding considerable revenue. No discretion is given to the department in the issuance of licenses. I believe its functions should be broadened so that licenses could be refused to persons unable to establish a good character. Inviting as we

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do the citizens of the world to make real estate investments with us and establish homes here, it is essential that those newcomers should be accorded honest treatment at the hands of honest real estate agents. Enlargement of the powers of this department as suggested will, I am certain, be a long step in that direction.

#### Fire Prevention

The insurance commissioner, who is ex officio state fire marshal, is able to report constant reductions in fire insurance rates from the activities of that department. The loss ratio fixes the cost of insurance, and the work of the marshal and his deputies has been bringing very satisfactory results in many cities of the state where recommendations of the department have been heeded.

A most deplorable catastrophe occurred at Klamath Falls a few months ago when a number of citizens lost their lives and heavy property loss was experienced. The lessons drawn from that fire lead me to recommend that the fire marshal's department be given greater authority to make rules for the protection of life and property. Rigid enforcement of fire prevention statutes under state regulation takes out from local complication this important phase of activity and many lives and much property value may be saved in the future by giving to the fire marshal a sufficient degree of latitude in his work.

Expenses of the department are covered by assessments on insurance companies, which are deeply interested in prevention of conflagration losses. I am advised that the insurance companies will have no objection to a slight increase in the rate of taxes assessed against them for this work, and for the good of the department and the safety of our citizens recommend that such an increase be authorized.

#### Banking Supervision

Every effort should be made to give as full protection as possible against carelessness of mismanagement under our present banking supervisory system. Expense of supervision is borne by banking companies coming under the act, and I am advised by the office of superintendent of banks that the present schedule of fees, which has not been changed since 1913, does not come up to the necessary requirements. It is suggested that the law be amended to increase the scale of fees based upon total resources, less capital and surplus, instead of being based on deposits, as under the present act. The superintendent of banks has further advised me he believes there will be no objection to the change from the bankers of the state.

Another change suggested by the department, and one I believe to be salutary, is proposed new requirement that banks in cities of over 50,000 population be required to have a minimum capital of \$200,000, rather than the \$100,000 required now, except where such bank is located beyond the two mile limit from the central post office of such city. This change would affect the city of Portland alone and I believe it desirable that such requirement be made for any institution located in the heart of a city of that size. The federal law imposes such a requirement upon national banks in Portland and the state should at least be as watchful over the welfare of its depositors in state banks, as the federal authorities are over the welfare of depositors in national banks.

#### Protecting Bond Investors

The recent suspension of a large Portland bonding house, dealing in municipal bonds, and the resultant possible financial loss to many of our citizens, demonstrates the necessity of state regulation and supervision over such business. While comparatively new, the business of dealing in municipal bonds has increased so rapidly that it is now being conducted upon a very large scale. This is, perhaps, due to the fact that municipalities finding it impracticable to finance necessary governmental projects by direct taxation, have had to resort to the issuance and sale of bonds. This policy is continually expanding and the amount of bonds rapidly increasing in volume, the results of which is that the business of dealing in such bonds is correspondingly increasing, and the people who invest in such securities are entitled to every protection the law can afford.

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It is evident that no department of state has exercised any jurisdiction or supervision over this business, and the heads of the corporation and banking departments are of the opinion that present laws do not give either department jurisdiction over such business. Therefore I recommend the immediate passage of legislation specifically covering this situation, and while I am confident any law you may pass will fully meet the requirements, I would suggest that provision be made to require and concern dealing in such bonds to furnish satisfactory proof and security to guarantee its ability and responsibility to deliver the bonds bargained for or reimburse the investor as promised. From what examination I have been able to make I am of the opinion that the regulation and supervision of this class of business should properly be placed under the jurisdiction of the superintendent of banks.

#### Industrial Development

Taxation may be successfully imposed only to a certain point. When our lands, our industries and the products of our soil can no longer bear that burden, taxes become confiscatory and increases must cease. It is wrong policy to force taxation to a point where the burden becomes excessive. Increase of direct taxation should be brought about mainly through increases in development; through more and larger industries; through greater productivity of our farms, and a greater number of our farms occupied, thus bringing the consequent increases in valuations. Any measures you may enact to bring about such much desired and beneficial results will be salutary in the extreme and deep thought should be given to the best way to effect them.

