



Oregon State Archives

800 Summer Street NE

Salem, OR 97310

503-373-0701 ext. 1

sos.oregon.gov/archives

GOVERNOR WALTER M. PIERCE ADMINISTRATION

January 12, 1923 to January 10, 1927

Biographical Note

Source: Text courtesy of the Oregon State Library.

Born on May 30, 1861, near Morris, Illinois, to Charles M. and Charlotte L. (Clapp) Pierce. Brother of Charles, George Mary and Minnie. Pierce grew up in a Jacksonian Democrat farm home and journeyed west as a young man, settling in 1883 near Milton in northeast Oregon. He married one of his students, Clara R. Rudio, in 1887, who died in childbirth in 1890; on September 3, 1893, married Clara's sister Laura, who bore him five children: Lloyd, Lucille, Helen, Edith and Lorraine; Laura Pierce died of cancer in March 1925; in December 1928, married Cornelia Marvin, first State of Oregon Librarian (1905).



After serving as teacher and Superintendent of Schools for Umatilla County from 1886 to 1890 and as County Clerk from 1890 to 1894, during which time he prospered from fees paid for land transactions, he returned to Illinois with his family to seek a law degree. In 1896 he received a Bachelor of Laws degree from Northwestern University at Evanston. Returning to Oregon, he practiced law for a decade in Pendleton; speculated in land; owned and operated the Grande Ronde Electric Company; and became one of the state's best known and most successful breeders of Hereford cattle.

In 1902 Pierce won election to a four-year term in the Oregon State Senate, winning passage of a \$6 per child state support for educational purposes and supporting the unsuccessful effort at prohibition. Defeated for reelection in 1906, Pierce helped organize the Oregon Farmers' Union; became President of the State Taxpayers' League; organized the Public Power League; and served on the Board of Regents of Oregon Agricultural College from 1905 to 1927. Urging the use of the Columbia River for electrical power, a policy he endorsed throughout his public career, Pierce unsuccessfully sought the Democratic nomination for U.S. Senator in 1912, losing to Harry Lane, the general election winner. In 1916 Union and Willowa county voters elected him to the Oregon Senate.

A progressive, Pierce challenged Republican incumbent James Withycombe for the governorship in 1918, losing 65,440 votes to 81,067. In 1920 he lost his senate seat by 27 votes. Undaunted, Pierce won the governorship 133,392 to 99,164 in 1922 with the aid of the Ku Klux Klan. By supporting the Compulsory School Bill, and winning many Republican votes because of Governor Olcott's presumed Catholicism. He championed prohibition and a law banning alien land ownership, pressed for adoption of Oregon's first income tax, for liberal labor measures, prison reform, state-owned and operated hydro-electric projects and other progressive measures: many of these proposals were blocked by the overwhelmingly Republican Legislature.

Seeking to overcome that disadvantage by joining forces with Republican progressives, Pierce further fragmented his party by supporting Robert M. La Follette for President in 1924. Although he failed to strengthen his party, opponents acknowledged he was one of Oregon's strongest governors. Nonetheless, in 1926, with emotions reduced, Republicans (who composed 70% of Oregon's voters) elected I. L. Patterson

(120,073 to 93,470) over Pierce. After his governorship Pierce failed in 1928 to win Oregon's Second District Congressional seat.

Choosing not to run for governor in 1930, Pierce ran for Congress in 1932 and, with Franklin Roosevelt's landslide victory won. A loyal New Dealer, he represented the Second District for the next 5 terms until his defeat in 1942 at age 81. He retired near Salem, OR, and died March 27, 1954.

Bibliography:

1. Gerald Schwartz. "Walter M. Pierce and the Tradition of Progressive Reform: A Study of Eastern Oregon's Great Democrat." Unpublished Ph.D. dissertation, Washington State University, 1969;
2. Robert E. Burton, *Democrats of Oregon: The Pattern of Minority Politics, 1900-1956* (Eugene, Oregon, 1970);
3. George S. Turnbull, *Governors of Oregon* (Portland, Oregon, 1959).
4. The Walter Pierce Papers are scattered: extant gubernatorial papers are in the University of Oregon Library in Eugene; those for the Congressional years in Special Collections, University of Oregon Library, Eugene; others are located in Multnomah County Library and the Oregon State Historical Society, Portland, and in the Walter M. and Corneila Marvin Pierce Library, Eastern Oregon College, La Grande.

Governor's Message, 1923

Source: Message of Walter M. Pierce, Governor To the 32nd Legislative Assembly Regular Session, Convened January 8, 1923

I wish to express to the people of Oregon my sincere gratitude for the significant vote of confidence in the recent election. I fully realize the almost staggering responsibility of my position. I will do my best to justify the confidence reposed in me. As I look over the election returns I realize that I received, on the 7th of November last, as many Republican votes as I did Democratic votes. I, therefore, declare myself the people's Governor, and I ask the continued support and friendship of the people of Oregon, without reference to past affiliations, political or social.

I have no intention of building a political machine. I shall call around me, to fill positions, those in whom I have confidence and I shall remove them from office without fear or one single thought of the future if I find they do not live up to my expectations. I shall give every ounce of devotion I have to the interests of this state, fearlessly working, as I see the galaxy of states that the world has ever known. I will return the commission, in four years, as clean and untarnished as I receive it today.

Conforming to custom and constitutional provision, I will proceed to briefly outline what I believe to be the duty of this Legislative Assembly.

Coming as I do from the farm into the turmoil of the state government, I believe the paramount question before this legislative body is reduction and redistribution of the burden of state taxes. We must not wreck the state government or too seriously handicap any of its necessary activities. I suggest that in your appropriations you constantly ask yourself the question, "Can we afford it?" I promise you and the people, that as a member of the Board of Control, I will as far as my power lies save every dollar that can be legitimately saved in the management of state institutions, and I ask you to keep in mind the same principle of economy in your duty as state legislators.

Property in Oregon assessed at little more than a billion dollars can not continue to bear a collection of nine and one-half million dollars, as it did in 1922, for state activities. As long as these trying times continue it is essential that we eliminate all unnecessary expenditures.

Legislatures of which I have been a member have for many years in good faith endeavored to consolidate the state departments only to meet with opposition from those specially interested. The time has come when the interests of the few must give way to the welfare of the many and I earnestly recommend that a law of wide scope be enacted consolidating many commissions and departments and abolishing other altogether. By enactment of such a law hordes of state agents and inspectors and special deputies who are traveling the state over, year in and year out, will be disposed of and a conservative, efficient method of handling the business of the state be substituted for the present costly and haphazard system. The best possible government is a simple government economically administered.

Three of our state commissions, which now require large sums from the state treasury for their maintenance, should be self-supporting.

With but slight readjustment of its rates, the State Industrial Accident Commission can derive all of its funds from the industries to which it renders so valuable a service in giving exemption from litigation, and prompt and adequate benefits for injuries and death to workmen and their dependents. Likewise, the Public Service Commission should be supported from fees paid by the public utilities that come within its jurisdiction. Stability of revenues is afforded to these utilities by the Public Service Commission, as has been demonstrated during the trying times following the war and it is but just that a far return in the way of compensation for the actual cost of supervising their affairs should be paid by the utilities to the state treasury, thus relieving the general taxpayers of what is otherwise a large burden. Indeed, the time will come, as I said in my campaign, when all public service corporations will be taxed on their gross earnings, rather than on their general property, as is done in California and other progressive states. But I am advised the legality of such a tax is now in litigation pending before the United States Supreme Court and I refrain from recommending that such change in method of taxing these corporations be made until this litigation is finally adjudicated. Should the change be made at this time and the litigation result adversely to the gross earnings method of taxing, the state would be left for two years without any means of securing revenue from this source.

The department of fisheries is costing the state large sums of money. I believe such an industry should be at least self-sustaining. In some states it is a source of public revenue.

No doubt the tourists associations have been in great benefit to the state, but in this hour of stress and need I believe appropriations for such purposes should be omitted.

There should be no appropriations this session for state buildings.

I recommend that you carefully scrutinize all appropriations for fairs. The state fair is an institution of great value and it must be maintained. It should, however, be as nearly self-sustaining as possible. Our farming communities derive needed benefits from county fairs, but perhaps existing provisions for their maintenance will be found sufficient without additional appropriations.

The experimental stations have been of much benefit. The smutless wheat developed at the Moro station will save farmers thousands of dollars. The blightless pear from the Talent station will revolutionize the pear industry. The work of the stations is too far reaching to mention in detail, but I wish to assure all it is valuable. We must not, however, increase the number of stations.

The extension work of the Oregon Agricultural College, and the University of Oregon, should be maintained; but I have no doubt a saving can be made.

In the present stressful times we can suspend the continuing exhibition of Oregon products in Portland and thereby save \$20,000 during the current biennium.

I oppose any increase of salaries.

I believe there is money in the treasury sufficient to meet the requirements of this year and therefore recommend that you repeal the soldiers', sailors' and marines educational law.

No further appropriation should be made for the World War Veterans' State Aid Commission and the commission should be abolished when money now on hand is expended.

Numerous state departments are maintaining branch offices. In every case possible the expense of branch offices should be eliminated.

This session should provide means of lifting at least one-half of the present state tax from farms and homes and to that end I recommend a graduated income tax. For purposes of simplicity in collection and enforcement I would reenact the same federal law as the law of this state, with exemptions the same as in the federal law and making the rates such percentage of the federal rates as will raise four to five million dollars per annum. Enforcement of the act I would place in the hands of the state tax commissioner who can, I believe, through cooperation with the federal tax officials keep the costs of administration to a minimum. I can not emphasize too strongly that an income tax be treated as a means of redistributing and equalizing the present burden of taxation and not as an excuse for increasing that burden by new and additional expenditures of state money.

As a further means of relieving real property of its present unbearable load of taxation, and without intending to invite new expenditures, I call attention to the fact that one-third of the standing timber in Oregon is in Forest Reserves and is thus nontaxable. As this timber passes into private ownership and is marketed it should bear a severance tax that has some relation to its true value.

Other states have long imposed severance taxes on natural resource wealth as it is converted into private wealth. In fact, a severance tax on timber, even where in private ownership, is recognized to be the fairest tax both to the owner of the timber and to the state as a source of revenue. Unless the state acts, our people will some day awaken to the fact that timber, our greatest natural resource, has been largely depleted, leaving bonded indebtedness in millions still unpaid without the timber against which the bonds were issued having contributed its fair share toward the retirement of the bonds. This applies not alone to state bonds but to the bonds of all those municipalities in the timbered areas, such as counties, school and port districts, where large bonded indebtedness has been created without adequate provision for the retirement of the bonds as the timber is removed.

I am advised that recent investigation has disclosed a bad state of affairs with reference to sinking fund provisions in the various taxing units of the state. In some instances, bonds have been issued without regard to making the maturities time with the useful life of the improvement. This is resulting, in some counties where the chief resources are timber, in the timber being cut at a rate that will result in default on the bonds when they mature unless provision is made either to refund the bonds on a shorter term basis or to adequately tax the timber as it is being removed and put the proceeds in a sinking fund.

In fact, on this whole question I am of the opinion that the state could to advantage exercise some form of supervisory power over the financial affairs of the various taxing units. Municipalities and other taxing units should not be permitted to impair the credit and good financial name of the state by running riot with excessive bond issues, making no provision for the payment of the same when due. The principle should control, that no bonds should be issued for a longer time than the useful life of the improvement for which the bond is created. And sinking funds should be maintained inviolate in order to make certain that no default will ever occur in the bonds of any Oregon municipality.

I ask the legislature to revise the assessment laws of the state and give the tax commissioner the right to supervise county assessments. At the present time there is widespread discrepancy in the assessment of property in different counties. In one county sheep are assessed at \$2.00, the same kind of sheep in another county at \$5.00, and in another county at \$8.00, and it is notorious that large stocks of merchandise in various parts of the state have escaped their just share of taxation through lack of control of the state tax

commissioner over lax and inefficient local assessors. The state tax commissioner should have full authority to compel the same proportionate assessment on the same kind of property in every county in the state.

By an equitable valuation of all property millions of dollars can be added to the present assessment roll without raising the just assessment on farms, horses and livestock. In keeping with my policy that new sources of revenue shall not serve as an excuse for additional expenditure in any department of state government, I recommend that if you approve my plan for increasing the values on the tax roll that at the same time you provide that those institutions and departments which derive their income from millage taxes shall take from this source no larger sum during the next two years than they received in 1922. Any excess thus collected should go toward reduction of the general property tax.

I am advised that extensive insurance is written in this state by companies that have not complied with the laws of Oregon with the result that premiums on such business are escaping taxation in this state. I recommend a law that will either halt this practice or that will reach and tax operations by non-resident companies.

I am deeply concerned over the state of our highway program. Six years ago Oregon had no state bonds except a small issue of \$340,000 of rural credit bonds. Today, with the exception of South Dakota, Oregon is the heaviest bonded state in the union, when wealth and population are considered, and the bonded indebtedness of South Dakota will be exceeded by Oregon when the rest of the state bonds already authorized are issued as will be necessary to complete the existing road construction and carry out the provisions of the Soldiers Bonus Act.

A Wall Street journal, Commerce and Finance, in its issue of October 18, last, stated, "The total amount of the bonds issued in the United States for highway construction is \$367,000,000." When we contemplate that this is the total issue in all the states and then think that Oregon, the thirty-sixth state in wealth and population, has issued one-tenth of all the highway bonds in the United States, well may property owners be concerned with the future.

I am forced to the opinion that instead of having an unpaid highway giving part time to this gigantic business, unless a consolidation of state departments and commissions places the highway program under other supervision, it would be marked economy for the state to have a commission of three members who will devote their entire time to the highway work under the direction of the Governor and receive reasonable compensation for their services. Under that plan the Governor would not only be responsible to the people for the acts of the highway commission and the entire department, but the way would be paved to save considerable sums of money.

In six years the State Highway Commission has spent the almost unbelievable sum of nearly \$40,000,000 derived from the sale of state bonds, several million dollars from the National Government, and several million dollars from the counties. Under the present constitution we are allowed to issue only \$40,379,996 in bonds. I am informed that it will require practically the entire issue to complete existing contracts. There has not been kept in reserve the full two and one-half million dollars authorized for the Roosevelt Highway. There will be nearly two million dollars of interest to meet each year. Bonds are coming due. Recently completed highways are now demanding repair and replacement. Macadam construction is waiting. Many links in the main highways are yet to be completed. The Roosevelt Highway voted by the people in good faith must have consideration. The Government is now offering to appropriate large sums of money for road work in Oregon, providing the state shall match them.

It all brings to our attention the absolute necessity of husbanding our resources to provide an adequate revenue for the charges already fixed against the highway fund. I therefore recommend that the old quarter mill road tax be retained for the road funds, that the tax on gasoline be increased and that any adjustments that may be made in the present automobile law do not reduce revenue. If any changes are made in the license law, I recommend that the fees on high-priced cars be increased.

The market road law has proven its merit. Cities and farmers have been mutually benefited. I have often made the statements that "If this law is kept on the statute books for ten years Oregon will be unequaled in the nation for good market roads." At the end of that period there will be no bonds to liquidate because the roads will have been paid for as they have been built. I recommend that the present law be altered to provide the County Court with full and complete authority over all money derived under the market road fund, the roads to be built according to plans and specifications furnished by the State Highway Department.

A few days ago I was on my farm. I watched a beautiful pen of white-faced steers, grain fed, ready for market, and as I watched them I thought, you are worth about \$50.00 each on the present market. If I were to count the taxes from which you have eaten the grass, and the taxes on the land from which you have eaten the hay, and the taxes paid upon yourselves and your mother, then there is standing against each of you approximately \$15.00 taxes. Each steer has actually cost this farm \$75.00. When your hide is cut up and made into harness and shoes, and you are cut up into steaks and roasts, then you will cost those who consume you about \$500.00 each. The railroad that takes you to market fixes the freight rate and makes a profit, the packer that prepares you for the market fixes the price and makes a profit, the retailer fixes the price and makes a profit, the hotel keeper, the harness maker all fix the price so that they will make a profit. The farmer is the only one in the long, long line from the produced to the actual consumer who asks the world to fix a price on his product and he is the only one who fails to make a legitimate profit. Only ten percent is allowed in this instance to the one who produces, ninety percent taken by those who can and do dictate the price. Slowly in places, rapidly in other places, the producers are being financially ruined by the present marketing system. I do not even want to think of state owned packing plants and warehouses for distribution of farm products but I do want to warn the business world that the producers must have better treatment and a fair chance for existence.

Eight years ago from this platform Governor Withycombe delivered his inaugural address and in that address said, "The farms of Oregon are mortgaged for approximately \$22,000,000." Today Oregon farms are mortgaged for approximately \$100,000,000. Why have the farm mortgages more than quadrupled in eight years? I can hear many people say "bad management." Rather it has been due to the failure, yes, the downright inability of producers during late years to balance their annual budgets. Unless that situation is remedied, the country is threatened with a breakdown in the morale of its farming element—the backbone of the nation. It will require time and active endeavor to improve existing marketing methods, but we can accomplish an early reduction in the producer's share of the state tax, which, in the country, is nearly one-half the whole tax, and we can spread a portion of the present tax burden on incomes and forms of business that, though infinitely better able to do so, are not now bearing their fair share of the cost of state government.

Among the growers of grain and hay there is much dissatisfaction with the enforcement of the Grain Inspection Law. When I introduced this measure in the Senate some years ago, I little dreamed that it would grow into the large department that it has. I remember saying to the Senate that it would become self-sustaining, and I will to the call the attention of the Legislature to the fact that it is now self-sustaining. It never should have been put under the Public Service Commission, with which it does not harmonize.

I know that the time is not propitious for any new state activities. I also clearly remember that the Market Commission Bill was defeated two years ago. Notwithstanding all these facts, I believe that this Legislature should, by law, create a State Market Agent, and place the Grain Inspection Department now with the Public Service Commission under the State Market Agent, such State Market Agent to work directly under the control and guidance of the Governor.

The law creating the State Market Agent should provide that every purchase of grain made by exporters should at the close of each day's business be reported to the State Market Agent. Failure to do so should be punished by fine. The State Market Agent could then publish, over his official signature, the exact price in Portland every day.

The State Market Agent should have authority to inspect any of all books of any business house for the purpose of ascertaining the amount of grain purchased as well as the price thereof. The State Market Agent should be authorized to afford all possible assistance to cooperative marketing. He should have the right and authority to issue bulletins from time to time, not only giving the actual price paid, but giving instruction to the producers as to how to better prepare their products for market, pointing out as far as possible where better markets may be obtained. The fund derived from grain and hay inspection will be ample to maintain the department.

I do not want to be considered as one preaching the cause of the county against the city; I think I can envision as well as anyone the possibilities of great industrial development in the seaport cities of Oregon. Portland can become a city of a million people within the life time of many now living. Our water power may be developed so that this state may become one of the great industrial centers of the world. Our unsurpassed forests may be cut off and the timber manufactured into lumber, we may grow prosperous and wealthy, but we may, unless we remedy conditions, at the time be buying our food and clothing in Asia, South America, and from the islands of the sea, and we may see the beautiful dairy herds of Oregon, the pride of many a home, driven from the state by its greatest competitor, the cocoanut cow. That kind of development took place in England when the industrial revolution set in something like a century ago. When the great war came, England was importing 75 per cent of her foodstuffs from over seas. The German submarine would have starved England to death had it not been for the valiant sons of America who caught the wavering banner of civilization and bore it to victory on Argonne's shell-swept slopes.

We should not develop such a civilization here, allow our fields to be abandoned and permit future generations to be at the mercy of a foreign submarine. The problem is not, as is sometimes state, to get the city man to the country but to keep the young men and the young women now growing up in the country from going to the city. Every legitimate endeavor should be exerted to make country life attractive enough to stop the present alarming exodus from the farm.

Some years ago the people of Oregon passed a constitutional amendment giving the state of Oregon the right to guarantee interest on bonds issued by irrigation and drainage districts for a period not exceeding five years and placing this great power in the hands of the State Superintendent of Banks, the State Engineer and Attorney-General. Under this constitutional provision bonds have been guaranteed by the state in many districts over a period of from one to five years. The commission holds that when the state has guaranteed the interest the state is obliged to issue its bonds to pay the interest on the bonds of the irrigation and drainage districts. The total amount of the interest the state has thus guaranteed is \$1,400,000. The interest upon these bonds issued by the state is then to be paid by the district but it is a fact well known that some districts are likely to fail to pay from taxes collected within the district the interest coming due upon bonds issued by the state. The only way to meet the prospective loss to the state will be by taxation. There will be no question confronting the incoming administration more serious than whether the state had better continue to guarantee the interest on bonds of irrigation districts after the time has expired for which interest has already been guaranteed, hoping for the recovery of agricultural conditions, or shall the state refuse to guarantee further, accept the loss, and allow the matter to go by default?

A deal is about to be closed in which an irrigation district proposes to sell its 6 percent bonds for eighty-three cents on the dollar, the state to guarantee interest for five years. Should the state guarantee that interest? It is a question that can only be answered after a most careful and searching investigation.

I ask the president of the senate and the speaker of the house to appoint their ablest men, the best financiers in the senate and house on their irrigation committees and I ask the committees to meet in joint session, examine all of the records, summon witnesses, search out the facts and make a report to me as governor and to the people of the state of Oregon so that I may have something to guide me when the state is called upon to act after you have returned to your respective homes. The hour is too critical and the situation too dangerous to issue more bonds to pay interest on irrigation and drainage bonds that the various districts issue, without advice and counsel. The board that passes on these bonds should be reconstructed. The governor and the state treasurer should be members of the board. I ask you to submit a

constitutional amendment to the people to be voted on at the next regular election so amending the present constitution that the governor and the state treasurer will be members of the commission that guarantees interest on irrigation bonds.

I believe in the Workmen's Compensation Law. It has been of great benefit to the state, and I am opposed to any material change that would affect the honest operation of the law as it stands. Any law that returns 92 per cent or more of the money collected for the purpose for which it was collected is a successful and beneficial law.

The narcotic evil is a growing menace. This legislative assembly should pass a drastic law to enable officials to cope with those who are vending drugs.

I have been saddened many times by finding that prominent men of this state behind closed doors are breaking the prohibition law. I ask for a higher sense of moral duty and for an awakening of the public conscience. We must one and all determine to drive liquor from our midst by making it so hard for the bootlegger to thrive that he will be glad to leave our state and take with him his nefarious business. Liquor venders cannot do business alone. I ask you for assistance in a continued effort to enforce the law. I do not want a state constabulary but I do want sufficient police agents to eliminate as far as possible violation of the prohibition act. I also ask that one-half of all the fines collected through enforcement of the state prohibition and narcotics laws be turned into a special fund, such fund to be used in enforcing the laws.

We should enact a law prohibiting the selling or leasing of land in Oregon to the Mongolian and Malay. European and Asiatic civilization can not amalgamate, and we can not and must not submit to the peaceful penetration of the Japanese or other Mongolian races.

The alfalfa weevil, a dangerous parasite, has entered Oregon's boundaries. I recommend an appropriation of \$5,000 annually for two years to provide a quarantine, the appropriation to be used by the State Board of Horticulture.

I am a firm believer in the free public schools but the present burden of taxation in this state compels me to ask every school board and all the Boards of Regents to practice the strictest economy.

No mortgage company could long remain solvent that loaned 75 per cent of value upon real property as the soldiers' bonus act requires. Fluctuations in values will in many cases more than absorb the 25 per cent margin. Moreover some men have taken advantage of the needs of ex-soldiers. Hence, I can see nothing but a certain amount of loss to Oregon from the soldiers' bonus law. I call upon everyone who has charge of the enforcement of this law to see that the loss is reduced to the lowest possible minimum.

