

**State of the State**  
**Governor Henry Johnston**  
**January 1929**

**To the Joint Session and Fellow Citizens Assembled:**

Section 3 of Article II of the Constitution of the United States provides that the President:

“Shall from time to time give to the Congress information to the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient \* \* \*”

In recognition of the peerless success of the Federal, constitutional model, most of the States of this Union have adopted a like provision and in practice all follow the example.

In keeping with this honored and approved custom, the Oklahoma Constitution provides in Section 9 of Article VI:

“At every session of the Legislature, and immediately upon its organization, the Governor shall communicate by message, delivered to a joint session of the two Houses, upon the condition of the State; and shall recommend such matters to the Legislature as he shall judge expedient. He shall also transmit a copy to each House of the full report of each State officer and State commission.”

Obedient to this constitutional mandate and gladly embracing the opportunity to perform this public service, I appear before you bringing greetings in the name of the State, and by this Message communicate to you upon the Condition of our State and recommend for your consideration those matters which I judge expedient.

Upon your convocation and in preparation for your entrance into the solemn engagements with which your duties as officers vest you, let us first with adoration and gratitude for the abundant blessings of life invoke the guidance of Almighty God that our procedure may perpetuate to the people of our State the liberty they now enjoy and add to the peace, comfort and security of just and rightful government and operate to promote the welfare and happiness of our people and be a worthy example unto our posterity and reflect credit and honor upon that great nation of which our State is an integral and inseparable part.

**INVESTIGATIONS**

For many months, the public press and conversation have been filled with rumors reflecting on many departments of government.

The public welfare would suffer by permitting these rumors to continue without verification or refutation.

This situation can be clarified only by a careful determination of the facts relating to such rumors. Such a determination has been placed in the hands of the Legislature, presumably composed of men free from attachments and obligations, and able to make a judicial inquiry into all the operations of all the departments of government.

I therefore recommend that the first activity of this session be a complete and thorough inquiry into the operations of all departments.

No charge or even rumor should be ignored. Such inquiry to be effective, should be conducted by committees composed of neither partisans nor enemies of the officers or departments investigated, and should be conducted openly, frankly and fearlessly to the end that any abuses actually existing may be eliminated, any officers guilty of misconduct in office be removed and punished, and all officers and departments found to be correctly and honorably functioning may receive the approval to which they are justly entitled.

The charges themselves are much less important than the uncertainty as to conduct of government created by them. It lies within your hands and your hands alone to eliminate this uncertainty and to secure fairness and justice for both the people of the State and those who have been charged with the administration of our Government.

Permit me to suggest one word of caution. There is a frequent tendency to take advantage of a general investigation in order to serve the personal purposes of malicious individuals, and to cause what should be a judicial inquiry to degenerate into a low type of persecution and muckraking. You should carefully guard your proceedings from this type of abuse, at the same time that you prevent friends of the accused from suppressing evidence or otherwise preventing a thorough-going search for the truth.

### **INITIATIVE AND REFERENDUM**

Among the most precious provisions of the Oklahoma Constitution are the reservations of power which the people have retained in their own hands.

The electorate controls the elections and holds the power to change and amend the Constitution and to enact their laws thereunder.

Those who invoke its provisions are standing on sacred ground. The rights of the people, their confidence in government, the purity of public election, the safety of the state are at issue each time this great fundamental power is invoked.

There is nothing so sacred but some one will pervert it to sordid uses; nothing so hallowed but someone will desecrate it.

In recent years abuses in the exercise of this power, and fraud, crookedness and venality have permeated numerous petitions. Organized forgery factories have operated to manufacture and create numerous counterfeit but apparently genuine signatures. Hired agents would sit for hours writing names and addresses from a telephone directory, reducing the same to an apparent similitude of the genuine. Usually these things have been accomplished on a cash basis; one party would purchase, the other would forge and deliver. The money would pass and the signatures be exchanged for the price.

The greatest patriots on the payroll have been those who turned in the most forgeries, giving same more the appearance of being genuine. Fictitious circulators of petitions were created. Notaries public purported to take verifications from persons whom they did not see and solemnly and brazenly placed the jurat to common falsehood. Notaries made verification for people who did not execute the petition.

In such cases perjury prevailed with as much brazen effrontery as the forgeries it was designed to cloak and serve. It is time to call a halt. I am now addressing the body of men who have the power to apply the remedy.

I call this to your attention that you may enact such remedial legislation as will eliminate the abuses that have grown up around this important function of government.

## **HIGHWAY DEPARTMENT**

The method of financing the improvement of our state highway system, as provided by our present laws, is wrong in principle and has been productive of misunderstanding and needless friction. While it was the best that could be done at the time, perhaps, on account of the necessity for compromise between divergent opinions and opposition to centralized authority, the fact is that it has proved to be wholly inadequate to meet the requirements and will result in postponing the completion of our highway system for twenty or twenty-five years unless radilly amended.

A plan which contemplates that the State contribute funds only to those counties which supply a more or less equivalent amount, must necessarily fail to be satisfactory, for several reasons. It prevents the building of a continuous highway through the state unless and until all the counties along the route are able to and do actually provide their proportion of the expense. It invites the compentition of counties for state aid far in advance of the state's ability to provide funds under the present revenue system. Nothing could result in more dissatisfaction and friction than such a plan of financing.