Oregon is developing largely in an industrial way. These industries should be given every reasonable and proper support from her people for they mean much to the future progress of the state. Legislation should be carefully weighed in regard to its effect on industrial progress and care exercised in determining that prospective laws do not carry burdens too heavy for industries to bear. We wish to see our citizens of all classes prosper; we wish to see good results for our industries as they mean larger wages, more prosperity for the worker, better returns for the farmer, the banker and the merchant. Prosperity or poverty for our wage earners closely follow on the success or failure of our industries. I can not magnify too strongly the necessity for the exercise of soundly tempered judgment in the enactment of any laws which may have such a decided bearing on the future financial welfare of all classes of our citizens.

#### Consolidations

Money may be saved and greater efficiency obtained by a more centralized administration of some of the state's labor activities. I believe the purely administrative affairs of the Board of Inspectors of Child Labor and of the Industrial Welfare Commission should be centered in the office of State Labor Commissioner. The boards themselves should be retained in an advisory capacity to the Labor Commission. Based on current budget estimates the Labor Commission informs me \$10,000 can be saved next biennium by such consolidation and a greater efficiency brought about. He, too, favors the plan and I believe it should be adopted.

A substantial saving also may be made and greater efficiency obtained by consolidating the office of State Sealer of Weights and Measure with the office of State Dairy and Food Commissioner. The office of State Sealer of Weights and Measure is now lodged in the State Treasury Department, but it has no relation to or direct connection with the functions of that department, while, on the other hand, the duties of State Sealer are in complete harmony with the duties of the Dairy and Food Commissioner and could be preformed by the same deputies.

I am assured by the Dairy and Food Commissioner that this consolidation would result in substantial saving, as he could perform the duties of State Sealer with a very slight addition to his present force of field men. I think this consolidation should be made,

#### State Lime Plant



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Special reports furnished to the executive office by the State Lime Board show that the plant at Gold Hill closed in December, 1919, for the principal reason that the funds were completely exhausted. A financial statement by the board showed unpaid bills amounting in \$2,215.06, and a net operating loss for the plant of \$11,243.73 on the balance sheet of April 15, 1920. I understand that this stands approximately the same at the present time save for some additional rentals accumulating under the contract on the quarry leased by the board.

The board at a meeting in October was of the opinion that the plant can be operated successfully if its operation be restricted to the late spring and summer and the early fall months, and if sufficient funds can be provided as operating capital to enable the board to operate the quarry and grind limestone to store it for sale during the fall and winter months. The board is asking for an appropriation for this operating capital.

Anything this legislature may do in reason to develop agriculture should be done. It is the backbone of our state and is one of the greatest of its tax producers. Agriculture as an industry certainly is worthy all assistance, and while the lime plant has palpably been a failure financially in the past, I believe it should be continued for another biennium. If it can be made beneficial for our farm lands, by all means we should continue its operation, even if at some loss to the state. If it develops our agricultural resources the loss will be repaid indirectly in a large volume and nothing should be done toward its abandonment until it is shown that farmers do not wish its further continuance and can no longer benefit by it.

#### Habitual Offenders Act

Our state constitution provides that "laws for the punishment of crime shall be founded upon the principle of reformation, and not of vindictive justice." It is a wise and humane provision and our legislators have observed it in the enactment of their parole laws and in the safeguards which have been thrown about accused or convicted men. But society should be protected against the confirmed and incorrigible criminal, the man who has shown himself a felon beyond hope of reform.

In a sister state a law known as the "habitual offenders" act has been in successful operation for some years. Under that law, after a man has twice served sentences in a penitentiary on a felony charge, and for a third time has been convicted for the commission of a felony, he may be tried under this act and sentenced to prison for life. I believe such a law should be enacted here. In the first instance, those who have served two terms for felony in our sister state are apt to leave there because of fears of future consequences and come into Oregon to continue their criminal career. In the second, and the more important instance, we may have ample reason to feel that if two terms in the penitentiary can not reform a man, he is incorrigible and beyond the hope of reformation and the proper place for him is in close restriction, behind prison bars, where is no longer a menace to society and no longer jeopardizes human life. Oregon should have a similar act and I trust you will write it upon our statute books.

#### Public Health

The matter of public health is of paramount importance. Development of sanitation along scientific lines is becoming almost a creed, accepted by the great majority of our people as a necessary adjunct of the public welfare. Requests for support of these bodies having for their purpose the benefit and betterment of the public health should be met by as liberal a response as the public finances will allow.