At the present time there are no funds available for the reconstruction of state buildings destroyed by fire. I recommend that a sinking fund be provided for that purpose.

The law compels relatives of patients in the state hospitals for the insane, and in the state tuberculosis sanitarium, to pay for their care and keep if they are financially able. I shall see to it that this law is enforced.

One of Oregon's finest and most prosperous cities, Astoria, narrowly escaped total destruction recently in the state's most ravaging fire. The heart of the state bleeds for the crippled city. If the legislature decides to give financial aid to Astoria, I believe it should be done by direct appropriation and not by diverting money from other needed funds.

There have been many serious errors in the work of past legislatures by reason of the ancient method employed in engrossing and enrolling bills. The cost last session of this work was \$8,346.50. Section 2680 of the code should be amended so that a printed bill only would be used on final passage. This change would avoid mistakes which lead to litigation and save at least \$5,000.00 this session in legislative expense.

The present motor license law was hastily drawn at a special session. It includes some glaring defects and provisions dividing authority with the result that administration is in many cases impossible. It should be carefully revised at this session.

There is a widespread demand for the reduction of the hunter's license. It should be given careful consideration.

I ask the Ways and Means Committee in drawing appropriation bills to fully itemize each bill so that I can, if I deem it necessary, veto items that appear to me unnecessary.

I do not intend to encroach upon the prerogatives of the legislature. Firmly do I believe the two departments of government should function independently. I have pointed to some conditions that I believe should be treated by law. It is your province to prepare and pass measures embodying matters on which the people have so clearly spoken. I am ready at any time to help you either individually or collectively and I offer you the fullest measure of cooperation.

The people are expecting much of this legislature and many of those expectations will become disappointments unless the executive and legislative branches carry out their respective duties in harmony. I am sure that you know full well how intensely the people are thinking. I know you are ready and willing to bury personal and party ambitions and all differences for the common good.

WALTER M. PIERCE

Governor's Memoranda, 1923-1924

Source: State of Oregon Memoranda Of Reprieves, Commutations Pardons and Remissions Granted By Walter M. Pierce, Governor January 1, 1923, to December 31, 1924

Conditional Pardons

No. 8563. Hayes, Myrtle-Multnomah Co. 1 year, forgery; received June 3, '22; released Jan 30, '23; conditional pardon. The said Myrtle Hayes has served seven months and 26 days, has been a model prisoner, and the district attorney and judge, both officers of the court which convicted her, have recommended her conditional pardon.

No. 8416. Weston, Dick-Yamhill Co., 2 years, forgery; received Nov. 15, '21; released Mar. 15, '23; conditional pardon. The said Dick Weston has served one year and four months of his sentence, and has been a model prisoner; pardon granted upon condition that he remain a law-abiding citizen.

No. 8314. Chance, Al-Malheur Co., 15 years, forgery; received April 30, '21; released April 9, '23; conditional pardon. The said Al Chance is suffering from pulmonary tuberculosis in advanced stages; he is to remain a law-abiding citizen.

No. 8605. Moore, J.S.-Clackamas Co., 2 years, rape; received Oct. 6, '22; released April 9, '23; conditional pardon. The said J.S. Moore is suffering from pulmonary tuberculosis in advanced stages, and his relatives in Lane county will remove him to that county and give him care; he is to remain a law-abiding citizen.

No. 8545. Moxley, Fred-Umatilla Co., 1 _ years, obtaining goods under false pretenses; received April 22, '22; released April 23, '23; conditional pardon. The said Fred Moxley has served one year of his time; he is to pay the district attorney of Union county \$120, one-half to be paid by the 1st of September, 1923, and one-half before the 1st of November, 1923, to liquidate checks written in Union county without funds to pay same; he is to remain a law-abiding citizen.

No. 8673. Bradley, Forest-Multnomah Co., 1 year, larceny; received Feb. 8, '23; released June 18, '23; conditional pardon. The sentencing judge and the district attorney of Multnomah county have recommended this pardon.

No. 8316. Frazier, E.J.-Benton Co., 1 to 5 years, forgery; received April 30, '21; released July 12, '23; conditional pardon. The said E. J. Frazier has served more than two years of this sentence, and conditioned upon him remaining a law abiding citizen.

No. 8575. Lehman, H. L.-Sherman Co., 10 years, larceny; received July 1, '22; released July 24, '23; conditional pardon. The said H. L. Lehman as served the minimum sentence provided by law; his conduct while in prison has been good, and the ends of justice have been met; he is to remain a law-abiding citizen.

No. 8402. McCleary, Harry-Union Co., 1 to 7 years, larceny; received Nov. 18, '12; released July 24, '23; conditional pardon. It appears from the record that the said Harry McCleary has at former times been paroled, but has technically violated said paroles, which technical violations have caused the said Harry McCleary to serve more than six and one-half years for the crime of larceny in a store, which was the taking of two bottles of whiskey from a store in Cove, Oregon, 11 years ago.

No. 8611. Doss, William-Columbia Co., 1 year, larceny; received October 16, '22; released August 4, '23; full pardon. The said William doss has served ten months and fifteen days of this sentence; his prison record is good; he is to remain a law-abiding citizen.

No. 7716. Conner, J. C.-Multnomah Co., 2 to 20 years, forgery; received June 1, '17; released August 11, '23; conditional pardon. The said J. C. Conner has served six years, ten months, and two days of his indeterminate sentence; he has been a model prisoner; the ends of justice have been met; he is to remain a law-abiding citizen.

No. 8591. Stevens, P. A.-Multnomah Co., 4 years, robbery; received Sept. 8, '22; released Sept. 20, '23; conditional pardon. The Parole Board has recommended a conditional pardon for the said P. A. Stevens; he is to remain a law-abiding citizen.

No. 8295. Wallace, Max M.-Marion Co., 10 years, burglary; received Mar. 22, '21; released Sept. 20, '23; conditional pardon. The Parole Board has recommended a conditional pardon for the said Max M. Wallace; he is to remain a law-abiding citizen.

No. 8781. DuPuis, Fred-Tillamook Co., 3 years, burglary; received Sept. 14, '23; released Sept. 21, '23; conditional pardon. The said Fred DuPuis is a parole violator from the State Training School for Boys; he is only 16 years of age, and this conditional pardon is granted for the express purpose of returning him to the Boys' Training School.

No. 8567. Martinez, S.-Union Co., 3_ years, larceny; received June 13, '22; released Mar. 27, '23; conditional pardon. The said S. Martinez is in the advanced stages of pulmonary tuberculosis.

No. 8266. Cassidy, J. C.-Union Co., 10 years, assault to rob; received Feb. 26, '21; released Oct. 20, '23; conditional pardon. Prison record of the said J. C. Cassidy has been good; he is to remain a law-abiding citizen, and agrees to return to the state of Illinois.

No. 8310. McDonald, E. H.-Harney Co., 5 years, larceny; received April 15, '21; released Nov. 22, '23; conditional pardon. Sentencing Judge Dalton Biggs recommends a conditional pardon when one-half of the five-year term has been served; he is to remain a law-abiding citizen.

No. 8717. Sims, James W.-Umatilla Co., 2 years, forgery; received April 11, '23; released Nov. 26, '23; conditional pardon. The Parole Board has recommended that a conditional pardon be granted unto the said James W. Sims; he is to remain a law-abiding citizen.

No. 8769. Hurst, George-Curry Co., 1 year, involuntary manslaughter; received July 19, '23; released Nov. 27, '23; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said George Hurst; he is to remain a law-abiding citizen.

No. 8511. Sammis, Leo-Gilliam Co., 7 years, larceny; received Mar. 10, '22; released Nov. 27, '23; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Leo Sammis; he is to remain a law-abiding citizen.

No. 8608. Blake, Fred-Umatilla Co., 12 years, assault and robbery; received Oct. 11, '22; released Nov. 30, '23; conditional pardon. The said Fred Blake is in the advanced stages of pulmonary tuberculosis.

No. 8719. Wetherell, J. B.-Multnomah Co., 2 years, polygamy; received April 14, '23; released Nov. 30, '23; conditional pardon. The said J. B. Wetherell is 72 years of age and in ill health.

No. 8624. Bailey, Marvin-Multnomah Co., 10 years, assault and robbery; received Oct. 25, '22; released Dec. 1, '23; conditional pardon. The said Marvin Bailey has for several weeks been in the hospital suffering from chronic valvular disease of the heart and pulmonary tuberculosis; he is to go home to his mother, Mrs. L. A. Deval, 157 Julian avenue, Portland.

No. 8410. White, Frank-Multnomah Co., 4 years, forgery; received Nov. 3, '21; released Dec. 1, '23; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Frank White, and that he be allowed to return to his home in Minnesota; he is to remain a law-abiding citizen.

No. 8509. Purdin, Charles W.-Multnomah Co., 6 years, manslaughter; received Mar. 8, '22; released Dec. 14, '23; pardon. The said Charles W. Purdin is confined in the hospital and is in very poor health; the Spanish-American War Veterans, Judge George W. Stapleton, sentencing judge, and various others have recommended that a pardon be granted to the said Charles W. Purdin in order that he may be removed to the Soldiers' Home at Sawtelle, Cal.

No. 8621. Hubbard, C. W.-Multnomah Co., 10 years, assault and robbery; received Oct. 25, '22; released Dec. 21, '23; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said C.W. Hubbard; he to remain a law-abiding citizen.

No. 8623. Hubbard, A.—Multnomah Co., 10 years, assault and robbery; received Oct. 25, '22; released Dec. 21, '23; conditional pardon. The parole Board has recommended that a conditional pardon be granted the said A. Hubbard; he to remain a law-abiding citizen.

No. 8442. Hiel, Joe—Multnomah Co., life, murder; received Dec. 23, '21; released Jan 7, '24; conditional pardon. The immigration authorities hold a warrant for deportation of the said Joe Heil, and he is to forever remain out of the United States.

No. 8691. Sajatavich, M.—Multnomah Co., 10 years, larceny; received Feb. 26, '23; released Jan. 7, '24; conditional pardon. The immigration authorities hold a warrant for the deportation of the said Milan Sapatavich; and he is forever to remain out of the United States.

No. 8459. Joehne, Ernest—Multnomah Co., 25 years, assault to rob; received Jan. 18, '23; released Jan. 7, '24; conditional pardon. The said Ernest Joehne has been ordered deported to Germany.

No. 8396. Faulkner, Frank—Harney Co., 6 years, assault to rape; received Oct. 15, '21; released Jan. 8, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Frank Faulkner; and that he remain a law-abiding citizen.

No. 8587. McCall, Jack—Malheur Co., 3 years, burglary; received Sept. 7, '22; released Jan. 18, '24; conditional pardon. The Parole Board has recommended that the said Jack McCall be conditionally pardoned; he is to remain a law-abiding citizen.

No. 8720. Luckwald, R.F.—Multnomah Co., 4 years, assault to rob; received April 14 '23; released Jan. 31, '24; conditional pardon. The immigration officials have asked for the release of the said R.F. Luckwald for the purpose of deportation; he is to remain forever out of the United States.

No. 8297. McDuffy, Ray—Union Co., 10 years, forgery; received Mar. 26, '21; released Feb. 12, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Ray McDuffy; he is to remain a law-abiding citizen.

No. 8775. Kromberg, Karl—Multnomah Co., 1 year, larceny; received Sept. 10, '23; released Feb. 12, '24; conditional pardon. The Parole Board has recommended a conditional pardon be granted the said Karl Kromberg that his uncle may take him to California for treatment.

No. 8656. Mays, Wm. F.—Columbia Co., 2 years, assault to rob; received Jan. 16, '23; released Feb. 12, '24; conditional pardon. The Parole Board has recommended that the said Wm. F. Mays be granted a conditional pardon; he is to remain a law-abiding citizen.

No. 8000. Herder, Wm.—Multnomah Co., 4 years, burglary; received Sept. 26, '22; released Feb. 23, '24; conditional pardon. The immigration authorities have asked for the release of the said Wm. Herder, in order that he may be deported to Russia; and he is to forever remain out of the United States.

No. 8765. Hill, Harry C.—Douglas Co., 3 years, rape; received July 14, '23; released Mar. 5, '24; conditional pardon. The Parole Board has recommended that the said Harry C. Hill be granted a conditional pardon, conditioned upon his marrying the mother of his unnamed child; and that he remain a law-abiding citizen.

No. 8453. Mowrey, Harrison—Marion Co., 5 years, rape; received Jan. 8, '22; released Mar. 24, '24; conditional pardon. His entire family is maintained by Marion county and is vitally in need of his support; he is to remain a law-abiding citizen.

No. 8390. Stroff, Peter—Jackson Co., 5 years, burglary; received Oct. 9, '21; released March 26, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Peter Stroff; he is to remain a law-abiding citizen.

No. 8592. Smeltzer, John—Multnomah Co., 3 years, forgery; received Sept. 14, '22; released April 9, '24; conditional pardon. Said John Smetzler has been a model prisoner; the ends of justice have been met; he is to remain a law-abiding citizen.

No. 8391. Kodat, Frank—Jackson Co., 5 years, burglary; received Oct. 9, '21; released April 12, '24; conditional pardon. The Parole Board recommends that a conditional pardon be granted to the said Frank Kodat, provided he is placed under the supervision of Tom Coleman of Portland, and found a job; he is to remain a law-abiding citizen.

No. 8203. Williams, Henry—Multnomah Co., 20 years, assault with a dangerous weapon; received Nov. 17, '20; released April 15, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Henry Williams; he is to remain a law-abiding citizen.

No. 7936. Lewis, D.L.—Wasco Co., 5-15 years, manslaughter; received May 30, '19; released April 15, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said D.L. Lewis; he is to remain a law-abiding citizen.

No. 8394. Boydston, J.—Multnomah Co., 5 years, assault to kill; received Oct. 14, '21; released April 17, '24; conditional pardon. The said J. Boydston has two small children who need his care and support; he has served the major portion of his sentence and has been a model prisoner; conditioned upon his being a law-abiding citizen and care and support of his two children, reimburse his sister for their care for the past two and one-half years to the best of his ability, and report to the warden of the state prison on the first and fifteenth of each month.

No. 8425. Harding, John—Multnomah Co., 5 years, assault to rob; received Nov. 19, '21; released May 7, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted to the said John Harding; that he be allowed to return to his wife and children San Francisco; that he remain a law-abiding citizen.

No. 8784. Rubio, Trinidad—Umatilla Co., 1 year, larceny; received Sept. 16, '23; released May 7, '24; conditional pardon. The immigration authorities have asked for the release of the said Trinidad Rubio that he may be deported; he is to remain forever out of the United States.

No. 8713. Franco, Ysidor—Multnomah Co., 2 years, burglary; received Mar. 26, '23; released May 7, '24; conditional pardon. The immigration authorities have asked for the release of the said Ysidor Franco that he may be deported; he is to remain forever out of the United States.

No. 8625. Ramsdall, J.A.—Benton Co., 3 years, larceny; received No. 3, '22; released May 17, '24; conditional pardon. The Parole Board has recommended that the said John A. Ramsdell be granted a conditional pardon and placed under the supervision of some good business man and a position secured for him; W.S. MacLaren has volunteered to find someone to take the said John A. Ramsdell and obtain work for him; he is to remain a law-abiding citizen.

No. 8814. Tolbert, Robert—Coos Co., 5 years assault to rape; received Oct. 30, '23; released May 20, '24; pardon. The sentencing judge and district attorney of Coos county and all jurymen have recommended that a full pardon be granted the said Robert Tolbert.

No. 8479. Cook, Bert—Malheur, Co., 4 years, forgery; received Feb. 12, '22; released June 23, '24; conditional pardon. The Parole Board has recommended that the said Bert Cook be granted a conditional pardon and that he be allowed to go to Pocatello, Idaho, where employment awaits him; he is to remain a law-abiding citizen; he is to report to the parole officer monthly through the Oregon Prisoners' Aid Society, which has agreed to look after him.

No. 8361. Whitney, John—Marion Co., 5 years, burglary; received July 12, '21; released June 23, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said John Whitney in order that he may receive proper medical treatment; W. G. McLaren has agreed to secure employment for him and look after his general welfare; Mrs. Lola. G. Baldwin has agreed to provide proper medical treatment.

No. 8762. Moxley, E.B.—Lane Co., 7 years, rape; received July 2, '23; released June 24, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said E.B. Moxley; he is to remain a law-abiding citizen.

No. 7694. Brusco, James—Multnomah Co., 1 to 15 years, manslaughter; received April 5, '17; released July 1, '24; conditional pardon. The ends of justice have been met and the said James Brusco has agreed to leave the state of Oregon, and to remain a law-abiding citizen.

No. 6833. Hammond, James—Multnomah Co., life, murder; received May 8, '13; released July 12, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said James Hammond when a suitable home and position could be secured for him, he being 67 years of age; he can have accommodations at the Pisgah home, near Portland.

No. 8704. Whittier, Leroy—Multnomah Co., 3 years; assault to rob; received Mar. 12, '23; released July 17, '24; conditional pardon. The Prisoner's Aid Society has agreed to look after the said Leroy Whittier and see that he secures suitable employment; the Parole Board has recommended that a conditional pardon be granted him; he is to remain a law-abiding citizen.

No. 8667. Chase, J.J.—Lane Co., 7 years, rape; received Jan. 26, '23; released July 22, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said J.J. Chase; he to remain a law-abiding citizen.

No. 8285. Wilson, Frank—Multnomah Co., 10 years, assault and robbery; received Mar. 14, '21; released July 22, '24; conditional pardon. Judge J.P. Cavanaugh, sentencing judge, has recommended that a conditional pardon be granted him; he has been a model prisoner and has rendered valuable service to the state of Oregon as a brick mason and plasterer in the reconstruction of shop buildings.

No. 8520. Merkle, B.A.—Marion Co., 5 years, assault to rob; received Mar. 29, '22; released July 19, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said A.B. Merkle; he is to remain a law-abiding citizen.

No. 7956. Wuinovitch, Ely—Douglas Co., life, assault and robbery, assault with dangerous weapon; received July 13, '19; released July 21, '24; conditional pardon. The immigration authorities have agreed to deport said Ely Wuinovitch, and he is to forever remain out of the United States.

No. 8120. Arnold, James—Benton Co., 10 years assault and robbery, assault with dangerous weapon; received May 24, '20; released Aug. 5, '24; conditional pardon. The said James Arnold is wanted by the United States army authorities for desertion; the Parole Board recommended that he be granted a conditional pardon and turned over to the United States army authorities.

No. 8437. Watkins, Joe—Multnomah Co., 8 years, assault to rob; received Dec. 15, '21; released Aug. 12, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said Joe Watkins; Stanley Myers, district attorney, stated "he has no objection to the granting of a parole to Joe Watkins"; he returned the money received in the robbery; he is to remain a law-abiding citizen.

No. 8282. Ellis, Boyd—Multnomah Co., 7 years, assault to rob; received Mar. 11, '21; released Sept. 5, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted to the said Boyd Ellis; he is to remain a law-abiding citizen.

No. 8281. McCleary, W.M.—Multnomah Co., 7 years, assault to rob; received Mar. 11, '21; released Sept. 5, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted to the said W.M. McCleary.

No. 8728. Dunn, G.V.—Linn Co., 3 years, larceny; received May 10, '23; released Sept. 5, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said G.V. Dunn; the Oregon Prisoners' Aid Society agreed to look after him; he is to remain a law-abiding citizen.

No. 8497. Hardy, J.P.—Douglas Co., 20 years, forgery; received Feb. 26, '22; released Sept. 17, '24; conditional pardon. The said J.P. Hardy is wanted by the United States immigration authorities for deportation; the Parole Board recommended that a conditional pardon be granted him and that he be turned over to the immigration authorities.

No. 8700. Martinez, Joe—Union Co., 4 years, larceny; received Mar. 9, '23; released Sept. 18, '24; conditional pardon. The said Joe Martinez is wanted by the immigration authorities for deportation; he is to remain out of the United States forever.

No. 8837. Duane, R.—Douglas Co., 1 year, larceny; received Dec. 19, '23; released Sept. 22, '24; conditional pardon. The Parole Board has recommended a conditional pardon for the said R. Duane, and that he be turned over to the immigration authorities for deportation to Canada.

No. 8864. Hermanson, H.—Coos Co., 1 year, larceny; received Dec. 19, '23; released Sept. 22, '24; conditional pardon. The said H. Hermanson is wanted by the immigration authorities, and the Parole Board has recommended that a conditional pardon be granted and that he be turned over to the immigration authorities for deportation.

No. 7983. Grant, Robert—Umatilla Co., 1 year, larceny; received Mar. 9, '24; released Sept. 27, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Robert Grant; he is to remain a law-abiding citizen.

No. 8268. Reed, Charles—Lane Co., 10 years, rape; received Mar. 1, '21; released Oct. 1, '24; conditional pardon. The said Charles Reed is now past the age of 68 years and is in poor health. Judge Skipworth said, "In view of the age of this man I have no objection to the pardon." The Parole Board recommended that a conditional pardon be granted the said Charles Reed, one of the conditions being that he return to the state of New York; he is to remain a law-abiding citizen.

No. 8618. Boag, C. R.—Multnomah Co., 3 years, robbery; received Oct. 21, '22; released Oct. 2, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted to the said C. R. Boag; he is to remain a law-abiding citizen.

No. 7977. Price, Jack—Marion Co., 1 year, larceny of automobile; received Mar. 7, '24; released Oct. 2, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said Jack Price. Judge Gilbert W. Phelps and R. I. Keator, district attorney, have recommended that the said Jack Price be given a chance at the expiration of the minimum sentence. He is to remain a law-abiding citizen.

No. 8525. Hixon, Lester—Klamath Co., 10 years, larceny; received April 1, '22; released Oct. 2, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said Lester Hixon; he is to remain a law-abiding citizen.

No. 8436. Printer, John—Multnomah Co., 8 years, assault and robbery; received Dec. 15, '21; released Oct. 2, '24; conditional pardon. The Parole Board recommends that a conditional pardon be granted to the said John Printer; Stanley Myers, district attorney, says, "I have no objection to the granting of a pardon if his conduct has been satisfactory." He is to remain a law-abiding citizen.

No. 8803. Vachalec, Steve—Marion Co., 2 years, attempted burglary; received Oct. 13, '23; released Oct. 12, '24; conditional pardon. The Parole Board has recommended that a conditional pardon be granted the said Steve Vachalec; he is to remain a law-abiding citizen.

No. 8580. Johnson, Theodore—Washington Co., 10 years, assault and robbery; received July 12, '22; released Oct. 13, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said Theodore Johnson; he is to remain a law-abiding citizen.

No. 8852. Lombardo, P.—Multnomah Co., 10 years, assault and robbery and assault with a dangerous weapon; received Dec. 15, '23; released Oct. 16, '24; conditional pardon. The said P. Lombardo is wanted by the immigration authorities for deportation to his native country; he is to remain out of the United States.

No. 8851. Nime, Victor—Multnomah Co., 5 years, assault; received Dec. 13, '23; released Oct. 16, '24; conditional pardon. The said Victor Nime is wanted by the immigration authorities for deportation back to Finland; he is to remain forever out of the United States.

No. 8672. Corbin, S. S.-Multnomah Co., 3 years, larceny; received Feb. 8, '23; released Oct. 18, '24; conditional pardon. Judge Morrow stated that he favored his release at the end of a year if his conduct was satisfactory. The Parole Board recommended a conditional pardon for S. S. Corbin; he is to remain a law-abiding citizen.

No. 7729. Tirpitz, Ernest-Hood River Co., 20 years to life, rape; received July 5, '17; released Oct. 21, '24; conditional pardon. The immigration authorities have secured passage for the said Ernest Tirpitz, sailing to Europe; he is to remain out of the United States forever.

No. 8670. Hoyt, H. M.-Umatilla Co., 3 years, obtaining money under false pretenses; received Feb. 7, '23; released Nov. 16, '24; conditional pardon. The said H. M. Hoyt has been a model prisoner and has rendered valuable services to the prison; the Parole Board recommended that a conditional pardon be granted him; he is to remain a law-abiding citizen.

No. 8887. Tucker, Curtis-Klamath Co., 1 _ years, larceny; received Jan. 26, '24; released Nov. 16, '24; conditional pardon. The Parole Board recommended that a conditional pardon be granted the said Curtis Tucker; he is to remain a law-abiding citizen.

No. 8899. Brooks, Sidney-Multnomah Co., 5 years, assault and robbery and assault with a dangerous weapon; received Feb. 6, '24; released Nov. 18, '24; conditional pardon. It appears there are some extenuating circumstances in connection with this case. The sentencing judge, district attorney and sheriff indicate that a pardon at this time would have their sanction; the Parole Board recommended that a conditional pardon be granted the said Sidney Brooks; he is to remain a law-abiding citizen.

No. 8903. Bezanson, Ernest-Multnomah Co., 1 year, larceny; received Feb. 11, '24; released Dec. 11, '24; conditional pardon. He is to be turned over to the immigration authorities for deportation and is to remain out of the United States forever.

No. 8779. Thomas, R. E.-Tillamook Co., 10 years, forgery; received Sept. 14, '23; released Dec. 15, '24; conditional pardon. The Parole Board recommends that a conditional pardon be granted to the said R. E. Thomas to allow him to go to his wife's uncle in California whereby he can learn a good trade and support himself and family at the same time; he is to remain a law-abiding citizen.

No. 7030. Hohoff, George-Multnomah Co., life, murder; received Mar. 21, '24; released Dec. 17, '24; conditional pardon. The Parole Board has recommended a conditional pardon for the said George Hohoff; he is to depart from the United States and never return to it or any of its possessions; he is to sail on Dec. 19, 1924, for Shanghai, China, and is to bear all expense of such passage.

No. 8943. Yarbrough, F. L.-Douglas Co., 10 years, rape; received Mar. 25, '24; released Dec. 22, '24; conditional pardon; believing that the ends of justice will be met.

No. 8900. Orrell, Clifford-Multnomah Co., 5 years, assault and robbery and assault with a dangerous weapon; received Feb. 6, '24; released Dec. 31, '24; conditional pardon. The Parole Board has recommended a conditional pardon for said Clifford Orrell; that he return to his home in Indiana at such time as he is able to either earn or secure enough funds to do so; to be paroled to W.G. McLaren until he goes to Indiana. He is to remain a law abiding citizen.

COMMUTATIONS

Aug. 22, 1923—Roy Hughes—Convicted in circuit court of Gilliam county of larceny; sentenced to serve a term of 10 years in the state penitentiary; received on the 15th day of June, 1921. In the belief that the said Roy Hughes has been sufficiently punished for the crime, viz: larceny of a suit of clothes valued at \$40, the sentence is commuted to not more than three years.

Sept. 13, 1923—James McDonald—Convicted in the circuit court of Gilliam county, of larceny; sentenced to serve a term of 10 years in the penitentiary; received on the 2d day of October, 1921. T.A. Weinke, district attorney, and D.R. Parker, circuit judge, have recommended executive clemency be extended the said James McDonald. Sentence commuted to not more than four years.

Nov. 17, 1923—Willis Harrison—Convicted in the circuit court for Multnomah county, of assault with a dangerous weapon; sentenced to serve a term of two years in the penitentiary; received on September 20, 1923. It appears from evidence recently received that he was no more guilty than his partner who was sentenced to serve 18 months. Sentence commuted to not more than 18 months.

Nov 21, 1923—Frank Melvin—Convicted in the circuit court of Multnomah county of burglary in a dwelling; sentenced to serve a term of three years; received October 25, 1922. The Parole Board has recommended that the sentence be commuted to two years.

Nov. 28, 1923—John McClintic—Convicted in the circuit court of Jackson county, of assault with a dangerous weapon; sentenced to serve a term of four years in the penitentiary; received on October 21, 1922. F.M. Calkins, sentencing judge has recommended clemency inasmuch as this is his first offense. Sentence commuted to not more than two years.

March 22, 1924—James Muscolo—Convicted in the circuit court of Multnomah county for burglary, and sentenced to serve a term of two years; received on November 10, 1923. The Parole Board has recommended that the sentence be commuted to not more than one year.

Feb. 14, 1924—W.H. Johnson—Convicted in the circuit court for Jackson county, of issuing false statement to bank superintendent, and sentenced to serve a term of 10 years in the penitentiary; received on April 10, 1921. The Parole Board has recommended that the sentence be commuted to not more than seven years.

May 20, 1924—Russell Hecker—Convicted in the circuit court for Jackson county, of issuing false statement to bank superintendent, and sentenced to serve a term of 10 years in the penitentiary; received on April 10, 1921. The Parole Board has recommended that the sentence be commuted to not more than seven years.

June 7, 1924—Tom Adams—Convicted in the circuit court of Baker county, of manslaughter, and sentenced to serve a term of five to nine years in the penitentiary and to pay a fine of \$1,000; received on March 16, 1919. He has been a good prisoner since his incarceration; he has been a trusty and out working most of the time; the Parole Board has recommended that executive clemency be extended the said Tom Adams. The said Tom Adams was sentenced to an indeterminate sentence of five to nine years and it would appear that the intermediate point should be taken as the time actually served on account of his extreme good conduct. Sentence commuted to not more than seven years; fine of \$1,000 remitted unto the said Tom Adams.

June 27, 1924—Ray Boyce—Convicted in the circuit court for Umatilla county, of larceny in a dwelling; sentenced to serve a term of five years; received on February 6, 1922. The said Ray Boyce at the time of his conviction was under the age of 21 years; he was granted a parole on December 6, 1923; since his release he has been working steadily and is now establishing a home. Sentence commuted to not more than two years and five months.

July 16, 1924—Al Douglas—Convicted in the circuit court of Wallowa county, of forgery; sentenced to serve a term of 10 years; received on May 15, 1921. Judge Knowles, sentencing judge, states: "I believe the said Al Douglas has been sufficiently punished." The Parole Board recommended that the sentence be commuted from 10 years to not more than four years.

July 16, 1924—George McIntire—Convicted in the circuit court of Gilliam county of obtaining money under false pretenses, and sentenced to serve a term of five years; received on July 13, 1923. The Parole Board recommended that the sentence be commuted from five years to not more than two years.

Aug. 12, 1924—William Waterhouse—Convicted in the circuit court of Marion county, of larceny of a cow, and sentenced by said court to serve a sentence of two years in the penitentiary; received on January 19, 1923. Paroled on December 7, 1923, and has since been an orderly and law-abiding citizen; he is regularly employed and making every effort to establish himself as a useful member of society; he is about to be married. Sentence commuted from two years to not more than one year and six months.

Dec. 10, 1924—Earl Snyder—convicted in the circuit court of Multnomah county, of assault and robbery armed with a dangerous weapon; sentenced to serve a term of 20 years. In view of his excellent prison record for the past five years, and it further appearing that the interest of justice will be served. Sentence commuted from 20 years to not more than eight years.

Dec. 12, 1924—Walter Langford—Convicted in the circuit court of Douglas county, of rape; sentenced to serve a term of 10 to 20 years. In view of his excellent prison record for the past six years, and believing that the ends of justice will be met, sentence commuted to not more than nine years.

Dec. 12, 1924---E. H. Burton—Convicted in the circuit court of Multnomah County, of burglary not in a dwelling and sentenced to serve a term of five years; received on February 16, 1922. In view of his valuable service around the prison and excellent prison record, and believing that the ends of justice will be met, sentence commuted to four years.

Dec. 22, 1924—George Williams—Convicted in the circuit court of Multnomah county, of assault with intent to rob; sentenced to serve a term of 15 years, received on the 23rd of February, 1922. Clemency is recommended by Judge Gatens, who sentenced him, and further recommendation is made by the Parole Board. In consideration of his excellent prison record, sentence is commuted from 15 years to not more than 5 years.

REPRIEVES

Aug. 30, 1923—George Parker—Convicted in the circuit court of Linn county, of murder in the first degree, and sentenced to death. Notice of appeal was filed in the circuit court of Linn county, and reprieve granted until Friday, December 7, 1923.

Oct. 8, 1923—Roy Couch—Convicted in the circuit court of Union county of larceny of calves; sentenced to serve a term of two years; received March 9, 1923. Reprieve granted for thirty days to help harvest crops; reprieve to begin October 10, 1923, and extend to November 9, 1923; he is to pay over to his wife all money earned during such reprieve.

Nov. 8, 1923—Roy Couch—Convicted in the circuit court of Union county of larceny of calves; sentenced to serve a term of two years; received March 9, 1923. Reprieve granted beginning October 10, 1923, and extending to November 9, 1923; this reprieve is extended to December 9, 1923, for the purpose of enabling the said Roy Couch to help harvest crops; he is to pay over to his wife all money earned during such reprieve.

Dec. 6, 1923—George Parker—Convicted in the circuit court of Linn county, of murder in the first degree, and sentenced to death. Notice of appeal was filed in the circuit court of Linn county, and reprieve was granted until Friday, December 7, 1923. This reprieve is extended to January 4, 1924.

Feb. 11, 1924—Glenn Wolcott—Convicted in the circuit court of Malheur county of the larceny of an animal, and sentenced to serve a term of six years in the penitentiary; received on January 19, 1923. It is necessary for the said Glenn Wolcott to attend to certain matters that can not be delegated to others. Reprieve granted to begin on February 11, 1924, and extend to March 2, 1924.

Mar. 14, 1924—Amos R. Lee—Convicted in the circuit court of Multnomah county of polygamy; sentenced to serve a term of one year in the penitentiary; received on November 20, 1923. He has property interests

that need his immediate personal attention, otherwise they may be lost. Reprieve begins on March 14, 1924, and extends to April 20, 1924.

July 17, 1924—L. W. Beach—Convicted in the circuit court of Benton county of uttering a forged check with intent to defraud; sentenced to serve a term of two years in the penitentiary; received on May 26, 1924. His wife is critically ill; reprieve to begin on July 18, 1924, and extend to July 27, 1924.

Sept. 10, 1924—Dick Robinett—Convicted in the circuit court of Morrow county of fornication; sentenced to serve a term of 15 months in the penitentiary; received on December 16, 1923. The sister of the said Dick Robinett is seriously ill, and the doctors have given her only a few days to live. Reprieve granted for 15 days.

Governor's Message, 1925

Source: Message Of Walter M. Pierce, Governor To the Thirty-Third Legislative Assembly 1925

Members of the Legislature:

The half-way point in the term for which I was elected Governor of Oregon having been reached, it is fitting and proper that at this time an accounting upon the functions and affairs of state within that period be made to this, the Thirty-third Legislative Assembly, and to the people of Oregon.

Taxes

Taxation has received my most earnest attention during the past two years, in the belief that reduction in the cost of government was uppermost in the public desire. Unquestionably, the paramount issue in the election campaign of 1922 was the reduction and redistribution of taxes. I kept this issue squarely before the people in every address that I made during that campaign. During my incumbency of the office of Governor I have done all within my power to carry out the pledges made at that time, and feel that I can now point to a substantial measure of achievement, in that I have kept every pledge that I made.

In 1922 the state tax levy, including fixed millages, was \$9,376,289.11. This year the state tax levy is \$7,492,761.47, or real reduction in state taxes of substantially \$2,000,000, notwithstanding the fact that when I became Governor there existed in the State Treasury a deficit of approximately \$400,000, growing out of the fact that the legislature had in the past appropriated larger sums than the Tax Commission was allowed to levy under the 6 percent tax limitation law. There is, at the present time, a surplus of more than \$200,000 in the State Treasury.

Had the voters of Oregon seen fit to allow the State Income Tax Law to remain upon the statute books, no state tax would have been levied this year, except the millages fixed by law, which are outside the 6 percent tax limitation, and which will aggregate in 1925 approximately 5.5 mills, or \$5,569,712. While we have had a measure of both reduction and redistribution of state taxes, it is true that we who earnestly desire further to redistribute the burden of state taxation have suffered a serious set-back through the repeal of the State Income Tax Law, which was accomplished by the prodigal use of lavish campaign fund spent very largely in the repeated publication of false and misleading propaganda.

Repeatedly it has been stated that in my campaign of 1922 I promised to cut taxes in half. This falsehood, malicious and utterly without the shadow of foundation in truth, has been broadcasted about the state for the past two years. I made no such statement to anyone at any time. What I did say repeatedly and now say again, is that one-half of the state taxes, now borne by property, could and should be placed upon the shoulders for better able to bear it.

The operation of the State Income Tax clearly establishes the fact that my statement was correct. Income Tax returns now on file in the State Income Tax Department reveal that during the year 1923 a net income of \$160,000,000 was made by individuals and corporations in Oregon. After all exemptions for families and dependents were deducted, there remained more than \$70,000,000 taxable income upon which income

taxes were assessed for the year 1923. The records in the State House further disclose that 25,000 income taxpayers in Oregon enjoyed in 1923 a net income of \$67,000,000. Returns show that they paid in property tax \$327,035. The property tax was less than one-half of 1 percent of their net income, and 3,190 taxpayers, with incomes a little less than \$11,000,000 net, paid \$6,380,000 in property tax, or almost 60 percent of their income.

If the entire tax load of the state, including all of its political subdivisions, were to be placed upon net incomes, after allowing exemptions for dependents, a little more than one-half of the taxable income of all citizens in Oregon would be required. As it now is, the \$40,000,000 exacted annually in taxes from those who hold property, can mean only the confiscation of many homes.

Practically one-half of the real property in Oregon today will not rent for more than enough to pay the taxes levied against it. At least two-thirds of the rent value will be required to pay the taxes on the remaining half. The most favorably situated farms in the state would probably rent for a sufficient sum so that about 40 percent of the rent would pay the taxes. Slowly but surely, the unequal distribution of the burden of government is confiscating the property of many people in this state. Readjustment must be made.

I continue a firm believer in the justness of an income tax. I can conceive of no fairer, squarer method of taxation than that of taking a small percentage from each of those who enjoy a net profit by reason of the operation of law and the protection of government. The State Tax Commission for 1923 estimated that the collection of the income tax for that year would yield \$1,250,000. We actually collected \$1,794,363.93. It will be possible to collect \$500,000 more, which is still due from delinquent income taxes for 1923. Should collections be made from corporations, in accordance with the decision of justice McCourt of the Oregon Supreme Court, we estimate that \$1,000,000 additional could be collected.

You should pass an act making possible the collection of all delinquencies for the year 1923. The law was upon the statute books during that year, and the amount due under the law should be paid into the State Treasury by those who were fortunate enough to have a net income during that time, when so any were paying their taxes out of capital accumulated in former years.

I still believe that the best income tax law that could be passed in Oregon would be one similar to that in South Carolina, under which the income taxpayer contributes to the state one-third of the amount he pays to the national government.

The injustice of Oregon assessment laws may be brought forcibly home by a few illustrations:

The 1913 assessment of the county of Multnomah was \$308,682,515, exclusive of utilities. In the eleven years since, blocks upon blocks of new buildings have been constructed in the great metropolis within that county. Thousands of beautiful homes have been erected, hundreds of new industries have been established, bank deposits have doubled, and the population has increased by more than 100,000. The building permits issued have amounted to \$140,000,000, yet the assessor of Multnomah county returns a property assessment for 1924 of only \$293,942,180, exclusive of utilities, which is \$14,740,335 less than that of eleven years ago. Multnomah county voted to repeal the Income Tax Law by a majority of 22,127.

I have in mind a corporation for which the owners were offered \$3,250,000. The property of this corporation is assessed at \$700,000. Another property, worth perhaps \$4,000,000, and earning a net income of approximately \$800,000, is assessed for \$500,000. I have in mind also, a property worth \$40,000, which is assessed at \$2,500, and coming down to the residences the assessor of Multnomah county stated this year that he thought they were assessed in that county at about 25 percent of their value.

In one county, sheep are assessed at \$6, while in the adjoining county they are assessed for only \$3. Cattle are assessed in one county at \$35, and across the line in the next county at \$20. There is no way under the present law by which an equalization can be made. I plead with you to pass the necessary legislation to rectify these wrongs.

I call your attention to the report of the Tax Investigating Committee, of which Mr. I. N. Day was chairman. An excellent bill was presented by that committee and considered by the Joint Committee on Assessment and Taxation at the session of 1923. I ask that this bill again be introduced, and I hope that it will receive your special consideration at this session.

I have urged economy in every department of state government. Some publications of this state have repeatedly charged that expenses have increased in many departments, and that additional automobiles have been purchased for the use of state officials. The number of automobiles and trucks has increased in no department under the control of the Governor except three light autos used exclusively in the Prohibition Department.

The annual increase of insane in Oregon is nearly 100, and approximately the same for feeble-minded. In fact, the number of inmates in all state institutions has grown with the increase in state population, until today 500 more individuals receive direct state aid and care in state institutions than at the time I was elected to the office of Governor. Notwithstanding this increase in population, every department of state government under the Board of Control has returned to the State Treasury a surplus from the appropriation made two years ago. The total amount returned is approximately \$256,000.

State Fund Deposits

In accordance with the report of the retiring State Treasurer, Mr. Jefferson Myers, it is recommended that the depositing of state funds be open for competition among the banks of the state. It would increase the state income from this source approximately \$150,000 annually.

It is further recommended that the State Treasurer be authorized by law to purchase at par all certificated issued by the State Emergency Board.

Also, that all bonds issued by the State of Oregon, or by any of its subdivisions, be serial bonds, which would prevent the necessity of investing sinking funds.

Irreducible School Fund

Investigation carried on during the last half of 1924 reveals the fact that the Irreducible School Fund is in a most deplorable condition, due to years of well-nigh criminal neglect and negligence on the part of those entrusted with the safeguarding of this most sacred fund. Losses amounting to probably \$200,000 apparently have resulted from loans made on properties which were insufficient to secure the money loaned. Interest and costs of foreclosure will increase this amount at least 50 percent, so that we face a loss of possibly \$300,000, for which there is absolutely no excuse. Losses due to impairment of securities that were originally inadequate will probably run to \$300,000, with an additional interest and cost charge of \$150,000, making a total loss sustained of more than \$500,000.

It is vital that this fund be restored to its original amount, at least, and that these losses be made good. The Attorney General has ruled that the interest must be distributed and so can not be used for this purpose. I would recommend that the money derived from the inheritances in the state be placed in the Irreducible School Fund. This in 1924 amounted to \$347,572.75.

I desire to urge most emphatically that immediate steps be taken to safeguard this fund and to prevent in future the woeful waste of the past. It is little short of criminal to use this fund for the payment of political debts, and those who administer this money in the years to come should be compelled to use at least ordinary business methods and due care in its conservation.

It has developed in the investigation already referred to that the law prohibiting the sale of mortgaged property should be revised, as under the present law houses, barns and fences have been sold for mortgaged

property, and we are without criminal recourse. It also appears that personal taxes can be assessed against real property and constitute a prior lien as far as the state's mortgages are concerned. This also should be remedied by suitable legislation.

Severance Tax on Natural Resources

Two years ago you failed to pass a law taxing natural resources upon removal from nature's storehouse. May I again call your attention to the fact that nearly one-half of the standing timber of Oregon is in forest reserves and is at present nontaxable. I believe that as our state is deprived of any natural resource a reasonable tax should be levied thereon. It is estimated that the standing timber in Oregon is now assessed at about \$100,000,000, and pays an annual tax of approximately \$2,500,000.

I recommend for your consideration a severance tax upon all natural resources, the tax collected from timber to be divided into four equal parts, one-fourth to be paid to the State Treasury for the reduction of state taxes; one-fourth to be paid to the county in which the timber is cut, for the relief of county taxes; one-fourth to be added to the Irreducible School Fund, and one-fourth to be placed in a Reforestation Fund, to be administered by a Reforestation Committee, which should be created by an act of your body.

It will make shameful history if we allow the magnificent forests of Oregon, the finest standing timber in the world, to be transformed into blackened stumps, and the valuable timber products transferred to eastern states and foreign ports while Oregon exacts not even revenue enough to start a new forest. It should be a law that when a tree is felled two healthy tree must grow in its place. No private owner has the moral right to cut an unripe tree, even on his own land.

The privately owned standing timber in Oregon is worth more than one billion dollars. In the aggregate it bears a lighter assessment than any other property in the state. Taken in its entirety it is assessed at about 10 percent of its real value. Why, then, should it not be taxed as it is cut?

Tax Supervising Commission

I ask you to reenact the law providing for a Tax Supervising Commission for each county. Under the law you passed two years ago, I appointed Tax Supervising Commissioners, who, I believe, would have saved the people more than \$2,000,0000 annually in taxation. Unfortunately, the Supreme Court found it necessary to declare the law unconstitutional. I ask you to reenact the law in such a way as to make it constitutional.

Public Service Corporations

In 1922 public service property was assessed at \$189,358,984.60. In 1924 the same class of property was assessed at \$244,053,824.67. This was an increase of \$54,693,840.07 in the assessment in two years, or 28.8 percent. Simple justice demands that all public service corporations should be assessed at not less than the amount upon which they claim the right to fix rates so that they can earn dividends. I deny the contention of utilities corporations that fixed dividends must be earned on paper investment. I realize the necessity for utilities corporations, but I deny the sacredness of the money so invested and the claim that when it is invested it must earn fixed dividends. It should be subject to the fluctuations of competitive economic development, like ordinary property. If the principle is allowed to stand that investments made in public service corporations shall always earn fixed dividends, often at 6 percent and above, it is but a matter of a few years until the entire wealth of the nation will be absorbed in these corporations, because the natural increase of wealth is not sufficient to pay them the 6 or 8 percent that the courts have fixed as a reasonable income for money so invested.

Indirect Taxes

There are several states in the Union that levy no direct tax upon property for support of their state government. Different methods have been adopted by different states to provide money for the

maintenance of state government. California collects all moneys for state expenses from a gross earnings tax upon public service corporations, and other fees. However, the public service corporations are exempt from local taxation. Minnesota also levies taxes on gross earnings of public utilities. Pennsylvania collects largely from fees and a severance tax on anthracite coal when mined. Iowa collected, last year, \$700,000 as a tax on cigarettes. Other states are collecting a heavy tax on moving pictures. Oklahoma is largely supported from a tax on oil and gas—natural products. In some states professional or occupational taxes are collected. It is my belief that property in the state of Oregon should be freed entirely from state taxes and millage levies of all kinds. I earnestly urge you to increase the indirect taxes, as other states are doing, so the tax on property in Oregon may be reduced and ultimately abolished entirely, so far as state taxes are concerned.

Highways

I again invite your attention to the fact that the Highway Department is one of the most extensive and far-reaching that we have in the state. The commissioners who supervise this must give a large amount of time to the work of the commission, for which they receive no compensation.

There are outstanding at this time \$38,060,750 in highway bonds. There will come due this year \$797,000 in highway bonds, and \$1,297,000 in 1926. I believe these bonds should be paid and cancelled as they fall due. I am opposed to the reissuance of these bonds, because I believe it unnecessary. However, we must continue highway construction. It will cost \$15,000,000 to complete the highway system. During 1924 nearly \$2,000,000 was spent on maintenance. The interest on the bonds, and bonds coming due this year will be \$2,597,516.17. For the year of 1926 the amount for interest and bonds will be \$3,023,073.75. It will be seen that these items of interest, bonds maturing and maintenance, will absorb approximately \$10,000,000 in the next two years.

The present gasoline tax and automobile license fees will yield in the same time about \$11,600,000, thus leaving a narrow margin for new construction, matching of government money and emergencies.