Our experience with influenza epidemics has shown us that this dread disease strikes when and where it pleases, and that an epidemic may develop almost overnight. Our state resources have been taxed to the limit and it has been impossible to meet these emergencies properly at times. The American Red Cross has cooperated splendidly. While we trust no further epidemics of this nature will arise man can not prophesy such good fortune. As a possible safeguard and aid in time of emergency, I suggest that the law be so amended as to allow the county courts to make a transfer of funds, when in their discretion such is necessary, to provide means for combating such epidemics. One of our counties not many months ago found itself virtually helpless, because of its isolated situation, and because of the lack of nurses and medical help.

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A judicious use of county funds at that time might have prevented many deaths and much suffering. But the county court sat with its hands tied, although expressing itself as willing to come to the rescue.

#### Higher Educational Institutions

At the special election last May the people of the state made handsome provision for the finances of the higher educational institutions by substantially increased millage taxes, as set under way by the legislature preceding this.

It is pleasing to note the advances made by all of our higher institutions of learning. It has been my pleasure and good fortune to visit each of them a number of times during the past two years and I wish to report to you that there is a splendid feeling of cooperation between the respective facilities and student bodies; that the spirit of loyalty to the institutions, the state and nation existing among the students is most gratifying, and that all of these institutions are functioning with a degree of success and are producing earnest, conscientious and well founded citizens who will mean much to the future life of the state.

#### Auto Mechanics Fees

The 1919 legislative assembly created the State Board of Automobile Mechanics Examiners. Under the law creating the board a fee of five dollars was exacted from each applicant taking the examination. Twelve hundred and thirty-two applicants took such examination and paid the required fee, according to the final report of the board. The law creating the board was declared unconstitutional and the board ceased to function. Its report showed that the board deposited funds with the state treasurer aggregating \$6,160.00, while the board's total expenditures amounted to \$4,676.41, leaving on deposit with the state treasurer a balance of \$1,483.59, which has reverted to the general fund. Inasmuch as the applicants under this law paid their fee in good faith, and because of the unconstitutionality of the act, received no benefits from it whatsoever, I recommend that all these fees be repaid. A state appropriation of \$6,160.00 would be required for this purpose. The defunct board filed with my office an itemized statement giving the name and address of each applicant and the amount of fee paid in each case, and this list will be transmitted to the ways and means committee for its consideration.

#### Jason Lee Memorial

Before you in this Hall of Representatives you see a splendid portrait of Jason Lee, unveiled there during the present year, with appropriate ceremonies attended by and participated in by leading citizens of the state. Regardless of creed or denomination all citizens of Oregon owe an undying debt of gratitude to the memory of Jason Lee. He pioneered the way which not only opened Oregon to civilization but which made it one of the states of the Union. As a man of heroic mold who took a foremost place in the founding of our commonwealth we owe to his name a high degree of praise.

In Washington, D. C., in the rotunda of the capitol building, two niches are provided for each state of the United States in which they may place the busts of two citizens to whom they care to give such remembrance. Oregon's niches are vacant, awaiting the action of the state. I am advised that it is within the province of this legislative assembly to decree that the bust of Jason Lee shall forever stand in the nation's capitol, typical of one of our foremost citizens and I urge upon you that you take such steps as will bring this about, making a fitting appropriation to cover the expense of such a bust as will be a credit to the state and to the man whom we wish to honor.

#### Oregon Building at San Francisco

At the close of the Panama-Pacific International Exposition at San Francisco in 1915, the magnificent Oregon Building at the exposition was turned over by the Oregon Commission at the fair to the then Commander of the Western Department of the United States Army for the use of the officers and men of the army. At his death complications ensued which caused the Oregon Commission, in conjunction with this

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office, to extend the use of the building to the commander of the department, and his successors, for the use of the officers and men of the army. I believe this is a splendid way for the State of Oregon to dispose of the building and I recommend that legislative confirmation be given to such deed of trust.

#### Investment of State Funds

There is a general public feeling, joined in by the state treasurer, who has charge of the investment of State Industrial Accident Commission funds, that the responsibility for such investment is too heavy, and the duties in connection therewith are too grace and serious a nature, to repose them entirely upon the shoulders of one public official.