There is an additional revenue for highway construction derived from the one-quarter mill tax on property. I believe that the law requiring this one-quarter mill tax on property should be repealed. Other additional revenue should be provided for the highway fund. The gasoline tax is fair, yields a large revenue, and the cost of collection is small. It is paid by those who use the roads, and a considerable percentage of this revenue comes from the tourists in the summer time. Washington and California each collects a 2-cent gasoline tax. I am informed that in both states an effort will be made to increase this tax. We can not have ours very much higher than the adjoining states. However, I deem this a matter for careful consideration by this legislature.

Over forty miles of the Roosevelt highway is in Forest Reserve in Lincoln county. The government should be memorialized to construct this road at once, at its own expense, without asking cooperating on the part of county or state.

I am not in sympathy with the general movement to lower the amount of revenue derived from licenses on cars. A solemn compact was entered into by the promoters of the present road bonding plan with the people of Oregon, by which the bonds were to be paid as they came due out of the license revenues. It can not be done if the amount received from licenses is materially reduced, although I believe it only fair that the license fees on the old and used cars should be reduced.

The license fee, in fact, is one of the smallest items in the cost of running a car, and then the automobile license exempts the car from property tax. The average car, if assessed like other property, would be assessed at \$500, and at the average rate of 40 mills the tax on the car would be \$20. One-half the cars in the state do not pay that much in license fees.

Shortly after the adjournment of the last legislature I appointed a committee to study and report upon the readjustment of the auto license fees. The committee deserves the thanks of the people of Oregon for its intelligent and painstaking labors. A bill has been prepared by this committee which I most heartily commend to you for passage.

Our highways are the pride of our state. The matchless beauty through which they penetrate should not be desecrated by billboard advertising. The time has come in Oregon when popular sentiment will sustain a law prohibiting it. The remedy, if not other appear, may be found in the power to tax.

I ask you to leave the Market Road Law in substance upon the statue books. I introduced this bill into the Senate many years ago. Under its operation more than \$10,000,000 has been collected and spent on the roads of Oregon. I now favor, however, a modification of the law so as to give the Highway Commission a greater authority over the expenditure of the money.

Automobile tourists left in Oregon in 1924 fully \$10,000,000. Revenue from this source can be materially increased by the early completion of the highway system, including that wonderfully scenic route known as the Roosevelt highway. The Federal Government should be memorialized at the earliest possible date to construct the Skyline Trail from Crater Lake to Mount Hood. World-wide travelers assert that there will be nothing in the world comparable with such a road. It would seem that those in authority at the nation's capital should see the justice in giving Oregon this small appropriation, when they consider the injustice of the act which took from our tax rolls that vast area for forest reserves. May we urge those representing us in Congress to united effort in securing this appropriation, which would vastly increase the number of automobile tourists immediately upon completion of the road.

Corporation Department

The Corporation Department has been conducted in a most efficient manner. The Blue Sky Law should be amended and made more effective. The law passed in 1923, providing for the issuance of non-par stock, should be repealed, or so amended that advantage will not be taken of innocent purchasers.

Insurance Department

The Insurance Department has been a real source of revenue during the past biennium. You increased the fees in 1923 at my request. There was collected in fees from insurance companies in 1922 the sum of \$321,000. In 1924 this department deposited in the State Treasury \$540,757.61.

There have been many incendiary fires in the state in the last two years. It is estimated that one-half of all the property destruction by fire in the state of Oregon is due to incendiarism. Proper legislation should be passed to remedy this situation.

State Traffic Department

The State Traffic Department should be under one head. At present part of the force is under the Highway Commission and part under the Secretary of State. It seems to me clearly the function of the Highway Commission to regulate the traffic on the highways that it is called upon to maintain. I ask you to amend the law, putting the entire traffic service under the Highway Commission.

Department Consolidation

Two years ago I asked you to consolidate the various departments of state government into fewer divisions in order to avoid duplication of duties, activities and expense. Consolidation occupied a large part of the time at the last legislative session, but the necessary legislation was not enacted. I again urge you to consider this very important matter. The government of the state of Washington is far more efficient than

ours by reason of the enactment of what is known as the "Administrative Code." Not only would consolidation afford greater economy, but greater effectiveness and efficiency.

Industrial Accident Commission

Two years ago, in my inaugural message, I asked you to enact legislation making three commissions self-sustaining: the Industrial Accident Commission, the Public Service Commission, and the Fish Commission. You passed a law, which I was glad to sign, suspending the contribution from the State Treasury for the use of the Industrial Accident Commission for a period of two years. I now ask that you pass another act at this session relieving the state of contribution to this commission for at least two years more.

I recommend that you submit an amendment, to be voted on at the election of November, 1926, making the present Industrial Accident Commission compulsory in all hazardous occupations, and with no other changes. I am aware of the fact that an amendment was proposed and defeated at the last election, having in view this same object, but it was handicapped by many additional provisions. Give the people a chance to vote upon this clear issue with no conditions attached. I feel certain the people will adopt such an amendment, which is necessary to save the work of the commission from failure by withdrawals. The large number of rejections would have worked a serious handicap had it not been for increased business. Private companies have insured at less than the cost of insurance, as found by our own experience during a period of more than eleven years. The only way these private companies can accomplish this miracle is by their failure to settle with the injured ones on the same terms that the state would settle. Advantage has been taken of those unfortunates by the greed of a selfish few. The act is in danger. It should be made compulsory in its application to hazardous occupations.

By special enactment at this time I believe that all peace officers of the state should come automatically under the benefits of the Industrial Accident Commission. Men who take the risk of injury and death in enforcing the law out to feel that their families are protected in case of serious injury.

Department of Fisheries

There was appropriated \$36,000 to the Department of Fisheries at the last session. IT will not be necessary to make any appropriation for this department this year. More than \$800,000 has been appropriated for the promotion of the fish industry in Oregon in the last few years.

Two years ago the legislature passed a law requiring a poundage tax of one-half cent on all commercial fish taken, which yields about \$230,000 annually. This tax can be increased to one cent, thus creating a surplus to be paid into the State Treasury to reimburse the state for the amount appropriated during the last few years for the benefit of the fish industry. I wish to add that the producers of grain have paid freely a tax for the inspection of their own grain in sufficient amount to return to the State Treasury the sums advanced by the state.

Moneys Collected by Commissions

There is being collected by various commissions, operating under law in the state of Oregon, large sums in annual fees, and which during the past biennium reached the astounding total of \$1,703,209. It is my recommendation that this legislative body pass an act requiring all commissions which collect such fees to deposit the same in full in the General Fund of the State Treasury. All commissions should be notified immediately that they are to present their budgets to the Ways and Means Committee and have the necessary appropriations made by that committee. It is neither sound business nor safe practice to allow commissions to collect fees and spend them as they see fit, without budget or audit, without check or proper accounting. The temptation to spend the money is so great that thousands of dollars are likely to be wasted each year rather than accrue to the State Treasury for the public benefit. The answer that the commissions should have the right to spend the fees they collect as they see fit does not suffice, and is itself an affront to the principles of good government. Money collected under state law belongs to the State Treasury, and

money expended in any state activity should be expended only when appropriations have been made by representatives of the people. It is a fundamental principle of our government that no expenditure shall be made until the money has been appropriated by the people's representatives. In the collection of fees by any commission there is an exercise of governmental powers.

World War Veterans' State Aid Commission

I recommend that a constitutional amendment be submitted to the next general election that will reduce the tax on property from one mill to one-half mill, for the use of the World War Veterans' State Aid Commission. A one-half mill levy for about eight years will create a sufficient fund to enable the commission to carry out all the provisions of the law creating it.

The commission has paid in cash bonuses \$4,847,733.07 to veterans of the World war, and has loaned \$14,565,700 upon property in the state. As the commission is obliged to lend 75 per cent of the appraised value, should it be requested, it will be seen that there may result a severe loss by reason of over-loans and the shifting of property values.

There is still a deficit of about \$3,000,000 caused by the large amount of cash bonuses paid. During 1925 and 1926 the tax levy will yield a little more than \$2,000,000. The remaining deficit of \$1,000,000 should be collected from the taxpayers at the rate of \$500,000 each year, and thus will be absorbed in two years. At the present rate of losses there will be a shrinkage of \$2,000,000 or more in the loans resulting from the 75 per cent valuation law and by reason of the interest rate of four per cent to the veterans as against the interest charge of approximately four and a half per cent to the state on all bonds issued to date, thus making it necessary to continue the contribution of one-half mill tax on property for about eight years.

Public Service Commission

The Public Service Commission should be reconstructed. It would be far better to abolish the commission than to let it continue in its present form. I trust that no appropriation will be made for such continuance.

Penitentiary

Two years ago I asked the Ways and Means Committee to appropriate, for the use of the penitentiary, the identical sum of money, \$420,000, given that institution under the former administration, but with the stipulation that the Governor have the right to use \$100,000 of the appropriation to establish industries for the inmates of the penitentiary. I stated my belief that the maintenance cost could be kept within the sum of \$320,000 for the biennium. I am happy to tell you that we have maintained the penitentiary on this amount, having reduced the monthly per capita cost from \$39 to \$28, and with a small balance left from the appropriation of \$320,000.

With the \$100,000 entrusted to me, there was constructed, with the aid of prisoners, a fire-proof, concrete warehouse, 70x200 feet, at a cost of \$26,000. The construction of such a building ordinarily would have cost \$65,000. With prison helpers there was also constructed a modern hydro-electric power plant, developing 231 horsepower, within the penitentiary grounds, by using the power from a small stream that for years has run through the penitentiary enclosure. This is a permanent addition to the state's property, and will save Oregon \$6,000 annually. The electric power plant itself is worth to the state the entire \$100,000 which was entrusted to my care.

Machinery has been purchased for the reducing the flax straw to fiber. We have constructed concrete retting tanks, machinery for making flaxseed oil, for escutching the retted straw and for making fiber therefrom. The cost of this machinery has aggregated \$30,000. It is all operated by the prison electric power plant.

At the present time there is on hand about \$100,000 worth of flax straw, flaxseed, flax meal, fiber and tow for upholstering. I feel secure in saying that I return at least \$200,000 to the state in property. On September 17, 1923, we suffered a disastrous fire, which swept out all the penitentiary shops and caused a loss of at least \$150,000. The revolving fund lost \$39,000 by reason of this fire, which amount should be replaced in that fund at this time. I secured from the Attorney General an opinion which allowed me to carry \$40,000 insurance on the flax, and this amount was collected from insurance companies. The Emergency Board appropriated \$65,000 for the rebuilding of penitentiary shops. We are able to return \$5,000 of this amount to the treasury, as unused, as we have rebuilt at less cost than the estimate made by the engineers.

Boys' Training School

Three year ago the legislature diverted \$260,000 of the one-fourth mill road tax for the purpose of constructing a new Boys' Training School. Two years ago the legislature passed a law giving the Board of Control the right to buy a new site for the training school, Acting under this authority, the Board of Control purchased 276 acres of land near Woodburn, on the Pacific Highway, a very fine site for a training school. A balance of \$220,000 remains in the treasury for the construction of the necessary buildings. This is found to be inadequate. It is therefore recommended that \$100,000 be appropriated by this legislature, to be added to the fund in hand, for the construction of the new buildings for the Boys' Training School near Woodburn. We can then complete modern buildings for the care of these boys. There are now 200 boys at the training school.

Reformatory

I ask you to create by law a reformatory, to be established on the present site of the Boys' Training School, for the purpose of caring for the younger men at the penitentiary, who should not be compelled to associate with hardened criminals. Also for the older boys now at the training school. This institution should be under the control of the Warden of the penitentiary, who should have authority, under the direction of the Governor, to transfer any inmate from one of these institutions to the other.

The number confined at the penitentiary has rapidly increased, perhaps in some measure because of my refusal to grant executive clemency in many cases where it heretofore has been freely given. There are now 467 inmates, of which number 91 are under the age of 20 years. Those who are constantly in contact with these young men are better able to select from the number those who will reform and become useful citizens, than is any judge or board. Should anyone sentenced to the reformatory become incorrigible the warden should have the right, upon presentation of the facts, and approval of the Governor, to remove the boy to the penitentiary. The Superintendent of the Boys' Training School likewise should have the right to transfer boys from the training school to the reformatory, under the supervision of the Board of Control.

State Market Agent

The office of State Market Agent was created last session at my request. This office has been filled in a most efficient manner. This department has done much to encourage cooperative marketing in the state and to bring about standing parking and grading of all farm products.

Grain inspection has been ably directed. Complete cooperation has been established between the national grain inspection force and the state department, and without noteworthy exception the grades made by the state employees are the accepted grades upon cereal shipped from Oregon and sold in foreign markets. This is of great value both to the producer and to the exporter.

It is accepted as fact by all that farm products must be cooperatively marketed. It requires effort and patience to teach the producer the necessity for cooperation. The department has proved its value and during the coming two years we hope to have the producers so organized that many of the products of the farm can be marketed to yield a profit to the producer.

I am glad to report that this department is not only self-sustaining but has created a surplus out of which the original \$20,000 appropriated for its maintenance, before I became Governor, may be returned to the State Treasury. I remember distinctly when I introduced the Grain Inspection Bill in the Senate six years ago having said that the Grain Inspection Department would be self-sustaining and a burden upon the general taxpayer. I am happy to report that such is the case.

Wild Life

The wild game of Oregon is the common property of all the people, and its protection and propagation are therefore matters of the utmost importance, which are entitled to receive the earnest and sober thought of able, sincere men. This great heritage, with its vast food values and great incentive to healthful outdoor recreation, can only suffer if permitted to become the spoils of politics and the football of political controversy. I recommend that the entire control of this very important function of state be vested in an appropriate department of the Oregon Agricultural College, under the control of the Board of Regents thereof.

Lime

An effort should be made to secure cheaper lime for the use of the agricultural interests of Oregon. Freight rates on lime shipped from the state plant located in southern Oregon are so high that it makes the lime very expensive, and arrangements should be made for the development of cheap lime from the large deposit in Polk County.

Oleomargarine Bill

I was deeply disappointed in the defeat of the Oleomargarine bill. I refuse to believe that, if the facts were known to them, the majority of the people of the state would deliberately injure our great dairy interests for the benefit of the producers of the South Sea Islands. The great majority against the bill was gained largely by the circulation of false and misleading propaganda picturing butter at one dollar a pound.

In time the question again must be submitted to the people as to whether or not foreign vegetable oil substitutes shall be allowed to masquerade in the flavor and color of butter and thereby take the home market from one of the greatest and most important industries in our state.

With feed higher than for years, and butter fat low, the dairymen face a hard situation. I sincerely hope the legislature will grant them relief, either by a tax on all vegetable oil substitutes for butter, or by prohibiting the mixture of dairy products with vegetable oils as a substitute for butter.

Irrigation and Drainage Bonds

I ask you to propose a constitutional amendment to be voted on by the people at the General Election 1926, repealed the state guaranty of interest on irrigation and drainage boards. I am not ready to say that the state should cease to help drainage and irrigation in Oregon, but I do believe that the assistance should be direct. Under the present plan it has simply afford a rich field for exploitation by promoters and schemers, often to the very great detriment and distress of the settler. The present commission has done its best to develop, to conserve, and to save under the law as it now exists.

The interest on the Jordan Valley Irrigation bonds was certified and guaranteed because it was found that the cost per acre for irrigation would be less than \$40, and for the reason, too, that the commission decided that the state was morally if not legally, bound to do so because of the attempt to irrigate these lands under the Carey Act. These bonds were certified and guaranteed for the amount of \$400,000. It is my belief that this project will succeed.

During 1924 it was necessary to call a meeting of the Emergency Board to appropriate \$18,516 to pay interest on irrigation bonds that had been issued by the state in behalf of irrigation districts. There are now outstanding \$2,027,110 in bonds issued to pay interest on bonds of these several irrigation districts. Many of the districts will not be able to pay the interest on these bonds, and as they are a general obligation of the state it will be necessary for this legislature to provide the money by appropriation to pay this interest, since we must not allow the credit of the state to become impaired.

The methods employed by the promoters of many of the irrigation districts of Oregon should have had the attention of the criminal courts before the statute of limitations had expired. Early settlers—pioneers—the very best people of the state—were, by one means or another, brought into these irrigation districts and have lost, or are on the point of losing, their homes because bonds voted under the operation of law become an underlying lien. Such bonds take precedence over loans made even from the Irreducible School Fund.

Hydro-Electric Power

Oregon has the finest natural water power in the Union, and I favor its use for the benefit of the people. It is undeveloped at present except by a few private corporations, which enjoy a monopoly of the Creator's wonderful gifts to the people. Properly designed hydro-electric plants constructed along modern lines on Oregon's splendid power streams should not cost, in many locations, more than \$100 per horsepower. Under the present system millions of dollars are invested in Oregon in old-fashioned hydro-electric plants of high-cost construction, for which the public is paying.

The Public Service Commission of this state makes the rates for electric current—based on cost of construction and distribution—sufficiently high to pay interest on over-valued investment, thus making the cost of power excessively high. Cheaper power would bring to our state hundred of industries that would cause an unprecedented development in the Pacific Northwest. The state is set for the hydro-electric drama in Oregon. This state is seriously handicapped now by the cheap development of hydro-electric power in the state of Washington, where power is sold by municipal plants for much less than it is sold in Oregon.

I am informed that power can be developed on the McKenzie, the Deschutes, the Columbia, and at the Umatilla Rapids, and delivered to Portland and the Willamette Valley towns for approximately \$11 per horsepower annually.

I ask you to enact a law creating a hydro-electric Commission to investigate and report to the Governor the cost of the construction of modern, up-to-date, hydro-electric power plants on undeveloped natural water power of the state of Oregon, investing this commission with power to form a district, establish boundaries thereof for the delivery of electric energy and water at such points as the commission shall designate within the district, and giving the Governor power, should the commission so recommend, to call a special election to vote a bond issue of sufficient amount to build and construct such municipally-owned hydro-electric power plants. Even should any district decide adversely as to the construction of such power plants, the data gathered by such a commission would be of great value to prospective investors.

The investment of \$10,000,000 in the Clear Lake Project, at the head of the McKenzie river, I am informed by engineers, would deliver the finest mountain water to most of the larger towns in the Willamette valley, and probably would yield current that could be sold for not more than \$15 per horsepower annually, wholesale, which would pay for maintenance and interest and provide for the payment of bonds. This would revolutionize Oregon. The people should have the right to construct such plants, where found feasible, at the earliest possible moment. I also urge that everything possible be done to encourage the construction of a plant at Umatilla Rapids for electric and power purposes.

Labor

It has come to my attention that here are individuals and firms within the state who employ labor without making proper provision for prompt payment of wages earned. They sometimes get heavily in debt to

honest working people, and, taking advantage of this fact, force the employees to accept stock of a valueless interest in the business in settlement. I therefore recommend that provisions be made for the more adequate protection of wages by giving to the Labor Commissioner the authority to assist in making collections through the district attorneys, where necessary, and who shall act without fees.

I find from the report of the Labor Commissioner that there was paid in fees to employment agencies in the state of Oregon, during the year 1924, the enormous total of \$358,756.44. This is the amount exacted from the laboring people for securing employment. I consider this amount extortionate. I firmly believe that this country owes a job to every man who wants to work. I do not think that he should have to pay for the privilege of securing one.

I believe that free labor agencies, in cooperation with the United States Employment Service, should be established in all centers, under the control of the Bureau of Labor. This will incur some expense, although not large, and I favor a sufficient appropriation from the State Treasury to provide this needed relief to the unemployed.

Child Labor Amendment

I recommend the adoption of the Child Labor Amendment of the Federal Constitution. It is certainly right and proper to give to Congress the power to pass a law protecting childhood in America from the greed of those who coin dollars from the labor of helpless children.

Salaries

A heavy responsibility falls upon the District Attorneys of our state. The salaries paid them frequently are inadequate return for the energy and ability that is demanded of the men who are charged with the enforcement of the laws of the state. I recommend that these salaries be increased.

I ask you, also, to increase the salaries of the Justices of our Supreme Court.

No other salary increases are recommended.

Law Enforcement

In the matter of law enforcement there has been most certainly a decided improvement in this state. However, much still remains to be done. All laws should be enforced upon rich and poor alike, in magnificent home as well as in humble cottage. I am a firm believer in the Prohibition law. In the enforcement of this law we have had 1,218 cases and the narcotic cases numbered 15. There has been assessed \$271,903.63 in fines for violation of the Prohibition law, and \$1,150 in fines for violation of the Narcotic law. Sentences imposed would require 45,361 days' confinement in jails and penitentiary for the Prohibition law, and 570 days for violation of the Narcotic law. There have been destroyed 28,144 gallons of intoxicating liquor and mash. Stills seized and destroyed number 134. There have been seized and confiscated 43 automobiles. Under operation of the law we are forcing the bootlegger to pay for his own conviction. If the law is enforced with sufficient funds and vigor, the bootlegger will be driven entirely out of business.

The department has been active in nearly every county in the state. Only \$25,000 was allowed to the prohibition fund annually. The State Prohibition Department has created more consternation among those who flagrantly disobey the prohibition laws, and among officials lax in their enforcement methods, than has been created anywhere, at any time, with the same amount of funds for personnel and operations. I urge you to increase the power of this department, and give it 50 per cent of the fines collected from violators of the prohibition laws.

The State Prohibition force is the terror of the lawbreakers. It has been conducted in a clean, straightforward, business-like manner, and I invite your body to investigate the moneys expended in the

enforcement of the prohibition and narcotic laws. I wish to bring to your attention the report of the Prohibition Commissioner

In a series of addresses delivered over the state I have done my best to arouse a higher spirit of Americanism, a deeper sense of moral duty, in the citizens of Oregon. I have instated, and still maintain, that honesty is the principal qualification for all officials. I have used every possible opportunity afforded by school or church to create a sentiment for the enforcement of every law, and for love and respect for our sacred institutions of government.

America is doomed if classes ever appear as they have in the older civilizations. Men of property and standing in our country should be in the forefront of the fight for the enforcement of every law. Should the time ever come when the wild mob surges down the street, as it so often has done since civilization had its beginning more than six thousand years ago, vast wealth will then be of no avail. The plea for mercy will go unheeded unless the average citizen believes that all have received justice under the operation of the government, which he is called upon to protect with his life; for this is a government emanating from all the people, based on the consent of the governed.

A sentiment must be built up throughout the land that America plays fair with everyone, and respects no one over another because of property or birth. I call upon every man and woman, within the church and without, in the mansion and in the cottage, in the city and on the farm, in the office and in the field of labor, to share in the duty and responsibility for law enforcement.

We, who are the beneficiaries of the greatest inheritance the world has ever known in the form of governmental institutions, unequalled in their justice since time began, today find them trembling in the balance, because there is growing up a spirit of indifference to law and established authority.

May there be a revival of the spirit of reverence for authority and law that will sweep this land from end to end, so that Oregon may be the most progressive state in all the Union, a state where law is held sacred, enforced without favor, or repealed when found wrong. All the police power in the nation could not bring this to pass in Oregon alone unless supported by popular approval. Our government will stand only so long as justice is administered through the laws and courts. I call upon the bench and bar of this state to reform the practice in the courts so that the punishment of the guilty will be prompt and commensurate with the crime.

When the anarchist appears in the so-called lower stratum of society, we may depend upon it that he also has made his appearance into the so-called upper stratum. This country has more to fear from the law violator in the marble office than from the ragged leader of the mob in the street. It is often the idle rich, sometimes the professional idler, who is chiefly responsible for the "I don't care" attitude of today.

Friends, as we love America, we must care! Our own homes, our own government, depend upon the thought and care that we exercise for the preservation and their continuance. It is still true that "Eternal vigilance is the price of liberty."

I am exceedingly anxious to work in harmony with this legislature. I do not want to infringe in any way upon any of the prerogatives of the legislative branch of our state government. I guarantee to you that every department of state is open to your inspection. We will be glad to appear before any of your committees at any time for a full and complete accounting of any transaction or circumstance in the conduct of state affairs upon which you may desire information.

It is your function to prepare and to pass bills. I wish to help you in every possible way. I tender you my full cooperation at all times.

Our state is rapidly growing in wealth and population. We must not handicap or retard its progress. Neither must we allow the confiscation of valuable property in this state for the benefit of the selfish few who would

avoid their reasonable part of the burdens of society. It is the duty of law to equalize the burdens as far as possible, compelling the selfish to assume the obligations which they should bear as a matter of right.

Oregon is one of the most favored spots on all this earth. We have the climate, the soil, the water, the natural gifts of nature. We have inherited the experience of the ages. We can create here the most perfect civilization the world has ever known, where the rewards of human toil are more equitably distributed, and the burdens of society are more equally borne than elsewhere.

Our forests must be preserved that they may bring labor and wealth to future generations. The might of our streams should heat and light the homes and turn the wheels of industry. In Oregon should be established the final temple of civilization. May our deliberations and work here contribute some small measure of progress toward that great end.

Walter M. Pierce

Governor's Special Messages, 1925

Source: State of Oregon Secretary of State Special Messages and Vetoes By Walter M. Pierce Governor To the Thirty-Third Legislative Assembly January 12 to February 26

SPECIAL MESSAGE

January 29, 1925.

Members of the Legislature:

There are several matters of vital importance that I wish to bring to your attention at this time; the first of them that of an urgent emergency faced at this moment by our agricultural interests.

Now that the extent has been measured of the sudden and unprecedented freeze that swept over our newly-planted wheat fields throughout Oregon a month ago, it is ascertained that more than 500,000 acres of winter wheat were utterly ruined. This prodigious misfortune fell upon every county and nearly every field where winter wheat is grown. Added to this unforeseen calamity to our producers was the fact that for several years prior thereto farmers have grown their wheat at a loss. Thus, many of them have their lands and personal property mortgaged for the maximum sum they are able to secure from the small banks in the country, which banks are not able to advance the funds needed to replace that destroyed by the elements. Banking rules and laws appear to make it impossible for the larger central banks to meet this emergency.

It is my judgment that prompt and effective measures by the state are mandatory in meeting this grave emergency. This, I believe, can be accomplished by the enactment of a law by your assembly extending the credit of the state for the purpose of buying seed wheat.

The necessary sums are available from the sinking funds accumulating for retirement of bonds of the World War Veterans' State Aid Act. I therefore recommend that you give to the Board of Control authority to invest not to exceed \$1,500,000 for reseeding purposes, all loans to be secured by first chattel mortgage on the wheat grown out of the loan proceeds and payable, with interest at six percent per annum, not later than January 1, 1926. Loans to be made and collected under rules and regulations promulgated by the State Board of Control and refund to be made to the sinking fund within two years from the date of the law. The cost to the state and losses through this necessary operation will be negligible, while the benefits to our state and to its producers will be inestimable.

The second matter that I wish to present is one upon which I made reference in my message delivered to you upon the occasion of the opening session of this Thirty-Third Legislative Assembly, when I said: "The Public Service Commission should be reconstructed. It would be far better to abolish the commission than to let it continue in its present form. I trust that no appropriation will be made for such continuance."

By no way of amplification of that statement I wish frankly to state my firm belief that the commission should be appointed by the governor and removable at his pleasure, in order definitely to fix full responsibility for its proper functioning in the public interest, and that furthermore it should be supported by a tax on gross earnings of public utilities rather than by a direct charge to the taxpayers of the state amounting to \$130,000 each biennium, the present cost of the commission.

The Public Service Commission at present is elective. The names of candidates invariably appear for down on the ballot. Voters do not always have the time and facilities for learning the record and capacity of the multitude of candidates, or to ascertain what candidates may be subservient creatures of special interests that sponsor their candidacies. As to the recall of those found faithless to the public trust, and which the people felt impelled to invoke upon members of this commission two years ago, such method has failed to correct the particular shortcomings of Public Service Commission administration to which I bring attention.

In this connection I wish to say that the Public Service Commission has often appeared to me as being the servant of the public utilities rather than of the public. In fixing the rates of the Pacific Telephone and Telegraph Company, for example, the commission has allowed an excessive valuation on this property and then made the rates high enough to earn dividends upon such excessive amount after also allowing excessive costs of operation.

This is nothing more than a cost-plus plan.

It has come to my attention that the American Telegraph and Telephone Company of New York owns substantially all of the stock of the Western Electric Company as well as nearly all of the stock of the Pacific Telephone and Telegraph Company. The Pacific coast offspring of this giant monopoly is obliged to pay four and one-half percent of its gross earnings to the parent company under the guise of "administrative supervision." The Pacific Telephone and Telegraph Company, furthermore, is required by its New York parent to purchase all of its equipment apparatus from another child of the great parent corporation, the Western Electric Company, and at prices in excess of the ordinary market value thereof. Upon such multiplication and pyramiding of costs, the valuations and rates are fixed.

Our Public Service Commission as now constitute, seems utterly helpless in considering the point of view and legitimate interests of the public. The truth of this is emphasized by the decision some months ago in the streetcar fare case at Portland. The Portland Electric Power Company had entered into a contract that was supposed to be binding and through which the company, then known as the Portland Railway, Light and Power Company, agreed to carry passengers for a fare of five cents. In time, the automobile came into common use which reduced revenues from streetcar operations. The five-cent rate agreement was promptly scrapped as an alternative to accepting losses in the manner of ordinary investment, and the fare was increased to six cents by the Public Service Commission and shortly afterwards to eight cents, to overcome reductions in previous revenues.

I invite your attention to the record of our Public Service Commission for some years past which reveals a policy of constant and unremitting increases—increases in telephone rates, in lighting rates, in power rates, in railway rates—in short, in every sort of rates which the public is compelled to pay for service. Not in a single case before the commission in 1924 was there a rate reduction of any kind made in the interest of the public. For such reasons as these I do not favor the continuance of a regulatory body at public expense when its service is to the public utilities rather than to the public.

I wish, finally, in this connection, to add the recommendation that as an additional step towards remedying the conditions I have brought to your attention, you enact a law declaring all telegraph and telephone companies to be common carriers.

I wish again to emphasize my earnest belief that the people of Oregon expect and have a right to expect this legislature to pass laws that will bring about a more equitable distribution of the tax burden.

The people of Oregon expect and have a right to expect that the highway fund will be supplied with sufficient sums to complete the main highway program at an early date.

The people of Oregon expect and have a right to expect that this legislature will pass necessary laws that will enable districts to organize municipalities for the development of hydro-electric power, so that Oregon may offer to her people and industries electric energy at cost. Nothing can be done that will advance the interests of our state so rapidly as cheap electric power.

The people of Oregon expect and have a right to expect that this legislature will enact legislation which will start in real earnest the reforestation of our cut-over and burned-over lands. We have 22,000,000 acres of land in Oregon, suitable only for the growing of timber. The reforestation should be by the state in the interests of all the people, and not for the benefit of a limited class. Trees started now will be ready for the woodman's axe in half a century. When future generations view the Pacific Coast, may they see not hills denuded of trees, but rather gaze upon growing forests which will enrich and make prosperous a contented and happy people.

SPECIAL MESSAGE

February 16, 1925.

To the Members of the Legislature:

As the governor I deem it my duty at this time to call your attention to matters of grave import to the welfare of our state which demand your earnest consideration during the few remaining days of this Thirty-third Legislative Assembly.

If all departments of our state government are to function properly, more revenue must be provided. This condition is brought about by the repeal of the income tax.

Battleship Oregon Secretary of State

The one-quarter mill road tax and the continuing appropriation for the Battleship Oregon should be repealed without delay. Irreparable injury will be done this great state if you fail to pass a law making it possible to collect the balance due on income taxes for 1923, chiefly owing from about seventeen hundred individuals and corporations, and amounting to approximately \$1,00,000. With all these things accomplished, it still will be found necessary to provide an additional sum of at least \$500,000 for the coming biennium. The ways and means committee have not been able to change materially the totals allowed by the State Budget Commission. In a few instances reductions have been made; in others the committee has found it necessary to increase the amounts recommended.

Unless provision is made for additional revenue, there can be no building program for the insane, for the feeble-minded nor for the normal school.

In my first message to this assembly I asked for \$150,000 for the Oregon State Training School, of which amount \$100,000 was to be used to complete the buildings at Woodburn, and \$50,000 for remodeling the buildings on the present site into a reformatory. I still believe that this is the best policy to pursue. However, if you find it impossible to make such appropriations, may I then suggest that you appropriate \$25,000 additional to maintain a reform school for the larger and incorrigible boys at the present site of the training school, and make no addition to the amount now available for the buildings at Woodburn. However, this will delay for two years the establishment of a reformatory, which is so badly needed. The governor should be given the power to transfer to the reform school the younger men at the penitentiary when it is possible to effect reformation.

Gross Earnings Tax

In my first message a number of sources were suggested from which the state could obtain additional revenue. Your attention is again called to the fact that the state of Iowa is collecting \$700,000 annually from a tax on cigarettes. Other states are collecting on moving pictures. Many states are collecting occupational taxes. Minnesota, California, and other states are collecting a percentage of gross earnings of public utilities for the support of their state government. A large number of state are collecting taxes upon natural resources, such as oil, coal and timber, when removed from nature's storehouse. A number of states are collecting much higher corporation fees than Oregon. The state of California is collecting 2.6 percent on gross premiums of all insurance. Oregon is collecting 2.25 percent. If the state of Oregon collected from insurance companies at the same rate that is now being collected in California, this would bring about \$200,000 additional to the state treasury during the biennium after the law became operative. We are all proud of the insurance companies organized in Oregon, but there is no reason why they should be exempt from paying taxes. The repeal of this exemption for Oregon companies would add a considerable sum to state revenue.

Ten percent of the revenue collected by the self-sustaining commissions, if paid into the state treasury, would add \$200,000 to the general fund during the coming biennium, which would be only returning to the state treasury a portion of the amount which these activities have cost the state in supervision and in the protection afforded them by the courts and the operation of law.

Public Service Commission

One-eighth of one percent of the gross earnings of public utilities would raise more than \$200,000 in the coming biennium. If you will enact such a law I will gladly sign the bill which you have passed appropriating \$100,000 for the Public Service Commission. In addition to the payment of taxes on their farms and personal property, the wheat raisers of Oregon are also paying a tax upon every ton of wheat for support of state inspection. The fish industry is paying a poundage tax for support of the State Fish Commission. The same just cause exists for taxing public utilities corporations for at least sufficient to pay the expense of maintaining the Public Service Commission. I am still firmly of the opinion that this commission has not always acted in the public interest, and that it should be appointed by the governor and removable at his pleasure. However, I am willing to waive this point if you will so provide the revenue that the cost of maintaining the commission will not continue to be a burden upon property.

Should you fail to provide the necessary revenue for the appropriations made, do not expect me to approve the bills, for I shall be obliged to veto them, deeply as I may regret the necessity of such action. I will not be a party to increasing the tax burden upon the owners of homes and farm property in this state when it is within your power to raise the necessary revenue from sources so easily available.

Deficit Under Present Conditions

Six years ago the legislature appropriated thousands of dollars more than the tax commission was allowed to levy under the six per cent limitation. This deficit was not wiped out until there was available the excess collected from incomes in 1924. Should you make appropriations now and create a deficit, such deficit must continue from year to year until from some indirect source the revenue may be derived, for the reason that the tax commission will be prevented from making a sufficient levy upon property by reason of the six per cent constitutional tax limitation.

It will be serious indeed to curtail the activities of either the agricultural college, the state university, the normal school, or of any of the fairs or expositions within the state.

Prohibition Commissioner

George L. Cleaver has been the State Prohibition Commissioner for almost two years. He has been honest, fearless and impartial in the discharge of his duties. Like any leader of a great cause, he has been severely and unjustly attacked from all sides. His mistakes have been vastly exaggerated. In large measure his good intentions and sterling qualities have been overlooked. However, the enforcement of law is far more important than any individual or party. I have today accepted his resignation as State Prohibition Commissioner, and have appointed William S. Levens, of Baker, Oregon. I ask you to make available for this department one-half of all fines collected for violations of the prohibition law. I know that the prohibition laws are far better enforced today in the state of Oregon than they were two years ago. I know that in a large measure the prohibition department has brought about this condition. It is my earnest desire to make the closing years of my administration notable for law enforcement. The accomplishment of this purpose to any marked degree will be possible only by having sufficient funds. Hearty, earnest cooperation will be given to every sheriff and every district attorney who desires to enforce the law in this state, and I will move unsparingly against officials who are derelict in their duty.

Harmony Desired

It is to be regretted that so much valuable time has been wasted at this session. The reforestation problem has not received the consideration at your hands that it deserves. Hours have been frittered away on minor things, when matters of vital importance should have had your most earnest consideration. Bills looking toward equalization of taxation still slumber in committee. We can retrieve much lost ground by harmoniously working together during the closing days of this session. It is a most unpleasant task to veto a bill, but when I am convinced that a bill is wrong I will use the veto in the future as fearlessly as I have in the past.

You can not afford to return to your constituencies with your task so illy performed as appears at this hour.

In the interest of property owners of this state; in the interest of the coming generation; in the interest of our homes; in the interest of the great prosperity that is knocking at our doors, I plead for cooperation. I plead for legislation for the common good, legislation for economy, for reduction of taxes upon property; I plead for laws that will make available to our people God's wonderful storehouse of electric energy. In these closing days of the Thirty-third Legislative Assembly may each and every one of us rise above party affiliation, above personal animosities, above selfish aims, and all join in the enactment of such laws as will benefit, not only the especially favored ones, but that great body of honest, hardworking, law-abiding citizens of the state of Oregon.

To the Senate and House of Representatives, Thirty-third Legislative Assembly:

It is my pleasure to submit to you a report of a conference of representatives of North Pacific ports, Crescent City, Chetco Cove, Port Orford, Bandon, Coquille, Coos Bay, Umpqua, Siuslaw, Alsea, Yaquina, Tillamook, Nehalem, Grays Harbor and Port Angeles, assembled in Portland, on January 16 and 17, 1925. With this report will be found a suggested memorial to the congress of the United States from the Legislative Assembly of the State of Oregon.

I recommend your immediate adoption of this resolution and its early transmission to congress now assembled in Washington, D. C. It is particularly urgent, as the present congress will adjourn permanently in about six weeks. Early action by congress in making adequate appropriations for starting the work for the improvements of the harbors named is imperative. I am firmly convinced that if the proper showing is made to congress at this time, this great movement for summer, to the very great material advantage of the entire Pacific Northwest.

Respectfully submitted this twenty-first day of January, 1925.

SALARY INCREASES

I have been called upon to approve or disapprove a number of bills increasing the salaries of state officials. I have taken the position that the judiciary is a separate department of our government, and have looked with favor upon reasonable increases of salaries for judicial positions. We should hold in high respect and esteem judges of the circuit court and supreme court, those who study and determine judicial questions from their first inception to the court of last appeal. Judges should be chosen impartially, from among the ablest trained lawyers, without regard to political affiliations. Salaries paid to the judges of circuit and supreme courts should be sufficient to place them above pecuniary want, and above the desire to engage in business or even invest their savings in business ventures. For these reasons I have favored the increases of the salaries of judges. I also favor an increase in the salaries of the district attorneys of the various counties, as I believe that we will have better law enforcement if the legal representative of the state are better paid.

I realize the fact that a good state official at the head of a department deserves a good salary. I believe it is a general principle, however, that salaries for state officials should be increased, not for the benefit of the one who is in office, but for the future incumbent. When a man has made an active campaign to be elected to a certain office, and is elected, he should be satisfied for the full term with the salary provided by law at the time he became a candidate.

VETO OF ARMORY BILLS

Due to the failure of the legislature to provide sufficient revenue, I shall be obliged to veto all armory bills passed at the late session. I can not approve appropriation which exceed available revenue.

March 2, 1925.

I have today approved Senate Bill 26, fixing the salary of the supreme court judges at \$7,500 per annum. I have signed this bill very reluctantly, because I believe at this time the amount should have been fixed at \$6,000 per annum. In my message to the Thirty-third Legislative Assembly, I suggested that an increase in salary was due the supreme court judges from the present salary of \$5,250 per annum. I consider this decidedly too low a salary to pay men eminent enough in the law to be supreme court judges. The alternative is presented tonight of approving this bill or vetoing it. Between the two I have decided to approve the bill. The supreme court is the great mainstay of our civilization. American institutions are maintained through the stability of our courts. Men who sit upon the bench should be freed from business cares and given sufficient salary so that they may give all of their time and ability to the legal work before them. Choosing between the two courses of action open to me I prefer to give them a little more than I think they should have at this time rather than to compel them to work for two years more at a lower salary than I think that should have.

February 26, 1925.

To the Honorable Speaker of the House:

House bill 413 has passed the house and senate, which fixes a rate upon automobile busses of three-quarters of a mill per passenger mile per seat, and one mill per ton mile on carrying capacity of trucks.

Representation has been made persistently to me that these rates are confiscatory. I am extremely anxious to secure all revenue possible for the highway fund. The bill repealing the one-quarter mill road tax, which I have already signed, takes from the road fund \$260,000 annually. This easily can be replaced in the highway fund from this tax on automobile busses and trucks, provided the rates are not so high that it will drive the busses and trucks out of business.

I have always vigorously opposed a certificate of "convenience and necessity." The public roads are for the use of the public, and the granting of an exclusive right or privilege on the public highways always has been and now is contrary to my views of right public policy. I see nothing to change my general viewpoint. However, in view of the fact that the rates fixed on busses and trucks appear so high as provided in house

bill 413, and the justice of these rates can not be definitely determined at present, may I ask you to give very careful consideration to the granting of a certificate of "convenience and necessity," unassignable, limited to two years, and subject to the rules and regulations of the Public Service Commission, in order that those who pay these high taxes may not have unfair competition started against them before the legislature assembles again in 1927.

March 4, 1925.

To the Honorable Speaker of the House:

I am filing without my signature house bill 413 with the secretary of state on the fifth day after its receipt at the executive office, as required by law. This is the first time I have returned a bill without my approval or disapproval.

The Attorney-General of the State of Oregon, I. H. Van Winkle, has rendered an opinion, which I attach, wherein he states that the proposed act is clearly unconstitutional. Other eminent attorneys have also stated that in their opinion the bill would be found unconstitutional. Whether or not a measure is unconstitutional should be determined in the court of last resort. Should I veto the bill, its friends will have no chance to test its constitutionality. That opportunity should be given to those who are favorable to this legislation.

The traffic on our roads, unless controlled and regulated, will bring about the breaking up and destruction of our great highway system. It is claimed that a large percentage of all the damage to our highways results from the impact of the large commercial carriers of the state. If this is true, these carriers should pay a just and reasonable fee for the use of the roads, which, however, should not be confiscatory.

February 19, 1925.

To the Honorable President of the Senate:

I am returning herewith senate bill 34 with my disapproval for the following reasons:

(1) There is no necessity for this bill. The Highway Department has the right under existing law to employ as many traffic officers as it may deem necessary. The Highway Department also has the right to provide the necessary equipment and take care of the expenses.

(2) Senate bill 34, by implication at least, removes the highway department entirely from having any part in the control traffic on our highways. In my message two years ago, and in my message to this Thirty-third Legislative Assembly, I asked that this work all be put under the highway department, where it certainly belongs.

(3) Senate bill 34 makes the Secretary of State the chief enforcing traffic officer of the state. Traffic regulation is essentially a law-enforcing activity. It is purely a police function. The Constitution of the State of Oregon specifically defines the duties of the Secretary of State, which is that of a recording and auditing officer, and manifestly does not contemplate the vesting of executive power in his hands. The policing of our highways is a branch of the executive department.

Section 10, of article V, of the Constitution of the State of Oregon, provides that the governor shall take care that the laws be faithfully executed. This clearly calls in question the constitutionality of this proposed act.

(4) The entire motor department should be put under a separate bureau of the Highway Department, and controlled by the Highway Commissioners. At the present time the Secretary of State collects the license fees and gasoline tax, taking out all expenses, and turning over the balance to the highway fund, without audit or budget. Under senate bill 34 the Secretary of State is authorized to purchase the entire equipment,

employ all clerical help necessary for the traffic department. The bill is extremely broad in granting the right to purchase equipment and pay expenses. No other department of state government has such authority. All of the other departments purchase their equipment through the Board of Control, where proper accounting is made. If senate bill 34 should become a law, there is nothing to prevent the purchase of new cars every few months, at any price the Secretary of State may see fit to pay; no bidding, no competition, no auditing outside of his own department—vesting in a purely auditing office executive functions with unlimited power to pay expenses and purchase equipment. No officer should be granted such power or authority. I can not be a party to the enactment of such law. I am therefore returning senate bill 34 with my veto.

March 2, 1925.

To the Honorable President of the Senate:

I am returning herewith, with my veto, senate bill 55, which attempts to amend section 9836, Oregon Laws.

The principal amendment made is that it requires the approval of four-fifths of the members of the Child Welfare Commission before any act of that commission can pass.

I think it unfair to require four to name an official or determine the policy of that commission.

Senate bill 55 is therefore returned with my disapproval.

March 2, 1925.

To the Honorable President of the Senate:

I herewith return senate bill 65 with my veto for the following reasons: This is a bill which attempts to provide the city of Bend with a right to take water from Tumalo creek, giving in lieu thereof water to be acquired from the Deschutes river which is to be exchanged and delivered through the main canal of the Deschutes county municipal improvement district's project.

All of the water from Tumalo creek has been appropriated for use on the Tumalo project or on lands within the Deschutes county municipal improvement district. The state has expended \$400,000 on the project and the district has expended an additional \$650,000.

The Desert Land Board and the irrigation districts now have control of the project and this bill does not authorize the board to approve the exchange. I am in full sympathy with the attempts of the city of Bend to acquire a pure water supply and will be glad to approve a bill granting the Desert Land Board the right in so far as the state's interests are concerned to approve this transfer. The existing rights of the Tumalo irrigation district can not be legislated, but the city should have the right to secure its supply upon paying proper compensation for the service. February 6, 1925

To the Honorable President of the Senate:

Senate bill 86 is herewith returned with my veto. The following are my reasons for this action:

Twenty-two years ago I first became a member of the Oregon senate. Well do I remember two very disturbing elements at that session which prevented proper consideration of legislative measures. The first was the election of a United States senator by the legislature, and the other was the election of commissioners for the Port of Portland by the legislature. For more than one-third of a century—long before most of the members of this body had entered public life—in nearly every session of the Oregon legislature—the most pernicious and vicious of the disturbing elements which have worked against beneficial legislation has been the influence of the Port of Portland. Influence and votes have been promised and delivered to country members of the legislature in return for their support in the selection of certain of

certain commissioners for the Port of Portland. Rural members of the Oregon legislature, to my certain knowledge, are often reluctant to offend the Portland members for fear that reprisals will be taken upon legislation in which they are deeply interested.

Neither Coos Bay nor Astoria, both having ports and port commissioners, nor any other port in Oregon except Portland, have brought their troubles to the Oregon legislature. Within their own districts all of the other ports have elected their own commissioners.

Honest citizens have often wondered why the Oregon legislature is called upon to decide who shall be the commissioners for the Port of Portland.

The Port of Portland is not a branch of state government; it is a local affair, a subdivision, comparable to an irrigation district, a school district or a city within the state continually asking the legislature for more than thirty years to name its commissioners or directors? Especially when such demand was accompanied by a threat that until complied with other needed legislation would not be passed?