I believe the legislature should grant this relief to the state treasurer and therefore recommend that legislation be enacted providing that before the state treasurer may invest such funds he shall obtain the approval of the State Industrial Accident Commission for each investment. This suggestion is in line with a recommendation embodied in the report of the Committee of Fifteen which as been making a study of the workmen's compensation law.

#### Our Tourist Asset

Oregon is spending forty millions of dollars in the development of her highways. Primarily this is for the benefit of our own citizens; to bring markets closer to the farmer; to make country life more attractive, and to open all of our state to the urban population as well. But back of this is an immense asset in the share of the tourist. To speak openly, the tourist is going to be one of the biggest factors in refunding our highway expenditures. I believe that those tourists who enter Oregon over these highways during the next ten years will more than repay to us all the money which we are expending on them. Aside from that hundreds of them will locate here; they will become our future citizens; they will open up our new lands; bring new money among us and assist in developing old industries and in establishing and building up new ones. We can not fail to take full advantage of this opportunity.

We are expending thousands of dollars in urging the tourist to come here. It is necessary that we care for him when he comes. He must be given a genuine welcome; he must be given proper accommodations; our state must be open to him for such a welcome. The welcoming of and the handling of tourists coming to Oregon should be developed along soundly organized lines and I ask your consideration of proper measures to this end.

#### Tourist Association

While touching upon the magnificent asset we have in tourist travel to and through the state, I wish to call your attention to the highly satisfactory results which have been brought about through appropriations which have been given to the Pacific Northwest Tourist Association. Large returns are certain to come from such expenditures and I believe their reasonable continuance a matter of sound investment.

#### Fair Board Accounts

The Oregon State Fair Board is the only department connected with state government that is allowed to go from biennium to biennium without having its vouchers and accounts pass through the hands of the state auditor. Your attention is called to this fact as a condition which I believe should be remedied. It may be essential that the fair board have the use of a revolving or emergency fund to handle the payment of its premiums, prizes and incidental expenses during the period of the fair, but, as a matter of plain business, the fiscal affairs of the fair board generally should go through the state auditor as other accounts are audited, and I strongly recommend that laws be enacted for that purpose.

#### Fish and Game Licenses

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I am of the opinion that the present annual charge of \$1.50 for fish and game licenses is too small, and recommend that it be increased to \$2.50. Our wild life is the property of all the people of the state, and it is fair, equitable and just that those who consume that life in the name of sport should bear a reasonable share of the burden in the cost of its propagation and preservation.

#### Scenic Roads

As we have been developing our highways and inviting tourists to share in the glories of our state, the feeling has been growing constantly that steps should be taken to protect those sylvan beauties which in many instances have been destroyed in the denuding of the forests. This is a subject of such vast importance to the welfare of Oregon that in the near future I hope to advise you of my findings and recommendations in regard thereto in a separate message to your honorable body.

#### Conclusion

I wish to thank you for bearing with me in the reading of this message. You have been elected to positions of great trust. In many ways the condition of our people depend upon what action you may take in these legislative halls. They look to you for calm and deliberate discussion of those matters of import which will come before you; they look to you to expend their money judiciously and well; they look to you as their representatives to safeguard their interests, to cherish their ideals and to preserve inviolate the trust which they have reposed in you. From my knowledge of the thought and disposition of the various members of your body I feel that you have come here with only the welfare of the state and its people deeply impressed in your hearts and that you will give to the problems confronting you the earnestness, the serious thought and the untiring efforts which they deserve.

The executive and administrative departments of the state government will be at your disposal at all times with such information or assistance as you may seek from them.

When this session is concluded and you will have returned to your homes, I sincerely hope that I may say with you that we have kept the faith and have rendered our services only as they should ever be rendered by faithful servants.

#### **Governor's Scenic Beauty Message, 1921**

Source: Special Message Of Governor Ben W. Olcott To the Thirty-First Oregon Legislature 1921 URGING PRESERVATION of The STATE'S SCENIC BEAUTIES

[Editor's note: Photo; caption: One of the many stretches of our state highways made desolate by logging operations, on Hunt Creek, about twenty miles east of Astoria. Paved in 1920]

#### Governor's Special Message

##### Members of the Legislature:

As indicated to you in my message delivered at the opening of this session I consider the question of the preservation of scenic beauties along our highways of sufficient moment to touch upon it in a special message to your honorable body. If you will bear with me I urge upon you particular consideration of the recommendations I am now about to make.