The present law provides that the commissioners shall be residents within the district of the Port of Portland. There are nine commissioners. Three of them should be elected by the legal voters of the district every two years. If, however, the citizens of Portland, for any reason, should deem it unwise to elect their own commissioners, but wish them to be appointed by the state government, it is then clearly an executive and not a legislative function. I can find no sound reason or justification for the passage of such an act as this, which legislates into office men, some of whom have not attended meetings of the Port for many months.

We have three departments of government, and the Oregon Constitution, patterned after the Constitution of the United States, makes these three branches of government—the legislative, the executive and the judicial—separate and distinct, each with its own proper functions to perform. A century and a quarter of national life under such a constitution has proved the wisdom of its authors. To alter it thoughtlessly, or maliciously to tamper with the fundamental principles of government involved in such radical action as this, is to invite chaos in government.

May I remind the members of this august body that a great political party claims it won a signal victory in the last national election by a vigorous campaign against a candidate who sought to make the legislative branch of our national government superior to the judiciary. The same identical principle is involved in the proposed legislation of senate bill 86. It is clearly an usurpation of executive functions by the legislative branch of our state government. As governor, I refuse to be a party to such illegal seizure of executive power.

In 1921 the legislature enacted a law transferring to the governor the appointment of commissioners for the Port of Portland. This law was referred to the voters of the Port district at a special election held on June 7, 1921, and by an overwhelming majority the people of the Port district sustained that law. Senate bill 86 clearly overrides and sets at naught the will of the people as expressed at that election.

I have been criticized for the reason that I appointed five commissioners for the Port of Portland on January 27, 1925, instead of waiting until the terms of the present commissioners had almost expired. Please remember that I did not remove the present commissioners, although such power is vested in me by the Moser act of 1915. I did name five commissioners to take office June 1, 1925, two democrats and three republicans—men of outstanding integrity and ability—and of peculiar fitness for this work.

I appointed four members of this commission in May, 1924, two republicans and two democrats—men eminently qualified for the position. I have done my best to free the Port of Portland of partisan politics. It was my earnest hope and desire that these early appointments would convince all of my sincerity and prevent the bitter partisanship and intrigue which have heretofore existed.

For months the public press of the state has carried bold headlines asserting that the legislature would strip the executive of all the appointive and administrative powers possible. Immediately upon the assembling of

the legislature a systematic and careful canvass was made of its members. Pledges were enacted and made to carry out this program. I have been informed that the original program was to introduce one bill, stripping the executive of all appointive power, and almost enough votes were pledged to enact such a law over the veto of the governor. Realizing fully the dissension and strife that would ensue, and the jeopardy resulting to legislation necessary to the welfare of the people of Oregon, I early announced the appointments of the commissioners. My greatest offense seems to have been in my refusal to recognize one certain faction. For many years this faction has been the dominating figure over every meeting of the legislature. By insidious lobbying, by one method or another, it has controlled various members of each house, coercing legislation and preventing the passage of beneficial laws until this faction had secured its desired legislation. For the promotion of the commercial fish interests of this state, this element has been largely instrumental in securing appropriations from the state treasury, within the last few years, of almost \$1,000,000. For years this same faction has been the dominating influence in matters pertaining to the Port of Portland. This faction, seemingly, does not desire to allow the taxpayers of the Port of Portland to elect their own managers. Has old Oregon reached that point in her career where she must submit to the political and commercial domination of one faction? Will her people longer countenance such vicious influence and supervision?

With pleasure I would sign a bill giving the people of the Portland district the right and privilege of electing their own commissioners. The people of Oregon outside of this district, and their members of the legislature, should not be called upon to name the governors of this local commission, as is attempted in this bill.

I hope that this agitation may bring a movement that will vest in the citizens of the Port of Portland district the right to elect their own commissioners. This commission is now spending more than one million dollars annually, and the many taxpayer in that district should have the power to govern their own affairs and this legislature should be freed from the pernicious effect of this attempt to pervert the proper functioning of the affairs of our state government.

I therefore return senate bill 86 with my veto.

February 25, 1925.

To the Honorable President of the Senate:

I am returning herewith senate bill 198 with my veto. This bill abolishes the office of constable in cities containing more than 100,000 inhabitants. If this bill should become law, it would not take effect until January 1, 1929, four years hence.

There is my opinion that better service will be secured if the district courts are allowed to retain their own officers to serve processes. This office should not be combined with the sheriff's office.

The bill is therefore returned with my disapproval.

February 25, 1925.

To the Honorable President of the Senate:

I am returning herewith senate bill 199 with my disapproval.

This bill attempts to do two things: (1) It provides for the eighth circuit judge in the fourth judicial district. (2) It attempts to appoint William A. Ekwall to fill the place created by the proposed act.

Two years ago I vetoed a bill creating an additional judge in this district. My veto has not yet been acted upon by this Thirty-third Legislative Assembly.

I disapprove the bill for the reason that I do not believe there is any necessity for another judge in the fourth judicial district. I am informed that two years ago there were many more cases awaiting trial in that district than at present, and that the docket is cleaned up in better shape than it has been for years. The law that was enacted two years ago, which gave the chief justice power to send in circuit judges from outside districts to assist in relieving the congestion in the fourth judicial district, has worked admirably. Many practicing attorneys of the Multnomah bar have stated to me that there is no necessity for an additional judge at this time.

I further disapprove the bill because it names the judge in the bill, which is clearly unconstitutional. It is an attempt on the part of the legislature to assume executive power. I believe the entire act is invalidated by the attempt of the legislature to name the judge in the bill. Section 1a of article VII of the Constitution of the State of Oregon provides as follows:

“ The judicial power of the state shall be vested in one supreme court and in such other courts as may from time to time be created. The judges of the supreme and other courts shall be elected by the legal voters of the state or of their respective districts for a term of six years, and shall receive such compensation as may be provided by law, which compensation shall not be diminished during the term for which they are elected.”

Section 16 of article V of the Constitution reads as follows:

“ When, during a recess of the legislature a vacancy shall happen in any office, the appointment of which is vested in the legislature, or when at any time a vacancy shall have occurred in any state office, or in the office of judge of any court, the governor shall fill such vacancy by appointment, which shall expire when a successor shall have been elected and qualified.”

In the case of *Cline & Howsome v. Greenwood & Smith* (10 Oregon Reports, 237), Justice Lord held that:

*** “Under our constitution, the governor is invested with the power to fill vacancies as well to places which have never been occupied as to a place which has been previously occupied. An office is just as vacant which has never been filled as an office vacant by death or resignation. In either case, the office is empty, unoccupied, without an incumbent.”

I am therefore returning senate bill 199 with my veto.

March 4, 1925.

To the Honorable President of the Senate:

I am returning senate bill 207 with my disapproval. This bill appropriates \$2,000 annually out of the general fund of the state of Oregon to assist in experimental and demonstration work within counties east of the Cascade mountains and for crop rotation experimental work within Umatilla county.

This adds one more to the many continuing appropriations upon the statute books, which as a policy of state government, is very objectionable. We now have eight experimental stations in the state of Oregon, three of which are located in the wheat districts where crop rotation should be practiced. It is my judgment that this work should be carried on by one or more of the stations that are already located and amply provided with funds in eastern Oregon.

I am therefore returning senate bill 207 with my veto.

March 3, 1925.

To the Honorable President of the Senate:

I am returning herewith senate bill 257 with my disapproval.

This bill is for the construction of an armory at Cottage Grove, and makes an appropriation of \$30,000 from the general fund of the state treasury.

The appropriations made by the thirty-third legislative assembly exceed by more than \$500,000 the available revenue, making it necessary for me to veto many appropriation bills. This seems to me to be a place where we can at this time curtail state expenditures. The need of an armory I recognize, but I do not regard it of sufficient importance for the creation of a state debt with no immediate prospect of payment.

Senate bill 257 is therefore returned with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 31 with my disapproval.

This bill is for the construction of an armory at Forest Grove, and makes an appropriation of \$30,000 from the general fund of the state treasury. The appropriations made by the Thirty-third Legislative Assembly exceed by more than \$500,000 the available revenue, making it necessary for me to veto many appropriation bills. This seems to me to be a place where we can at this time curtail state expenditures. The need of an armory I recognize, but I do not regard it of sufficient importance for creation of a state debt with no immediate prospect of payment.

House bill 31 is therefore returned with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 74 with me disapproval. This bill is for the construction of an armory at La Grande, and makes an appropriation of \$40,000 from the general fund of the state treasury. The appropriations made by the Thirty-third Legislative Assembly exceed by more than \$500,000 the available revenues, making it necessary for me to veto many appropriation bill. This seems to me to be a place where we can at the time curtail state expenditures. The need of an armory I recognize, but I do not regard it of sufficient importance for the creation of a state debt with no immediate prospect of payment.

House bill 74 is therefore returned with my veto.

February 9, 1925.

To the Honorable Speaker of the House:

House bill 91 is herewith returned with my disapproval.

This amendment to section 5340, Oregon Laws, proposes to remedy a situation arising over the renewal of textbook contracts which will expire in June, 1925. The present law provides that the State Textbook Commission shall adopt one-third of the textbooks at each biennial meeting. As former adoptions were made every six years, it follows that when the contracts expire next June, there will be two-thirds of the textbooks unadopted. The law provided for this in stating (section 5340, O. L.): "All contracts with publishers for books not changed shall remain in force until the readoption, replacement or substitution of said textbooks." This means that a textbook company which has already enjoyed a lucrative contract for six years will have its contract extended for two years. The state of Oregon stands ready to comply with this

provision of the law, but I am informed by the State Superintendent of Public Instruction that "the publishers refuse to recontract at the prices for which their books were contracted for in 1919." Your house bill 91 proposes to remedy this situation by conferring power upon the Board of Education to enter into a renewal contract with the publishers at the "best possible price." Since there is to be no competition, this means that it will be a one-sided bargain, the state being forced to accept the terms of the publishers.

Since the publishers, whose contracts expire in June, 1925, refuse to renew at the same prices, although under the present law such contracts would remain in force under their present terms did the publishers not object, it follows that the state is not bound as the other party to the contract, but is free under such an emergency to consider competitive offerings from other concerns.

Such a contingency appears to be already provided for by section 5346, Oregon Laws, which empowers the chairman of the Textbook Commission, of the governor, to call the Textbook Commission into special session when "for any cause" it becomes necessary to adopt any textbook instead of or in addition to those required, etc.

The state contracts for all of its other supplies under open, competitive bids. It would not consider for a moment the renewal of a flour contract or a meat contract for its institutions at increased prices without competition. Why should it be called upon to renew book contracts at advanced prices and with no remedy other than this proposal to empower the Board of Education—two members being a majority—to make such a contract? Why surrender to the book trust?

Since the publishers themselves refuse to renew at the prices enjoyed by them for the past six years, it seems to me that the state should not deliberately deprive itself of the right to force the book publishers into open competition for contracts. To eliminate the right of the state to act through its Textbook Commission in such a renewal is, in my judgment, a mistaken remedy. It could have but one result—an increase in the cost of textbooks. Textbook legislation should be in the interest of the patrons of our schools, rather than to afford a means of further exploitation of an already overburdened public.

House bill 91 is therefore returned with my veto.

February 9, 1925.

To the Honorable Speaker of the House:

I am returning house bill 111 with my disapproval for the reason that this bill requires inspection of all bovine livestock in Linn county, which includes range beef animals.

I consider this entirely too sweeping and drastic in its provisions. It is my belief that this bill should apply to all dairy bovine livestock as well as all pure bred. There are in Linn county several thousand head of range animals that run on the open range in the Cascade mountains, that are not affected by tuberculosis as are the highly fed purebred animals and the dairy stock.

If tuberculosis is driven out of the purebred cattle and out of the dairy herds of Linn county, there will be practically no tuberculosis left in the county. It is estimated by those who inspect slaughtered animals that not to exceed one in one thousand head of range animals is affected by tuberculosis, being such a low percentage that it is practically negligible.

For the above reasons I veto house bill 111.

February 21, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 152 with my disapproval. Since I have been governor there have come to my office many bills clearly designed to serve special interests and against the interests of the public, but there has been presented no bill as far-reaching in its possible effect, and as detrimental to the general welfare, as house bill 152.

I have been informed that the object of this bill is to secure water during the dry seasons for the locomotives of the Southern Pacific company. After carefully reading the bill I have concluded that it is far-reaching, and, while it may be intended only for the innocent purpose of acquiring water for the locomotives, should it become law it will unsettle the entire water code of the state of Oregon. No vested water right would be safe should this bill become law, because it expressly provides that a railway company shall have the right to condemn and take any water right owned by any person and sever it from the land to which it now belongs by reason of existing law.

Under this bill the railway corporations operating may appropriate water that belongs to any private appropriator and acquire it for their use under the general condemnation laws of the state. After its acquisition the state engineer will be compelled to issue a certificate to the railway corporation, which certificate shall be evidence in courts of rights so acquired.

The bill further provides that all certificates of water rights heretofore issued by the board and now cancelled by reason of failure to pay fees of other cause are revived and restored to the original appropriator. Should this bill become law, the Southern Pacific Company can acquire the water rights on the McKenzie River, the celebrated Crater Lake project, with its more than 300,000 electric horsepower, and pure mountain water which should be used in all the towns from Eugene to Portland, and owned by all the people.

Chapter 4, title 33, Oregon Laws, as amended by chapter 238 of the General Laws of 1923, provides the proceeding for appropriating water. This bill goes further than anything that has been attempted in water legislation in this state, and gives and grants to the railways, for railway operating purposes, the right to acquire by purchase, gift or devise, or by condemnation, any of the water rights owned by any person, and also acquire the rights of all other persons affected by change of place or character of use of such water rights.

The term "railway operating purposes" is so broad that it may mean sufficient to enable a private company to acquire water already owned by the public, an authority which should not be granted.

This bill jeopardizes the interests of all the owners of water rights and water privileges in the state of Oregon. In large measure this bill nullifies the present water code, divesting the people of a natural right which should be vested in them for the public interest. It is class legislation carried to the extreme limit.

Railways can now secure all the water they need for their engines by purchase and they can appropriate water the same as any individual or corporation, and should not be vested with any special rights or privileges.

This bill impairs the obligation of a contract and, and appears to be unconstitutional, as it violates section 5717, Oregon Laws, as amended by chapter 283 of the General Laws of 1923, which provides that the vested water rights of any person shall not be impaired. The severance of the water right from the land is an important feature of this bill. Section 5717 of Oregon Laws, as amended by chapter 283 of the General Laws of 1923, protects the riparian rights of land owners subject to the proper use of the water.

By implication, at least, this bill attempts to repeal section 5717, Oregon Laws, as amended by chapter 283 of the General Laws of 1923, which assumes that the water rights of the state belong to the people.

No emergency exists that calls for such sweeping legislation as this. I am aware of the fact that we must do nothing to retard the electrification of any railway system in the state of Oregon, or the development of any

water power, but it should be done in a regular, legitimate way with the rights of the public and of the present water appropriators fully protected.

I am therefore returning house bill 152 with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 199 with my disapproval.

This bill appropriated \$15,000 from the general fund for the use of the Land Settlement Commission to buy stock, equipment and pay outstanding obligations.

It is necessary at this time to veto appropriations amounting to approximately \$500,000, and I believe this is one place where we can retrench without serious loss.

I recommended that the commission sell one of the three farms they have now, and use the money to improve the remaining two.

I am therefore returning house bill 199 with my veto.

March 1, 1925.

To the Honorable Speaker of the House:

I am returning house bill 232 with my disapproval. This bill amends section 5278, Oregon Laws, as amended by section 10, chapter 283, General Laws of Oregon for 1923. The present law gives to appropriators of water and investors in hydro-electric power plants all the right, power and privileges that it seems to me should be granted, except a few minor changes to make the present law conform exactly to the federal statutes. This proposed measure, house bill 232, goes farther and, by certain provisions and limitations, will, I fear, create a condition detrimental to the interests of the people.

I am therefore returning house bill 232 with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 239 with my disapproval.

This bill increases the salary of the Food and Dairy Commissioner from \$3,000 to \$3,600 per annum. I do not consider that this is the time for increases in salaries when the producers of the state are finding it so difficult to meet their present obligations and expenses. I believe that the next legislature should revise the salaries of all state officials, and that the revisions should be made applicable to future incumbents.

House bill 239 is therefore returned with my veto.

February 27, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 256 with my disapproval, for the following reasons:

We today have a law which compels the male applicant for marriage license to secure a certificate from a practicing physician that he is free contagious or infectious venereal disease. House bill 256 is a step backward. The applicants for the marriage license, being interested parties, are not the proper ones to make the affidavits. It opens the way to easy perjury. The law should be made more drastic and severe instead of being rendered valueless as would be the case if house bill 256 become a law.

The present law is fairly effective. A similar, but more stringent law, has been held constitutional by the supreme court of Wisconsin. In discussing the law the supreme court of Wisconsin in a recent case said:

“ This law is a reasonable limitation of the right to marry, and furthermore it is not an unreasonable classification in applying it only to men and not to women.”

The law does not interfere with religious liberty. No church desires its minister to perform the marriage tie by uniting a man afflicted with a loathsome disease to an innocent women.

I would gladly sign a bill making the present Oregon law more effective, but I refuse to be a party to breaking down and making the present law inoperative, for it has accomplished much good.

I am therefore returning house bill 256 with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 259 with my disapproval.

This bill provides for an increase in salary of the Secretary of State and State Treasurer from \$4,500 to \$5,400 per annum, and increases the salary of the Attorney-General from \$4,000 to \$5,000 per annum.

In view of the condition of the state treasury, salaries should not be increased at this time.

I am firmly of the opinion that changes in salaries, whether increased or decreased, should affect only future incumbents of the office. I believe that the next legislature should revise the salaries paid to state officials, and that the revisions should be made applicable to future incumbents.

House bill 259 is therefore returned with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 274 with my disapproval.

This bill calls for an appropriation of \$6,925 which is not absolutely necessary. This supplementary code would indeed be handy and useful, but at this time when it is necessary to veto so many appropriation bills in order to keep the expenditures within the available revenues, I am convinced that this is one saving that can be made without great inconvenience to any one.

I am therefore returning house bill 274 with my veto.

February 28, 1925.

To the Honorable Speaker of the House:

I am herewith returning house bill 384 with my disapproval.

This bill is intended to prevent the publication, circulation and distribution of election tickets on or prior to election day.

I fail to see the necessity for such a law. The friends of good government, lacking the cohesive their information to their friends except through a ticket published and distributed prior to or on election day. I fail to see any wrong or crime that might be committed by the innocent circulation of tickets endorsing certain candidates by certain groups of people.

I am therefore returning house bill 384 with my veto.

March 4, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 416 with my disapproval.

This bill provides a method of taxation on deforested lands and timber not yet of merchantable size. The act undertakes to separate from the rest of the taxable property in the state all lands not now in timber of merchantable size and chiefly valuable for the purpose of growing such timber, and undertakes to deal with such lands for purposes of taxation in a manner that is different from that provided by law with respect to other assessable property.

Under this proposed act the State Board of Forestry would have the power of valuing the lands for assessment purposes. The State Board of Forestry consists of the Governor, the acting head of the forest school of the Oregon Agricultural College, and five electors of the state of Oregon, to be appointed by the Governor from and upon the authoritative recommendation of the Oregon State Grange the Oregon Forest Fire Association, the West Coast Lumbermen's Association, the United States Forest Service, and the Oregon Wool Growers' Association, each to select and name one of such member, five of whom are appointed by five different private organizations.

Assessing property for the purpose of taxation is one of the most important functions of government. It is intolerable that such powers should be exercised by a board the majority of the members of which are appointed neither by the electorate nor by any governmental agency whatever, but solely by private organizations standing in no responsible relation to the state, and controlled, it may be, by persons who are not even citizens of the state. The appointment of the members of the State Board of Forestry in this fashion is repugnant to the whole spirit of representative government. Its constitutionality should be tested at an early date by the Supreme Court. This bill is built up around this State Board of Forestry, vesting in the board greater power than should be exercised by any commission so constituted.

Another object of the bill seems to be permit owners of land to enter into contracts with the state extending over a period of 60 years. Under the terms of the proposed legislation for two full generations the state would be bound by contract not to change the assessment upon lands so classified.

The payment of one-half of the taxes based on the assessment by the Board of Forestry would be deferred to the end of the term. During the term no other taxes than the property tax so provided may be assessed on any such lands or any timber thereon or on "any profits thereon or upon the business represented by their harvesting." This last provision may be designed to prevent the imposition of any severance tax upon the removal of timber from such lands or any tax upon the income derived from the business of marketing such timber.

Under the present form of our constitution legislation respecting the power of taxation (article IX, section 1) whereby assessment and taxation are required to be "uniform" but are not required to be "equal" there is

eminent judicial authority for the view that the legislature may authorize such a contract between the state and the landowner, and that once such a contract is made it is binding upon the state. It may well be believed that once this bill becomes a law all owners of lands within its purvey will hasten to contract with the state in accordance with its provisions. If such a contract be binding upon the state, an there is in my judgment grave reason to apprehend that it would be, the state would be bound to the owners of these lands for two generations not to change in any respect whatever its policy of taxation adopted in this bill.

On the assessment rolls of Oregon there are approximately 27,000,000 acres of land, of which 12,000,000 acres would be brought under this act if it becomes a law, and would be automatically removed from the taxing power of the state and county. In Clatsop county alone there are only approximately 7,000 acres of land not subject to the effects of this bill. In that county 500,000 acres of timber and deforested lands would be removed from the control of the county by a contract between the landowner and the State Forester.

In my long experience in legislative work in the state of Oregon I never have examined a bill that might be as far reaching and as serious in its consequences as this one. Oregon must perpetuate the lumber manufacturing industry. The state should become the major agency in reforestation. Our reforestation policy should include the acquisition by the state not only of all the cut-over, burnt-over and otherwise deforested lands, but particularly should include the acquisition of all lands which at present have a forest growth of insufficient size to be of commercial value for lumber manufacturing purposes. This, I am authoritatively informed, would include a total of 3,000,000 acres of land which have by nature become reforested and will, if protected from fire, be ready for the lumberman's axe by the time the mature and old-growth timber in the state is exhausted. If a sound policy of reforestation were undertaken by the state of Oregon immediately, we could increase the annual output of manufactured lumber many times its present rate, and maintain such increased rate indefinitely.

I have always believed in a severance tax on timber. The matured tree should yield the money necessary to grow a new crop. Records show that the state of Oregon uses only about 5 percent of the amount of timber cut within the state, 20 percent being exported, and 75 percent being shipped to other states in the Union. A severance tax of \$1 per thousand feet would yield \$5,000,000 annually. With only a part of this annual revenue, a reforestation program could be started in Oregon that would astonish the world in its importance and in its far-reaching results.

After reading and carefully studying this bill I find that I am in no way in sympathy with its provision, and I deeply regret that the legislature sis not pass a bill at this session without the objectionable features that I have pointed out, as I am certain that there is nothing of more importance to the state of Oregon than an unselfish policy of reforestation.

House bill 416 is therefore returned with my veto.

February 28, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 418 with my disapproval.

This bill provides for the creation of an additional inspector for mattresses and pillows in the state of Oregon with all expenses attendant thereon. There seems to be no adequate reason for incurring this expense at the present time, as under the present law proper inspection is being made.

House bill 418 is therefore returned with my veto.

February 21, 1925.