No other state in the Union has been blessed with so many natural glories as is the State of Oregon. Crowning all of these glories are our forest growths. Without them our mountains would be rocky, forbidding eminences; our streams would dwindle into rivulets; our lakes be shorn of the sylvan fringes which make them entrancing to the nature lover, and our valleys be monotonous stretches. This heritage has been too long neglected. So prodigal has nature been with us; so lavishly has she spread her feasts at our

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banquet table, we have been apt to feel that these glories would be never ending. We have become satisfied and it has required the thousands from the outside to come and express their wonderment before we actually have awakened to the fact that Oregon is blessed among the states.

The public realizes the importance of these things now, and is fully awake to the fact that, while we have lost many things, there are many things we may cling to and preserve for all posterity. This legislative assembly may make itself remembered in the history of our state by prompt action to assist in the preservation of what should never be lost.

All of the things we have been striving for, the development of tourist travel; the urge to make and keep our state the most livable in the Union; the desire to keep our children in God's own environment, surrounded by the beauties to which they are the true heirs, all of these will be surrendered and lost unless we act and act promptly.

The preservation of forest beauties is a matter of deep concern to the lumber industry. And it is not my intention or wish to deprive private owners of valuable lands of those things which they have acquired by rightful and legal process. This move is not backed by socialistic intent, nor any propaganda to disturb the progress of an industry. Rather, I find the timber owners generally eager and willing to cooperate. But it would be wrong to ask them to surrender vast tracts of valuable timberlands without just compensation, nor do I believe it could be done. In fact, vast tracts are not needed to carry this plan to fruition. Isolated tracts tucked away in pretty nooks; virgin stretches of forest along highways, to be retained of sufficient width to leave the beauties of the landscapes unimpaired; new plantings of trees, shrubberies and foliage along the highways, all of these things can be accommodated without too great expense and without arbitrary confiscation of property.

Some state agency should be the directing head in these endeavors, and I believe that the state highway commission, working in cooperation with the forestry department, the proper body to be clothed with necessary powers.

This matter should not be cast lightly aside. While the hand of man has done much and is doing much to make Oregon a great state, the hand of God fashioned here in the primeval wilderness an ideal earthly paradise which we must preserve as nearly intact as possible without impeding the ordinary progress of civilization.

To properly investigate the question now before us, last summer I named a committee consisting of W. B. Ayer, Jonah B. Wise, L. A. Lewis, E. N. Hurd and Mrs. W. S. Kinney, and this committee went into the matter intelligently and disinterestedly. One large company, the Crown Willamette Paper Company, immediately ceased cutting of timber along the Seaside-Cannon Beach Highway in Clatsop county and I understand is marking time pending action of your honorable body. That road probably accommodates more tourists than any other single road in the state during the summer season and on that road is demonstrated very forcibly the difference between natural timber beauties and the naked stretches left after logging operations with modern machinery have denuded the hillsides. So marked is the difference I venture to say no person passes over the road but comments upon it. That is a single instance. Hundreds of others present themselves. The highway department has cooperated in keeping the executive office advised as to these things and that department I am certain would throw itself into assisting in the work with whole-hearted energy.

The federal commissioner of Indian affairs has agreed that hereafter in all contracts for logging on Indian reservations a strip of at least three hundred feet wide along highways be reserved at all times to continue the timbered effects along such roads passing through the reservations. The federal government has indicated this deep interest in the matter after it had been called to its attention through my office and the highway department as to a stretch of road in the Klamath reservation, and the state should follow suit along state highways wherever possible.

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I am attaching to this message copies of tentative statutes which it is believed will be of material assistance in carrying it on. I do not request that these be read to consume the time of your honorable body, but I respectfully suggest that this whole matter be referred to one of your committees, preferably the committee on roads and highways, for its consideration and approval. If better plans than those outlines in the reports and supplemental suggestive statutes may be formulated, I certainly shall be pleased to have them enacted into law.

This message is being transmitted in duplicate to the Senate and the House of Representatives so as not to delay the operations of your honorable bodies by the calling of a joint assembly.

January 24, 1921.

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A BILL

For an act entitled "An act to empower the State Highway Commission to acquire rights of way along state highways for the maintenance and preservation of scenic beauties along such highways."

Be It Enacted by the People of the State of Oregon:

Section 1. The State Highway Commission may acquire, for and in the name of the people of the State of Oregon, by purchase, donation, or by proceedings in eminent domain, rights of way, land or trees and ground necessary for the culture and support thereof on or along the distance of three hundred feet on each side of the center thereof, in any case where the acquisition of such rights of way, land and trees will be for the benefit of the state highway or public highway in aiding in the maintenance and preservation of the attractions and the scenic beauties thereof.

A BILL

For an act making it unlawful to cut down, injure, destroy or in any manner remove trees, standing along or upon a state highway or public road without the permission of the State Highway Commission, and providing a penalty for a violation thereof.

Be It Enacted by the People of the State of Oregon:

Section 1. That it shall be, and is hereby made, unlawful for any person to dig up, cut down, injure, destroy or in any manner remove any tree or trees growing upon or along any state road or public highway without first procuring the written consent of the Oregon State Highway Commission to do so.

Section 2. Whenever any person desires to dig up, cut down, injure, destroy or in any manner remove any such tree or trees growing along or upon any state road or public highway such person shall file with the State Highway Commission an application in writing setting forth the reasons and purpose for the removal or destruction of such trees, upon the filing of which said application the highway commission may, if in its judgment and discretion the destruction or removal of such trees will not mar or in anyway affect the scenic beauty of said highway, or otherwise harm, injure or affect the same, issue a permit authorizing the cutting down, digging up, removal, destruction or trimming of said tree or trees under such conditions and in such manner as the highway commission may in such permit designate.

Section 3. Any person violating any of the provisions of this act, and any person who having procured such permit shall violate the conditions and provisions thereof, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined not to exceed \$100, or may be imprisoned in the county jail for a period not to exceed thirty days, or for both such fine and imprisonment.

A BILL

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For an act to authorize and empower the State Highway Commission, in the name of the State of Oregon, to acquire land along state highways or public roads for rights of way, or for the creation, preservation and maintenance of scenic beauties along said highway, and for the establishment and maintenance of parks or parking places for the convenience and accommodation of the traveling public; and to provide for the exercise of the right of eminent domain in the procurement of such land.

Be It Enacted by the People of the State of Oregon:

Section 1. The State Highway Commission is hereby authorized and empowered to acquire in the name of the State of Oregon, either by purchase, agreement, donation, or by the exercise of the right of eminent domain, land or trees, or the ground necessary for the culture and support of trees or shrubbery, on or along the course of any state or public highway, or to acquire lands or grounds along or adjacent to said state or public highway for rights or way, or for the purpose of creating and establishing parks or parking places for the convenience and accommodation of the traveling public; provided, however, that such lands so acquired shall be within a maximum distance of three hundred feet on either side of the center line of said highway or public road.

Section 2. Whenever in the discretion of the State Highway Commission, the acquisition of lands along or adjacent to any state or public highway are needed, or the acquisition of such lands will be to the advantage and benefit of the State or the traveling public in the beautifying of said highways, or the preservation of existing scenic beauties, or would afford greater convenience or accommodation to the traveling public, the said State Highway Commission, in the name of the State of Oregon, may acquire such lands as herein provided, and may pay for the same out of any fund in the state highway fund, and may improve and maintain the same and have the same authority over such lands to the same extent and in the same manner, and for the same purposes, as said commission has authority now over state highways, and said State Highway Commission is authorized to improve and maintain said lands so acquired out of the state highway funds.

#### A BILL

For an act entitled "An act giving to the State Highway Commission complete and permanent control over state roads and highways; requiring persons making any alterations or changes in such highways or rights of way along such highways to secure a permit from the State Highway Engineer therefore, and declaring violations of any provisions of this act to be a misdemeanor."

Be It Enacted by the People of the State of Oregon:

Section 1. No opening shall be made in any state road or highway, nor shall any structure be placed thereon, nor shall any structure which has been placed thereon be changed or renewed except in accordance with a permit from the State Highway commission, or from the State Highway Engineer acting under the State Highway Commission, who shall exercise complete and permanent control over such roads or highways. No state road or highway shall be dug up for laying or placing pipes, conduits, sewers, wires, railways or other objects, and no trees or shrubs in or on any state road of highway shall be planted, trimmed or removed, and no obstruction placed thereon, without written permit, as hereinbefore provided, and then only in accordance with the regulations of such State Highway Commission, or the State Highway Engineer acting under the direction of such commission; and the work shall be done to the satisfaction of the State Highway Engineer or appropriate officers or employees of the state highway in as good condition as before shall be paid by the persons to whom the permit is given or by whom the work is done.