To the Honorable Speaker of the House:

I am herewith returning house bill 419 with my disapproval, for the following reasons:

This bill, introduced by the joint ways and means committee, appropriated \$100,000 for the general and contingent expenses of the Public Service Commission of Oregon. I stated to the ways and means committee that if an act was passed levying fees that would raise approximately \$80,000 biennially from utilities corporations, and make the same payable in to the general fund of the state treasury, I would then sign this bill, waiving my objection to the Public Service Commission as now constituted. It is my belief that his commission should be appointed by the governor and removable at his pleasure.

No bill has been presented to my office making provision for the collection of such fees from the utilities corporations, and, as today is the fifth day since this bill was received at the executive office, I am obliged to veto the bill or approve it, and, as today is the fifth day since this bill was received at the executive office, I am obliged to veto the bill or approve it, and, as I have previously stated, it is impossible for me to approve the bill in its present form. In all courts at law, fees are collected for filings from litigants, which in some small way, at least, takes up the expenses of the litigation.

The wheat raiser, the potato raiser, and the onion raiser pay for the inspection of their crops. In fact, throughout all our departments of state government fees are exacted from those who ask for the protection of the laws of our state. There is no reason why the utilities corporations of the state of Oregon should be exempt from paying for the cost of the Public Service Commission.

I am therefore returning house bill 419 with my veto.

March 2, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 429 with my veto. The bill is too broad in its terms. The Attorney-General considers the bill invalid for the reason that he title sets forth several purposes: To cure defects in titles; to validate and confirm deeds; to provide for recording deeds with in one bill. This bill takes up these various purposes and attempts to deal with all in one act. A statute should not be referred to by title, nor should a section or an act, but should be quoted in full. The word "heretofore" is objectionable because a law is supposed to govern future action unless otherwise specified. Most of the provisions of this act seem to refer to future action. In one place the words are used "which sales shall have been confirmed," and in section 5 the words are used "all deeds heretofore executed in this state." The bill, should it become a law, would tend to unsettle titles and might lead to much litigation.

House bill 429 is therefore returned with my veto.

March 2, 1925.

To the Honorable Speaker of the House:

I am herewith returning house bill 430 with my disapproval.

This bill is too broad in its terms. The Attorney-General has held that the bill is incorrectly drawn, and he considers it invalid for the reason that the title sets forth several purposes: To cure defects in deeds or other instruments; to cure defects in judicial sales of real property; to cure defects in sales of real property by executors, administrators and guardians. All of these subjects should not be dealt with in one bill. This bill takes up these various purposes and attempts to deal with all of them in one act. A statute or an act, but should be quoted in full.

I am therefore returning house bill 430 with my disapproval.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 445 with my disapproval.

This bill increases the salary of the State Engineer from \$3,600 to \$4,600 per annum. The salary is undoubtedly too low for anyone capable of being state engineer. Nevertheless, it is my belief that salaries should not be increased at this time, and if one increase is made I feel that all should be increased.

I am firmly of the opinion that changes in salaries, whether increased or decreased, should affect only future incumbents of office. I believe that the next legislature should revise the salaries paid to state officials, and that the revisions should be made applicable to future incumbents.

House bill 445 is therefore returned with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I hereby veto item in house bill 466 for \$20,000 on page 1 of the act for the payment of capital and outlay of and in connection with the University of Oregon Medical School, and approve the act for \$160,000 for salaries and wages of and in connection with the University of Oregon Medical School, and I also approve the item of \$34,161 for the payment of the general expenses, operating expenses and maintenance expenses of and in connection with the University of Oregon Medical School.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 467 with my disapproval.

This bill appropriates \$22,040 for salaries and wages in connection with the Doernbecher Memorial Hospital in Portland, and \$20,020 for operating expenses in connection with the Doernbecher Memorial Hospital.

This hospital is not yet constructed. I do not believe that money should be appropriated from the general fund for the maintenance and support of a hospital in Portland at the present time.

House bill 467 is therefore returned with my veto.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning house bill 474 with my disapproval of item 3 in the following words:

For the payment of operating expenses, maintenance expenses and capital outlays of and in connection with the office of Oregon State Dairy and Food Commissioner.....\$4,598.00

I hereby approve house bill 474 in item 1:

For the payment of salaries and wages of and in connection with the Oregon State Dairy and Food Commissioner.....\$34,400.00

And in item 2:

For the payment of the general expenses of and in connection with the Oregon State Dairy and Food Commissioner.....\$17,185.00

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 478 with my approval except as to item of \$5,000 on page 2, for the use of the State Board of Horticulture of the State of Oregon during the years 1925 and 1926 in inspecting for the presence of, quarantining against, and combating the alfalfa weevil throughout the state of Oregon, which item I disapprove.

House bill 478 is therefore returned with my approval except as to the item specifically mentioned.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 483.

This is an appropriation bill for the State Normal School at Monmouth.

I approve item 1 for the payment of salaries, general expenses and operating expenses at the Oregon Normal School, Polk county, Oregon \$40,000.

I disapprove and veto item 2, for constructing, furnishing and equipping one new classroom building at the Oregon Normal School, Polk county, Oregon, \$80,000.

I disapprove and veto item 3, for paving and a new sewer system at the Oregon Normal School, at Monmouth, Polk county, Oregon, \$16,000.

House bill 483 is therefore returned with my approval of item 1, and with my disapproval of items 2 and 3.

March 3, 1925.

To the Honorable Speaker of the House:

I hereby approve \$40,000 of the item of \$50,000 appropriated in house bill 491, and disapprove \$10,000 of the item as referred to in section 3 of chapter 296 of the General Laws of Oregon for 1923, wherein it is provided that \$10,000 of the amount hereby appropriated shall be set aside for the payment of bounties in the counties which elect to pay bounties.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 494 with my approval of all items except item on page 2:

For the payment of the salaries and wages, the general expenses and the operating expenses of and in connection with the Oregon State Board of Eugenics.....\$5,000.00

Which item I disapprove.

This meets the approval of the State Board of Health, which board agrees to take from other available funds the amount necessary to so the preliminary work contemplated under this item.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 506 with my approval except as to item on page 3, for the aid of the Oregon Social Hygiene Society in continuing, extending and prosecuting its educational work throughout the state in the cause of social hygiene, \$30,000, which item I disapprove.

The work of this society properly belongs under the State Board of Health. This would affect a material saving in the appropriations from the general fund of our state treasury. Too many boards and too many heads mean increased expenses and burdens upon the general taxpayer.

House bill 506 is therefore returned with my approval except as to the item specifically mentioned.

March 4, 1925.

To the Honorable Speaker of the House:

A part of the penalty we are obliged to pay for the repeal of the Income Tax Law, which would have produced \$2,500,000 each year, is enforced retrenchment at the state hospital and the institution for the feeble-minded. We do need a new industrial building and a new greenhouse at the state hospital. We also need at the institution for the feeble-minded a new auditorium and a new dining room. It is right and proper, too, that the cemetery at Roseburg for the soldiers' home be beautified. However, these institutions can properly function without these improvements.

In returning house bill 508 it is with many regrets that I find it necessary to veto these items. I have approved all the items therein listed except the following:

On page 4, the item for the payment of the maintenance expenses and capital outlays and for the defraying of necessary expenses in maintaining and improving the cemetery in connection with the Oregon state soldiers' home, \$7,700, which item I disapprove and veto.

In the item on page 4 "for the payment of the maintenance expenses, capital outlay, for the installation of a new water system, and for the constructing, equipping and furnishing of a new industrial building at the Oregon state hospital," made up of the following proposed appropriations:

Constructing industrial building \$ 64,559

Furnishing new water system 21,000

Providing new laundry equipment 12,705

New laboratory supplies 5,500

Purchase of farm implements 3,395

Machinery for industrial building 4,040

New greenhouse 4,384

Purchase of horse 1,100

New smokestack 1,350

Maintenance, replacements, betterments, repairs 44,275

TOTAL 162,408

I disapprove and veto the appropriation of \$40,000 for constructing, equipping and furnishing a new auditorium; I disapprove and veto the item of \$25,000 for constructing, equipping and furnishing a new dining room; thereby reducing the total from \$141,450 to \$76,450.

For my authority to subdivide the items in this bill I am attaching hereto opinion of the Attorney-General.

House bill 508 is therefore approved for all items except those hereinbefore specifically mentioned as disapproved and vetoed.

March 3, 1925.

To the Honorable Speaker of the House:

I am returning herewith house bill 517 with my disapproval.

This bill provide for a special election to be held on the second Tuesday in September, 1925.

I do not believe there is any necessity for this election. It requires the expenditure of \$15,000, which should not be appropriated at this time. The election would also cost the counties of the state an additional \$100,000. I regard it entirely unnecessary.

I also thing that he sate fixed in this bill would preclude quite a large percentage of our citizens from exercising their right of franchise.

House bill 517 is therefore returned with my disapproval.

Governor's Message, 1927

Source: MESSAGE Of WALTER M. PIERCE, GOVERNOR To the Thirty-fourth Legislative Assembly 1927

Members of the Legislature:

At the close of my administration as governor of the state of Oregon I wish to express to the people my appreciation for the great honor that has been conferred upon me, and for the wonderful opportunity for public service which I have enjoyed for four years last past. I am retiring in the firm belief that in the main my administration has been most successful, and that the real accomplishments will become more apparent as the years go by.

In fulfillment of my promise made in my first message, I am today returning the commission given me, as clean and as untarnished as I received it four years ago.

The legislature at this time should declare and outline a state policy on the following issues pressing for settlement:

(1) Hydro-electric development

(2) Reforestation

(3) Taxation

(4) Law enforcement

(5) Irrigation

Hydro-electric Development

Water power is one of our very valuable natural resources. It belongs to all the people, and if we should allow this heritage to pass into the hands of special interests future generations would scorn our memory as we do today the men responsible for wasting the school fun of Oregon.

The development of Oregon's water power will bring a new era of prosperity to the state. Literally millions of horsepower are available from the streams coming down the sides of our mountains, fed by the eternal snows. I ask you to enact such legislation as will make it possible for any district or city in the state to organize, acquire power sites, issue bonds, construct hydro-electric plants and sell the power, so that the original investment may be absorbed within a reasonable number of years. This tremendous resource must be developed by the people, for the people, or the state of Oregon must yield first place to our sister state on the north, which has developed such a vast amount of electric power and is now selling it to her citizens at rates so low that it can be used economically even for heating the homes.

Not only should factory wheels be turned with this power, but the homes in both city and country should be heated and lighted. Propose a constitutional amendment that will give the people the right to act through a municipal corporation. If you enact proper legislation at this session, Oregon's prosperity will double and treble, and come to know no bounds. If you yield to the propaganda of the special interests, you will do nothing. The people will be able to judge from your action in this matter whether you desire to legislate for the many or for the few.

REFORESTATION

Oregon is today the leading timber state in the Union. It can remain such, and the output of lumber can be quadrupled, if present existing forests are conserved and proper methods adopted for reforestation. This problem must be approached from the standpoint of the whole state and not from the standpoint of the whole state and not from the standpoint of the vested interests. Even on privately owned land the forest growth should be cut under a selective logging plan similar to that now in use by the United States Forestry Service. An unripe tree should not be cut even on privately owned land. I recognize the right of the individual in privately owned land, but that right is subordinate to the rights of the entire people. If the beautiful mountains of Oregon are denuded of their timber, as they will be in another generation unless some action is taken, the same disastrous consequence will follow here that have resulted in other parts of the world.

Fully 80 percent of the timber in this state belongs to non-resident individuals and corporations, and only a small part of the lumber manufactured in the state is consumed at home.

The State Board of Forestry consists of the governor, the acting head of the forestry school of the Oregon Agricultural College, and five electors of the state of Oregon, appointed by the governor from and upon the authoritative recommendation of the Oregon State Grange, the Oregon Forest Fire Association, the West Coast Lumbermen's Association, the Oregon Wool Grower's Association, and the United States Forest Service. The board therefore consists of seven members, five of whom are appointed by five different private organizations. I recommend that the law creating this board be so amended that the governor may have the free and exclusive right to appoint the members thereof, without the necessity of a recommendation from any organization.

The two forestry bills that will be present at this session practically vest in the State Board of Forestry the power of taxation, a greater power than should be exercised by any commission not directly responsible to the governor or to the people.

Assessing property for the purpose of taxation is one of the most important function of government. It is intolerable that such powers should be exercised by a board, the majority of the members of which are appointed neither by the electorate nor by any governmental agency whatever, but solely by private organizations standing in no responsible relation to the state, and controlled, it may be, by persons who are not even citizens of the state. The manner of appointing the members of this board is repugnant to the whole spirit of representative government. The constitutionality of this law should be tested at an early date.

I recommend that reforestation be done by the state for future generations. Nature has given us the soil, the rain and the sun, the necessary elements to grow the tree. When the tree has reached maturity it is not right nor just that it should be the property of descendants of men who are fortunate enough today to own the land and are powerful enough in political circles to secure legislation that will enable them to grow the tree to maturity practically free from taxes.

I do not believe in a severance tax. In former messages I have recommended such a tax on timber, to be divided into four parts, one-fourth to go to the state, one-fourth to the irreducible school fund, one-fourth to the county in which the timber is cut, and one-fourth for reforestation. Vested interests seems to be so strongly entrenched in this state that it appears utterly impossible to secure the enactment of such a law from an Oregon legislature. By way of compromise I now recommend that a severance tax be imposed and the entire proceeds used for reforestation by the state. We should not allow our beautiful forests to be cut, manufactured into lumber, and sold in eastern states and foreign countries, and not realize enough revenue therefrom to start an active reforestation program.

TAXATION

In my first message I stated that the reduction and redistribution of the tax burden was the paramount question. We have made progress with this vexing problem, but it is still a paramount issue. The enactment of the income tax law in 1923 was a signal triumph for the overburdened taxpayers of the state, and for those who believed that the money necessary for the maintenance of state government, including the millage taxes, should be collected from sources other than a tax on property. The income tax was in effect only ten months, but under its operation the state collected \$2,928,320.65, and the money so collected has been largely responsible for the reduction made in the state tax levy, which in 1922 was \$9,376,289.11, and in 1926 was \$7,200,830.79. There has been a material reduction in the amount annually contributed by each county in the state. I claim and have a right to claim full credit for this reduction, by reason of my championing the income tax, vetoing bills and curtailing the expenditure of state funds. I have never faltered in my demand upon the legislature to enact laws for collecting money for state governmental functions without resorting to a property tax. Ten years ago, for the second time, I returned to the state senate, advocating the principle that visible property should not bear the burden of maintaining state government. Three tax investigating committees have reached the decision that visible property must be relieved of part of the burden. The special tax investigating committee, appointed by the last legislature, went on record unanimously last month as being in favor of this principle. I consider the action of this committee a complete vindication of what I have advocated so long, so earnestly and so faithfully.

There are several states in the Union, California, Pennsylvania, North Carolina and Virginia, the levy no tax on visible property for the maintenance of state government. North Carolina collects almost all state revenue from a tobacco tax and an income tax. Pennsylvania, with a budget of \$64,452,654.00, raises the money from the following sources:

Charter Stock Tax \$ 18,333,086

Corporate loans Tax 6,851,989

Corporation bonus on charters 1,760,393

Gross receipts tax 4,104,414
Insurance premiums tax 4,026,489
Bank stock tax 1,455,704
Mercantile license tax 3,650,222
Anthracite coal tax 6,741,761
Emergency profits tax 2,125,000
Inheritance tax 11,561,367
License fees tax 2,444,274
Miscellaneous 397,955
TOTAL \$63,452,654

Ohio levies only \$2,800,000 on visible property, while Oregon, in 1926, levied nearly three times as much. Yet Ohio has a budget of more than \$50,000,000 and has fifteen times more wealth than Oregon. The same situation prevails in most of the states of the Union. Only three states exact a larger per capita contribution than Oregon from the owners of visible property for the maintenance of state government.

Columns and pages of misinformation have been published in the press of the state during the past two years about the difficulties surrounding the functioning of state government, by reason of the fact that property taxes can not be increased more than 6 percent a year. I have been accused of being largely responsible for this condition. I was president of the State Taxpayers' League that was largely responsible for enacting the 6 percent constitutional limitation amendment. I also have been a member for four years of the State Tax Commission when tax levies have been made. I have made it impossible for the state levy to be increased materially on the small homes and farms of this state. Most of the functions of state government are for the benefit of the corporations and business interests of the state, and even the most profligate of legislatures would have more money than it could spend if these same corporations and business interests paid taxes in proportion to the amount paid by the farmers and the small property owners.

The situation demands that you enact legislation that will force an equalization of the burden. Records on file here in the statehouse show that in 1923 there were 2,260 business concerns on our tax rolls that had a book value of \$254,000,000; they were assessed for \$63,000,000, or 25 percent of the book value. These same 2,260 business concerns had a net income of \$29,283,000, or 11 percent of book value. Just think of it! These 2,260 business concerns made a net profit in one year of 47 percent of their assessment. I am not dreaming, guessing or estimating. These figures have been taken from the sworn statements of these business firms. It is also worth noting that these figures are not from a few firms, but from many, scattered all over the state. In one county, not Multnomah, nine manufacturing concerns had a book value of over \$10,000,000, a net income of \$2,755,000, assessed for \$2,246,690, or 81 percent of their net profits for one year. In another county five corporations had a book value of \$17,560,000, a net profit of \$2,629,000, and were assessed for \$2,754,000.

The federal census for 1925 shows 700,000 acres less cultivated land in Oregon during that year than for the year 1920. The number of abandoned acres will increase with the years unless he who cultivates the land is able to realize a larger portion of the real value of the products he raises, and also be given relief from the excessive amount of taxes he is now obliged to pay. A short time ago my attention was called to a corner lot in one of the prosperous cities of the state. Upon this lot there had been recently erected a beautiful

building, costing many thousands of dollars. The lot was appraised by three shrewd business men. The highest appraisal was \$125,000; the lowest, \$90,000. That lot is assessed for \$16,000. This instance could be multiplied thousands of times. I warn the owners of great wealth, those who control the business interests of this state, and also largely control its politics, that the continuation of this policy is exceedingly dangerous, for loyalty can not be expected among the citizens of this Republic and of this state when a man is obliged to give up his farm for taxes and then behold hundreds of instances just like the one I have cited. Such a condition breeds not patriotism, but bolshevism.

Notwithstanding the repeal of the income tax law in 1925, and the failure of the people to enact the Grange Income Tax Bill in 1926, I still contend that it is the fairest and most equitable method of distributing part of the burdens of state government. I believe it is your duty, at an early hour in this session, to enact into law the principles embodied in the Grange Graduated Income Tax Bill.

A tobacco tax is in force in twenty-two states in the Union. Many more states will enact such a law this year. From this source a million dollars could be raised annually. Two years ago, in the office of the president of the senate, an agreement was entered into between myself, as governor, and representatives of the tobacco bill, which omitted cigars, there would be no referendum called on the bill. I kept my part of the agreement. Because this bill was referred, there is today a deficit instead of a surplus in the state treasury.

Much printer's ink has been wasted on the so-called deficit in the state treasury, and how handicapped this legislature would be in providing for the proper functioning of state institutions. Here are the facts from the books of the state auditor: There has been a deficit at the close of nearly every year for ten years last past. On December 31, 1922, at the time I was inaugurated governor, there was a deficit in the state treasury of \$582,872.85. The same books now show a bookkeeping deficit of \$969,823.71, which will be reduced by the return of the unused balances from the various appropriations. These unused balances will aggregate \$300,000. In other words, the total actual deficit now is not to exceed \$100,000 greater than when I was inaugurated governor four years ago, and this amount was appropriated by the people in November for the Eastern Oregon Tuberculosis Hospital, and is included in the estimates. What a mess of falsehoods have been spread, circulated and hammered into the people of this state as propaganda. We heard nothing about the deficit four years ago, six years ago or eight years ago, but now we hear much about the present deficit because powerful influences in the state desire to put over this misinformation.

Many, many times the statement has been made that all Pacific Coast states should have the same kind of tax laws. Friends of the income tax have been severely criticized for pioneering in this method of raising revenue. The critics can now show their sincerity by assisting in the passage of a law in Oregon similar to the California law taxing corporate excess. Under that law California is collecting over \$6,000,000 annually. Such a law would yield over \$1,000,000 annually in this state. It would hurt no one, reaching only those enjoying excess profits. It would reach firms in Oregon that have a small amount of tangible property and large net profits, often exceeding the assessments.

When I was inaugurated governor the insurance department of the state was collecting for the state treasury \$316,793 in revenue. The amount collected in 1926 was \$695,597. The fees collected from insurance companies very justly can be increased. California collects a larger percentage than we do in Oregon.

At least 1 percent should be levied on premiums of all domestic insurance companies in the state. The law provides that they must be examined at frequent intervals, and this entails considerable expense. There is no reason why the domestic companies should be entirely free from bearing their part of the burdens of government, which have been increased by reason of the operation of these same domestic insurance companies.

The life insurance companies have derived great benefit financially from the work of the state boards of health in the various states by reason of the prolongation of life. It is my belief that a special tax should be levied on these companies sufficient to pay the expense of maintaining the state board of health.

Corporation fees can and should be increased. Especially should a much heavier tax be levied on nonresident corporations.

As a result of my vetoing the appropriation for the Public Service Commission two years ago, the legislature provided for a special tax on public utilities, to raise funds to maintain the Public Service Commission. The fund provided has not been found sufficient. The commission should not be a burden on the general taxpayer. The percentage collected should be increased.

LAW ENFORCEMENT

The fourth great issue demanding solution is law enforcement. The first great cause of crime is lack of responsibility. A large number of our people do not realize and appreciate the wonderful privilege of being American citizens. They simply don't care. The rich and the powerful must be made to see that it is not only their duty, but is necessary for their safety, to help the less fortunate to secure positions where they can earn a competence. Equal opportunity to earn and acquire is necessary above all things. Free institutions will be approaching the end when men and women accumulate in numbers and are not able to secure employment at remunerative wages, and these great fortunes of the rich and the powerful may melt in a night, before the angry, unreasoning mob, demanding bread, just as such fortunes have melted away many times in the centuries past.

Prohibition and the enforcement of the Eighteenth Amendment is here to stay. The bootlegger and the manufacturer of moonshine whisky must be driven from the boundaries of our state. The product sold as whisky is killing and blinding hundreds and disabling and impairing thousands. No man can with safety today drink the moonshine whisky that is being illicitly sold.

There is decidedly a far better degree of law enforcement today in Oregon than there was when I was elected governor. There are counties in the state where there are practically no violations of the law. I have repeatedly said that the success of law enforcement is measured by the degree of cooperation between citizen and official. It is noticeable that the sentiment for law enforcement grows steadily better as the years come and go. I am aware of the fact that there is a studied, carefully planned campaign of propaganda sweeping this country from end to end, poisoning the minds of the people, and endeavoring to create the impression that there is more drinking of alcoholic liquor now than before the passage of the Eighteenth Amendment. This is absolutely untrue and not founded on fact. There is not 5 percent of the liquor consumed in Oregon today that was consumed ten years ago, and the amount is growing less year by year.

IRRIGATION

The fifth leading issue upon which you should declare a state policy is irrigation. The increased population will soon demand every available acre in the state. The trouble with agriculture today is not over-production, but under-consumption. There are many, many thousands of our citizens who are financially unable to buy. The increase of the arable area in Oregon depends upon irrigation. The federal government has at least entered upon the active development of the irrigation projects of Malheur and Owyhee. Undoubtedly, in the near future, provision will be made for the Baker, the North Unit, and many other projects that will require federal aid for proper development.

The state, however, has a problem of its own, brought upon us by the ill-advised constitutional amendment which gave the securities commission authority to guaranteed interest on bonds issued by irrigation districts for a period not exceeding five years. Under the operation of this law the state guaranteed the interest on bonds issued by 15 districts. Like the usual guarantor the state was called upon to pay, and did pay, interest for several of these districts, by issuing general obligation bonds of the state to the amount of \$2,168,260, upon which interest has accrued to the amount of thousands of dollars. The state has certified to the value of twenty-nine irrigation districts, and these districts have issued bonds to the amount of

\$11,871,000. Since the expiration of the state guarantee several of these districts have defaulted in the payment of interest and principal, and chaos now prevails.

Upon this question you should declare a state policy. I recommend (1) that it be declared that the state in no way assumes responsibility for the bonds issued by the irrigation districts; (2) that you propose the repeal of the constitutional amendment guaranteeing interest on these bonds; (3) that the right of the bondholder to all of the property in the districts be freely acknowledged; (4) that you do not provide for a commission or committee to investigate. It simply means delay. There is nothing to investigate. Like the man who loans more money on a piece of property than the property is worth, the bondholder individually and in the aggregate, must accept his part of the loss, which is the difference between the actual value of the land and the amount due under the bond.

By reason of having paid the interest for some of the districts, the state occupies a peculiar position in this matter. There is a reasonable probability that if the case is presented properly, the Supreme Court will find that the state, by reason of its advances, holds a prior lien over the bondholder. At least the state is in position to effect a compromise between the holder of the bond, the settler and the people. The first thing necessary is to put the land to work. That can be done only by securing permanent settlers. Permanent settlers can be secured only by giving them a limited liability; that is, by selling them a specified number of acres for a stated sum of money, free from the general blanket mortgage that now covers every irrigation district. Any attempt on the part of the state to pay delinquent taxes will cost the state all the money so invested, will be of no aid to the settlers and may result in the state's being obliged to assume the entire bond issue.

I have persistently opposed the guaranteeing of interest on irrigation bonds. I lost my seat in the senate six years ago because I dared to fight the corporations who were in favor of it. I faced threat of recall three years ago because as governor I refused to allow further interest to be guaranteed upon other districts. I felt the full power of the opposition in the recent election. I warn you that they have strength political and financial, and if the people fall asleep, as they are apt to do, state bonds will be substituted for the entire amount of the outstanding irrigation bonds, and instead of a loss of nearly \$3,000,000, as at present, the amount may reach \$15,000,000, if the plans prevail that will be presented at this session by the powerful banking group, which holds and owns many of these irrigation bonds. This law has been the cause of many farmers losing their earnings of a lifetime when they were invested in farms within the boundaries of these organized irrigation districts. The state is not obligated to pay or assume, directly or indirectly, these outstanding irrigation district bonds.

HIGHWAYS

The work of the state highway department during the last four years can not be too highly commended. Oregon owes a debt of thanks to the members of the highway commission and the others who have labored so faithfully in that department in carrying out our highway program. So far as I know there were but two men in the state four years ago who believed that the oiling of the macadam roads would be a success. I appointed one of these men highway commissioner. The other, in charge of the eastern Oregon division of the highway work, was given a free hand, and commenced experiments in real earnest to hold the macadam roads in place with oil. These experiments have been crowned with success far beyond the most sanguine expectations, and the oiled macadams of Oregon are today the best roads in the world.

During the past four years the state highway bonded indebtedness has been reduced from \$38,700,000 to \$36,066,750. During the same period the following highway work has been completed:

Pavement.....59 miles
Rock surfacing.....1161 miles
Graded.....1069 miles

Oiled macadam.....575 miles

Bridges over 20-foot span.....100 miles

During the coming four years, if the same plan is carried out, the state highway bonded indebtedness can be reduced to \$28,966,750, and the Roosevelt Highway completed, as well as many roads in the interior.

During the next few years a huge sum of money will be required to retire the highway bonds at they mature, pay interest, maintain the present highway system and building new roads. For these reasons I do not favor reducing the amount of revenue now being derived from automobile license fees and the gasoline tax. I do favor a readjustment of the automobile license fees which will allow a reduction to old and used cares, and, if necessary, raising the license fee on the new and high-priced cars. I also recommend legislation making it possible for the automobile and truck owners to procure a quarter-year license. This would greatly benefit many citizens, especially farmers, who do much of their hauling during the early part and latter part of the year.

STATE MARKET AGENT

The office of state market agent should be retained. The law creating this department should be amended and the powers of the agent increased. This department should also include horticultural products. The state market agent should be a real factor in cooperative marketing.

PENITENTIARY

Four ears ago I asked the legislature to appropriate for the penitentiary the same sum of money that my predecessor had for the preceding biennium, \$420,000, with the provisions that \$100,000 of this fund should constitute a revolving fund, and with this revolving fund I would attempt to put the prisoners to work. We did save this \$100,000 during the first two years and I used the money to start industries. I am now pleased to report that the state prison, which four years ago had 409 inmates, practically all idle, is today a busy workshop. I am turning over to my successor, from the revolving fund entrusted to me, property worth to the state of Oregon more than half a million dollars. This consists of the most complete whipping, retting and scotching flax plant in the United States for making long line fiber and spinners tow, upholstering tow and flaxseed meal. At the present time we have 135 tons of spinners tow that can be sold to the new linen mill now nearing completion in Salem. From this revolving fund there has been constructed a modern up-to-date hydro-electric plant that furnishes power at the penitentiary. This plant represents a saving to the taxpayers of at least \$1,000 per month that he state would be paying if the electric current was purchased from the local power company.

In July the emergency board appropriated \$100,000 of which we have used \$73,770. I recommend that you do not appropriate for the amount provided by the emergency board, for these emergency warrants can all finally be paid by the sale of products that the linen mill in Salem must have. I do recommend that you increase the amount that the governor can borrow for the revolving fund from \$50,000 to \$125,000. This will enable him immediately to take up the outstanding emergency warrants issued to purchase flaw straw last summer. The following statement shows the condition of cashable assets and liabilities of the penitentiary revolving fund, and does not include the physical plant or equipment:

ASSETS

Cash and bills receivable \$ 15,485.41

38 tons long line fiber 19,000.00

25 tons upholstering tow 2,000.00

135 tons spinners tow 27,000.00

51 tons paper stock 2,000.00

161 tons flaxseed 16,000.00

4 tons flaxseed meal 1,000.00

TOTAL \$ 82,485.41

Raw products on hand will yield:

225 tons long line fiber \$ 112,500.00

200 tons spinners tow 52,000.00

209 tons flaxseed 20,900.00

150 tons upholstering tow 12,000.00 197,400.00

\$279,885.41

LIABILITIES

Borrowed by governor (authority
given by act of legislature)..... \$50,000.00

Amount used of Emergency Board
appropriation..... 73,770.00

Interest, estimated.....3,000.000 126,770.00

Actual cash balance when all product are sold
and all debts paid.....\$153,115.41

During the spring and summer months the material on hand can be turned into cash and the proceeds returned to the state treasury to pay back the money borrowed. With the authority to borrow \$125,000 next summer the governor can purchase all of the flax straw raised by the farmers appropriation for the revolving fund. Within four years this fund should grow over one million dollars. The state should continue to pay the inmates a small wage, a minimum of 50 cents per day, a maximum of \$1.25, for work in the flax plant. The waste now consumed in the furnace should be converted into paper pulp.

The shoe and clothing factory should be enlarged, and a new building should be constructed within the prison walls to house these industries. This required no appropriation, as the work can be done with prison labor.

The present penitentiary is a fire-trap. Should a fire break out in the central building, called the chapel, as happened in the Walla Walla penitentiary, there would be no way in which to release the men in the cells. Many lives would be lost. I warn you that this demands immediate attention. Oregon does not need a new penitentiary. An appropriation of \$50,000, for the purchase of cement, steel, and other necessary material,

is all that is required. Under the supervision of the superintendent of industries all this construction work can be performed by prison labor, and all of the wood removed from the penitentiary, thereby making it absolutely fireproof. I earnestly recommend this appropriation.

About a year ago I moved the state lime plant from Gold Hill to the penitentiary. The limerock is being shipped to the penitentiary from Marble Mountain, in Josephine county, and agricultural lime is now being sold to the farmers of the Willamette valley at \$5.50 per ton. The freight rate of \$2.05 per ton on this limerock is outrageously high. I have filed a suit with the Public Service Commission asking for a reduction in rates. Two hearings have been held. It is my hope and belief that the Public Service Commission will reduce these rates at least one-half. This saving should be given to the farmer. Agricultural lime then can be sold at the penitentiary for \$4.00 per ton in bulk or \$4.50 per ton sacked.

Two years ago the legislature appropriated \$33.00 per capita per month to care for the prisoners. I have used \$27.00, and have recommended \$25.00 per capita per month for my successor. It will be found more than ample. Two years from now that appropriation can be still further reduced, and under the proper management four years from today the governor will be able to announce that the penitentiary thenceforth will be self-sustaining and will require no contribution from the taxpayers of the state. However, my experience teaches me that this department is as delicate as a Swiss watch and may be wrecked overnight.

INDUSTRIAL ACCIDENT COMMISSION

I earnestly recommend that you oppose any changes in the industrial accident law. Eighty per cent of the industries of the state are operating under it. A fund of more than \$5,000,000 has been created for the payment of losses and compensation allowed to injured ones and their dependents. It is my belief that the law should be compulsory in all gainful occupations. However, the enemies of the law are too active at this time for any attempt to be made to strengthen it.

The law provides that one-half of the operating expense be contributed by the state to the industrial accident fund. Upon my recommendation this contribution has been suspended for the past four years. I recommend that it be suspended for two years more.

STATE HOSPITAL

An appropriation should be made for the state hospital at Salem to provide for an industrial building. By doing so the cost of that institution can be reduced. An appropriation should also be made for the installation of an electric generator so that the hospital may take the power out of the steam used for heating the building, generating the electric energy for power and light. It would effect a material saving. I also recommend that a nurses' cottage be provided for the state hospital at Salem. This would increase the capacity of the Salem hospital sufficiently to care for the increase in the number of inmates during the coming biennium,

I recommend that no further additions be made to the Eastern Oregon hospital at this time.

SCHOOL FOR THE BLIND

The School for the Blind, in Salem, is one of the best in the United States. Another fireproof building should be provided for housing the girls.

The Employment Institution for the Blind, at Portland, fills an urgent need. I recommend that the activities of that institution be increased so that the blind may learn more trades and thus become self-supporting.

TRAINING SCHOOL

The old training school for boys, near Salem, should be converted into a reformatory, where should be confined the younger and unhardened criminals sent to the penitentiary, and also the older boys who are now being sent to the training school.

To that end I recommend the construction of at least two new building at Woodburn. The cottage plan is undoubtedly the best plan for caring for these boys in the state training school.

TUBERCULOSIS HOSPITAL

Oregon now has one of the finest tuberculosis hospitals in the United States, and, it is most efficiently managed. A new hospital was provided by the people and has been located at The Dalles. Liberal appropriations should be made for these institutions.

INDUSTRIAL SCHOOL FOR GIRLS

The Industrial School for Girls has been under most able management. I earnestly recommend the full amount approved by the budget commission be appropriated for this institution.

INSTITUTION FOR FEEBLE-MINDED

The Institution for Feeble-Minded has been under its present official management for several years. The sterilization law passed at a previous session has been in full operation. When once committed to this institution the patients are not discharged or allowed furloughs until they have been sterilized. In a few years this will result in a marked decrease in the number of those unfortunate sub-normals.

SELF-SUSTAINING COMMISSIONS

From time to time commissions have been created by legislative act and authority given to these commissions to collect fees and licenses and to spend the money so collected. I repeat my former recommendations that all fees collected by these so-called self-sustaining commissions be turned into the general fund of the state treasury, and that the commission be obliged to present their budgets to the ways and means committee and receive from that committee their appropriations for the coming biennium. It is not good business or good government, to allow a commission to collect fees, often aggregating many thousands of dollars, and then vest in that commission authority to spend the fees as it sees fit, without audit of supervision by elected state officials.

NEW STATE OFFICE BUILDING

I recommend that a new state office building be erected in Salem. The necessary money can be borrowed form the funds belonging to the State Industrial Accident Commission. Interest should be paid on the money so borrowed.

The building should be of modern, class A construction, and at least six stories high. One floor each should be given to the state library, the highway commission, the bonus commission, the accident commission and the motor vehicle department. State records are now scattered through many different offices in buildings that are not fireproof. It would be a serious disaster to have the records of any one of these departments destroyed. A fireproof state building is absolutely necessary to injure the safety of state records.

FAIRS AND EXPOSITIONS

I ask you to continue the appropriations for the Pacific International Livestock Exposition, the state fair and the various county and district fairs. The annual visit to these various fairs in the fall is the only bright spot in the isolated, lonely lived of many men and women who are engaged in the production of food and clothing for the world. It is also a source of inspiration to hundreds of boys and girls in the state to have held before

them constantly throughout the year the possibility of earning a free trip to these fairs. I ask you to make these appropriations as they mean so much to so many people in the humble walks of life.

OLD AGE PENSIONS

An old age pension should be adopted by the state. There are today many men and women in the state who have reached their declining years and are unable to support themselves. Their unfortunate plight is due partly to economic conditions and partly to their inability to do the things worth while at which they can earn a livelihood. Many of them, in early life, held prominent places in the business and social world. It would be far more dignified and better for society to provide for pensioning these dependent ones than to have them spend their last days in a poorhouse. This is one of the prices we must pay for living in a complex civilization.

IRREDUCIBLE SCHOOL FUND

I again call attention to the fact, as I did two years ago, that there is a serious impairment in the irreducible school fund. The loss in this fund may reach a total of \$500,000. This resulted from loaning more money than should have been loaned in certain counties in the state, and the organization of irrigation districts, which included lands mortgaged to the school fund.

I recommend that the legislature, by joint memorial to Congress, ask that body to pass legislation now pending so that title to school lands will be confirmed to the state; and that the federal government relinquish its reserve claim for the minerals that may be found in said school lands. It is not right or just for the federal government to give to the school fund of Oregon, as it did, sections 16 and 36 of each township, and then reserve to itself all mineral rights, coming back years afterward and claiming said mineral rights and disturbing titles long standing in private individuals.

WORLD WAR VETERANS' STATE AID COMMISSION

It is probable that many loans made by the World War Veterans' State Aid Commission will be found to be over-loans. A number have already abandoned their farms and homes and have turned their property over to the state. The total loaned to date is about \$21,000,000, and when all applications are acted on this amount will probably reach \$30,000,000. The impairment in this fund may amount to 10 percent, of \$3,000,000. The loaning percentage of 75 percent of the appraised value is decidedly too high, and it is certain that this will result in serious losses to the state.

On account of the cash bonus paid, there is a deficit in this fund of \$1,499,088. The state is collecting one-half mill on all assessed property in Oregon for this fund. It will require three years collection to take up the present deficit. It is my judgment that \$500,000 must be contributed yearly from the general fund to the World War Veterans' Aid Commission for eight years in order to take up the deficit now existing and the further losses that will surely accrue in the future.

PUBLIC SERVICE COMMISSION

By reason of various court decision I know full well that the Public Service Commission is severely limited in its power to grant relief to the people from excessive charges and terms exacted by public utilities. However seriously handicapped the commission may be, it is nevertheless my belief that it should either show a disposition to help curb and correct the arbitrary practices of the Pacific Telephone & Telegraph Company and other utilities or the commission should be abolished.

Arbitrarily and unreasonably, with all the power of an autocrat, the telephone company compels its patrons to pay for the use of the telephone before it is installed; rates are collected in advance; the patron's money is used without interest. Our Public Service Commission has not made any effort to redress these wrongs, but sits idly by, condones, and at least tacitly, approves such practices. There is no justice, equity or right in

allowing the local telephone company to pay four and one-half percent of its gross earnings to the American Telephone & Telegraph Company, under the guise of "supervision," and then compel the local companies to buy all of their costly equipment and supplies at an unknown profit from the Western Electric Company. The Public Service Commission of this state has failed to regulate except in the interests of the utilities and against the people.

I know the excuse is made that the courts would set aside the decisions of the commission, but it would be a relief to have the Public Service Commission evidence a desire to try to help. I called the attention of the legislature to this matter two years ago.

I now recommend that you appropriate sufficient money to enable the governor to conduct a hearing before the Public Service Commission and in the courts, giving authority to summon witnesses, employ experts and engineers, and compel the production of books and records, that a full and complete hearing may be had on the doings of the telephone companies in the state of Oregon.

To the end that responsibility may be fixed, I recommend that the elective Public Service Commission be abolished, and that the members of the commission be appointed by the governor.

Particularly interested in this telephone matter must be the large delegation from Multnomah county in this legislature, for in the city of Portland the franchise of the Pacific Telephone & Telegraph Company expires in a short time, and the city council of Portland should have the assistance of this legislative body, so that the new franchise granted by Portland to the telephone company will properly and adequately protect the people from excessive rates and arbitrary practices. The city council of Portland can refuse to grant the franchise unless the "supervision" charge of the American Telephone & Telegraph Company is omitted. This is a matter affecting the pocketbooks of many people, and should you fail to act the people will have the right to believe that you have forgotten your duty and the interests of the common man in your desire to serve the special interests.

Some years ago many of the public utilities and corporations which depended largely for their existence upon the good will of the people, began selling their shares of stock, using "high-power" salesmen and effecting their sales chiefly among the most influential citizens of the community. One hundred dollars in stock, paying 7 percent interest, often influences several votes on election day when the utilities desire to nominate or elect a friend on an important commission or to a high office. In this distribution of stock it is noticeable that the control never passes from the hands of a select few, and the wider the distribution of stock the easier the control. If the American people can be duped by this scattering of stock throughout the country, then the administration of government by the utilities and for the utilities will be perfected.

CONSOLIDATION OF STATE ACTIVITIES

It seems to be utterly impossible to bring about consolidation of state commission in Oregon. I now recommend that you make a state by consolidating all agricultural activities under one head. This will demonstrate the effectiveness and the economy of such a system.

STREAM POLLUTION

Whole hearted support and assistance should be given to our state board of health and to other agencies and organizations that are devouring their efforts toward the prevention of stream pollution. This is vital to the health of every community.

OREGON NATIONAL GUARD

All Oregon should be proud of our National Guard. The Oregon National Guard is the finest in the United States. The federal government expends more than a million dollars a year in Oregon to help train and equip these men. We are not a war-loving nation; we do not believe in militarism, but simple precaution dictates

that we at all times be prepared to defend our country and our institutions of government, whether it be from foes within or from the enemy without.

EDUCATIONAL INSTITUTIONS

We should never forget that the most important business in the state of Oregon is the training and education of our children. Soon we older men and women must pass from the stage of action. Those who take our places should have all the training that school, church and home can provide. The perpetuity of American institutions and of civilization itself depends largely upon our schools. Free institutions of government rest entirely upon the intelligence of the masses. The centuries that have rolled by bear testimony to the immutable law that education is the one great bulwark of democracy; that mankind has progressed in proportion to the degree that education has been disseminated among the people; that civilization has stagnated and gone backward when the least among the citizenry have been denied the right to knowledge.

Next to the homes of the nation, public schools exert the greatest influences on the character of our citizenship. They are the foundation upon which our intellectual development is built; they aid in rounding out the physical well-being of the youth of the land; they call out the best that is in the minds of the young and direct it into the proper channels. In brief, they determine in large measure the mental and moral character of our citizenship. From the public schools of our country have come our leaders, our great men, those who have left footprints on the sands of time. Our public schools have been our salvation in the past. They are the star of hope for the future.

OREGON AGRICULTURAL COLLEGE

The Oregon Agricultural College stands at the head of land grant colleges in the United States. For twenty years no educational institution has had more able management. The entire state has been benefited and vastly improved through its activities.

UNIVERSITY OF OREGON

Our state university at Eugene is one of the great educational institutions of America, made so largely by the leadership of its late president. Under new management its power and influence should continue.

NORMAL SCHOOLS

Our normal school at Monmouth has 1,000 students. This is a very fine institution for the training of grade teachers. In order to provide needed buildings and equipment, more money must be given for this institution than is collected by the millage tax. I recommend the full appropriation that was approved by the budget commission.

The new normal school at Ashland has exceeded the anticipation of its friends, and new buildings and equipment are necessary.

The new normal school located at La Grande should have an appropriation of at least \$175,000 for the construction of the necessary buildings. These normal schools are necessary to train properly the teachers who work so faithfully in the grades with the thousands of future citizens of our country.

STATE LIBRARY

The importance and value of the state library is equaled only by the common grade schools. It is reaching, helping, assisting and inspiring thousands of people in home and communities isolated and distant from the educational centers of the state. I recommend the full appropriation approved by the budget commission for this deserving and valuable state activity.

WOMEN IN PUBLIC LIFE

Since women have been given the privilege of voting, and have taken their places in various vocations in the business world, I have watched with deep interest the ability displayed by those who have been placed in charge of important functions of government. I wish to testify that my observations are that they have made good, and I know of no position in the affairs of state government that a woman cannot fill credibly, provided she has the proper training and peculiar qualifications for the work. There are several outstanding examples that may be seen calmly and impartially appraising the work performed by women of Oregon, i. e., secretary of the state fair board, district judge, superintendent of the girls' training school, regents of the university and agricultural college, and state librarian. No quixotic spirit of gallantry is needed to commend them for their loyal service to the state. Simple justice dictates that we accord to them our sincere appreciation and thanks for their loyal, unfaltering devotion to duty; for their ever present sense of responsibility, and for the able, efficient manner in which they have acquitted themselves in managing the various departments of state.

For four years my official act has been controlled by my earnest desire to do that which was best for all the people. Fear of opponent, friendship, or hope of reward have in no way swayed me or affected my decisions. Bitter and unjust criticism has been the cause of much worry and many headaches, but has in no way affected my official course. I faced threat of recall because I would not bow to a powerful group that demanded certain action from me. I know at the time that their full power and strength would be used to prevent my reelection. I felt their effectiveness in the campaign just closed. In my inner consciousness I know I was right, and I held for the verdict of the future.

I believe that in the years to come my administration will be given credit—

- For arousing interest in hydro-electric development;
- For an earnest effort to bring about a state reforestation program;
- For beginning the movement to collect the money necessary for state activities from sources other than a tax on visible property;
- For arousing the people to the necessity for more equitable assessment laws;
- For creating public sentiment for law enforcement, including prohibition;
- For changing the policy in regard to guaranteeing interest on irrigation bonds and the use of state credit;
- For initiating a program that will eventually make the penitentiary self-supporting;
- For changing the highway program from a bonding policy to a "pay-as-you-go" plan;
- For changing road construction from "black-top" to oiled macadams, and
- For an active, earnest interest in all matters pertaining to education.

I am laying down my work as governor of this state with ill will towards none, with friendship for all. I again reaffirm my faith in American institutions. I am grateful for the opportunity to live in this wondrous age of human activity, in a country of which we are all a part and parcel, reaching from ocean to shining ocean, using one language, of practically one religion, with free public schools and libraries everywhere, without tariff walls at state boundaries, and with modern means for the transportation of freight and intelligence that are the marvel of all the centuries.

I extend to my successor the kindest of greetings. It is my sincere hope that his administration may be as successful as I believe the future historian will proclaim mine to have been. Let me close my message to you, and the final moment of my term as governor of Oregon, with these thoughts:

I hold that no man alone succeeds,
Whose life is crowned by noble deeds,
Who cares not for the world's applause,
But scorns custom's outgrown laws;
Who feels not dwarfed by nature's show,
But deep within himself doth know
That conscious man is greater far
Than ocean, land or distant star;
Who does not count his wealth by gold,
His worth by office he may hold,
But feels himself, as man alone,
As good as king upon a throne;
Who battling 'gainst each seeming wrong,
Can meet disaster with a song,
Feel sure of victory in defeat,
And rise refreshed the foe to meet,
Who only lives the world to bless,
Can never fail—he is Success!

For access to Walter Pierce's gubernatorial records contact: University of Oregon [Special Collections](#)