The State Highway Commission, before granting a permit under the provisions of this act, shall require the applicant to file a satisfactory bond to the people of the State of Oregon in such an amount as may be deemed sufficient by he commission or its duly authorized officers, conditioned for the proper compliance with the requirements of this act by the person granted such permit.

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Any person convicted of making any opening in a state road or highway or placing any structure thereon, or changing or renewing any structure thereon without obtaining a permit, as herein provided, or not in compliance with the terms of such a permit, or otherwise violating the provisions of this act, shall be deemed guilty of a misdemeanor.

Section 2. This act is not indeed, nor is it to be constructed as limiting the power and duties vested by law in the Public Service Commission of the State of Oregon, and in event of any conflict of jurisdiction, that of such Public Service Commission shall prevail.

#### A BILL

For an act entitled "An act making it unlawful to cut down, injure or destroy trees along a state road or highway without the permission of the State Highway Engineer, his officers or employees, and declare-the same to be a misdemeanor.

Be It Enacted by the People of the State of Oregon:

Section 1. Any person who digs up, cuts down, injures or destroys any trees on any state road or highway, unless the same is deemed an obstruction by the State Highway Engineer, his officers or employees, and removed under their direction, unless such person has received a permit therefore from such Highway Engineer or appropriate officers of the state highway department, or is otherwise lawfully entitled to dig up, cut down, injure or destroy such trees, shall be guilty of a misdemeanor.

#### **Governor's Special Session Message, 1921**

Source: Message of Ben W. Olcott Governor of Oregon To the Special Session of the Oregon Legislature Convened December 19, 1921

Members of the Oregon Legislature:

The legislature has been called into special session to consider matters which I deem of such serious urgency and importance as to warrant your most careful and undivided attention. I will endeavor to outline them briefly for your consideration so I may cause you no unnecessary delay in turning to active work

As you know, the people of Portland, representing one-third of the population and taxable wealth of the state, voted by an overwhelming majority to tax themselves in the sum of \$2,000,000 for the purpose of assisting in financing an international exposition to be held in Oregon in 1925. As I understand it, it is the desire of those interested that an additional \$4,000,000 be raised for this purpose, of which \$1,000,000 is to be raised by private subscription and the balance by a tax against the people of the state at large, including Multnomah county.

It is necessary to submit a question involving such an amount of revenue to the people, for them to determine by their ballots whether they desire to share in bearing the burden of financing such an exposition through revenue derived from taxation. The question of such submission to the people is to come before you. I presume, in submitting such matters to a special election, that the time of the election would be made coincident with the general primary nominating election on May 19, 1922. By so doing the great burden of expense would be eliminated through the use of the primary election machinery in connection with such special election.

I turn to a matter I deem of paramount importance to the welfare of the state. That is the necessity for additional legislation to preserve our highways from destruction. The weight of loads and speed of motor trucks have been giving gravest concern to every person who has been interested in the highway situation. Not alone is this a matter of gravity as it affects our hard-surface highways, important as it may be in that connection. But throughout the state lighter types of surfaces, such as macadam and gravel, are being damaged almost irreparably by heavy motor trucks passing over them. Frequently these lighter surfaces are



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constructed by small road districts which expend the limit, or near the limit, of their taxing power to construct lateral and market roads and occasionally they see such roads wrecked by no more than one or two trucks. I may add that in my mind these lateral and market roads are of most vital importance—the very arteries that carry the life's blood to our state.

I respectfully call your attention that the saving of one mile of highway would more than cover the expense of this session of the legislature. We are spending millions for roads. We must take proper precautions to protect them from early destruction. To have awaited another regular session before considering this matter might have meant many hundred of thousands of dollars in destruction otherwise preventable.

Involved in the problems confronting us is the matter of restricting weights and speeds of trucks without ruthlessly interfering with or destroying agricultural and industrial enterprise.

Primarily the roads are made for handling the products of our people. Essentially and fundamentally these are the farmers' roads, over which they take their produce to the market centers. We never should lose sight of that fact. The roads are built for such men as the farmer, particularly the market roads, and his interests must be subserved. Any legislation enacted should take into full account this fact. I believe legislation may be evolved which will protect his interests as well as the roads.

Further, in connection with our highway system, I submit to you the necessity for proper regulation covering passenger busses and other motor vehicles operating for hire on our public highways. These vehicles have free use of the expensive roadways which are being constructed in all parts of the state. It is right and just not only that they be subjected to proper regulation, but that they pay a just and fair share of the revenue required to maintain such roads.

I have touched but briefly upon the two important matters dealing with highway legislation. Immediately upon issuing the call for this special session I asked five prominent citizens, three of them state officials, to gather such data as they deemed necessary to assist the legislature in expediting its labors at this session. I understand these data are ready for submission to you. My object in asking these men for their valuable assistance was merely to go to the same sources of information it would be necessary for you to seek in securing light on these important subjects and to whip this information into such shape as might materially assist you and lighten, as well as shorten, your labors.

I leave these problems with you for your consideration. The proposed highway legislation alone I consider of such magnitude as to well warrant your attendance here in special session. Properly enacted statutes of this character might well mean the saving of millions of dollars to the state.

In closing I desire to say I have the fullest faith that the patriotism and ability of this body of representatives of the people will result in as speedy a dispatch of business as is consistent with properly considered legislation. I desire to thank you for your prompt response to the call of the executive department and to assure you I am confident the earnestness and careful thought I feel you will give to the matters before you will return highly beneficial results to the people of the state.

Salem, Oregon, December 19, 1921

### **Governor's Retiring Message, 1923**

Source: Message of Ben W. Olcott Retiring Governor To the 32nd Legislative Assembly, 1923

To the Members of the Oregon Legislature:

For twelve years I have been connected with public life in Oregon. I now lay down those cares without qualms or regrets. To be granted serious and grave responsibilities by your fellow men is a high honor, as well as a sacred trust. I would be remiss in my duty and churlish to my conscience if I failed, in as warm terms as I know, to express my deep appreciation for those honors.

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As time mellows the whips and scorns of fortune, so will those honors become dearer to me as the years make them treasured memories. To those who have given me their confidence, to those I have endeavored to serve to my utmost capacity, to the people of this magnificent state, I can offer nothing but the expressions of a grateful heart for the long years during which I have had intimate association with their public affairs.

I sincerely trust that you will give most careful thought and attention to the Soldiers' Loan Act. The successful administration of the duties imposed by this law has been a matter of great concern to the commission delegated to carry out its provisions. The loan feature of the soldiers' law presented a new subject in legislation and naturally in drafting the law all features of importance were not fully covered.

A great volume of work required in its administration has been performed and we think it has been well done, and we believe with as great security to the state as possible in view of the law's liberal provisions and positive terms. The commission is indebted to the American Legion for its great and helpful cooperation.

By all means the law should be revised and supplemented whereby the purposes of the legislation and the interests of both beneficiaries and the state may be fully protected by adequately safeguarding the stupendous sums involved. Every beneficiary of the act should, and we think will, welcome such action by the legislature.

The right or wrong administration of this law will reflect credit or discredit ultimately upon the men for the benefit of whom it was enacted. NO discredit should be allowed to reflect either upon a generous-hearted state or mar the record these men have made in camp, at home, on the battlefield abroad, or on or under the high seas.

I trust nothing will be done to in any manner decrease the efficiency of our state institutions. Of all departments of state government these are the most important. They reflect the warm heart of our people, beating for the unfortunate and the afflicted. I leave my share over these institutions with a feeling of pride. They are on a business basis and so managed. They should continue so. No legislative assembly should permit them to suffer for necessary funds. This is a legislative charge of such grave import I can resist making this appeal

I shall offer but few more suggestions.

The memory of our pioneers should be honored, and would be honored fittingly, by designating the great road they followed through our state as the Oregon Trail.

Legislation against the illicit and illegal use of narcotics should be made drastic and effective. Third offenders should be given penitentiary sentences.

A constitutional amendment should be submitted to the people of the state providing that special sessions of the legislative assembly be confined to the subject matter contained in the executive call.

My hope is that the state will continue to grow and prosper; that it will find new wellsprings of endeavor; new avenues of development; that a never-ending stream of high-class citizenship will populate its cities and till its fields; will hew down its mighty forests and fashion them to the uses of the world of commerce.

I give to the incoming administration my fondest hopes and wishes for success, that it will reflect credit upon itself and give continued and increased prosperity to the state.

BEN W. OLCOTT  
Salem, Oregon  
January 8, 1923