Furthermore, even in those counties which provide by bond issue or otherwise to meet state and federal aid, there are frequently local controversies which prevent the allocation of funds in accordance with a state-wide policy and result in leaving gaps in routes of state and interstate importance until roads of more local significance are cared for. So long as the counties participate in paying for improvement of the state highways within their jurisdiction, they exercise a just right to participate in determining which of the state highways within their counties should first be given attention, their location and the type of construction.

Typical example of the local handicaps that the state has to contend with in constructing state highways with county aid may be cited in the case of Jefferson county where is was sought to improve U. S. Highway No. 81, traversing the county north and south. Prior to the call for a bond election an agreement was entered into between the county commissioners and the highway commission whereby the state promised a dollar of state funds and a dollar of federal aid for each dollar supplied by the county from the proceeds of the proposed bond issue. The commissioners found later that it would be necessary, if the bonds were to be voted, to announce the exact location of U. S. Highway No. 81. Therefore, a map was prepared with written descriptions of the highways to be improved, and these were circulated freely among the voters. This, of course, was an undertaking to bind, through a local vote, both the state and federal governments as to exact location of the improvement, regardless of engineering problems and economy of construction.

After the bonds were voted, an engineer for the highway department, accompanied by one of the engineers from the U.S. Bureau of Public Roads, made a route inspection on U.S. Highway No. 81 through Jefferson county. It was revealed that the location specified in the bond advertising would cross the line of the Rock Island at grade three times north of Waurika, another railroad within the city of Waurika, at grade, and traverse a creek bottom, crossing at a point where at times the water overflows ten or twelve feet. The federal engineer declined to recommend this route. Another survey was made, however, which located a route that would touch or pass through all the towns named in the bond issue proceedings, would shorten the distance by three or four miles, cross the Rock Island but once, and then with an overpass, would avoid the menace to

human life incident thereto, and result in a saving of at least \$200,000 in construction beside the continual saving in maintenance.

It became evident that, with the federal government refusing to participate in the cost of the route described in the bond proceedings, the entire burden, except for the one-third supplied by the county, will have to be borne by the state if the route determined locally is followed. But the state could participate on a fifty-fifty basis with the federal government in building the highway on the shorter and safer route, give the county back its entire contribution, and save \$100,000 by the transaction. This is but one of many similar examples that might be cited.

Our financing system for completing the improvement of the present 6,281 miles of state highways, with provisions for reasonable additions in future, should eliminate the county aid feature with its participation in allocation of funds and determination of roads first to be improved. For, as a matter of reality, ours is a system of county aid for state highways rather than of state aid to county highways. The cart is before the horse.

State highways are designated by the state, to complete a system for accommodation of intrastate and interstate travel. They should be built by the state, with such help as may be afforded by the federal government on federal highways so designated. County participation, if any, should be gratuitous on these through highways, and in recognition of the local benefits to be derived. Most of the counties will have all they can do, reasonable, to improve and maintain the vast system of connecting roads which approximate ninety per cent of the road mileage in the state.

The present system for financing and building state roads became effective July 1, 1925. As far back as 1915, a law was passed creating a state highway department and providing for a commissioner; but no adequate system for raising funds for road building was included in the program, and the department had nothing to do but to supply advice and engineering assistance to the counties. There was the provision, however, that a system of state highways should be evolved, by requiring such roads to meet at the various county lines. Meanwhile, the federal government authorized the "Federal Aid" plan, by which an amount was apportioned among the various states, contingent upon the state highway department supplying a proportionate amount for each state respectively.

Before the Oklahoma Legislature could pass a resolution accepting the terms of the federal act, a considerable amount had accumulated to the credit of the state, and when this became available, together with some local funds provided, several hundred miles of gravel roads were built under the supervision of the department.

At a special session of the Legislature in 1924 a commission was established, consisting of three members, and a state fund was created for road construction into which was covered 40 per cent of the automobile tax and 1 ¢ of the 2 ¢ cents per gallon tax on gasoline. In 1925 this was revised, so that the state receives 40 per cent of the automobile tax and 2 cents of a 3-cent tax on gasoline. This was the beginning of a state highway fund, which during the first year produced about \$3,000,000 gross.

During the last calendar year, the income from these two sources amounted to, approximately, \$7,350,000. Federal aid allotted was \$1,750,000. This represented a total of \$9,100,000. From this must be deducted \$2,500,000 for maintenance of all state highways; \$900,000 for repairs and reconstruction of gravel roads, bridges, wash-outs, etc.; for equipment, administration, engineering, surveys, etc., \$600,000.00, including all departmental expense. This leaves \$5,100,000.00, in round numbers, for actual

construction purposes. It is an amount wholly inadequate to meet the demands for grading and drainage, bridges, and hard surfacing of the state highways. These demands have reached more than three times this amount and no highway department of any kind or character will ever be able to stretch a net revenue of \$5,100,00.00 into such a sum. This is a problem which the Legislature, alone responsible for the revenues, must solve.

Let us now consider the demands upon the department for funds:

Available records show that from 1910 up to the time that a state highways construction fund was established during the year 1924, when a total of \$25,254,000.00 in bonds for roads and bridges had been voted by the counties and townships of Oklahoma. To the beginning of 1927 there had been added \$4,322,000.00, all in round figures. This latter sum was asking for state and federal aid, and so was another and probably equal amount arising from surplus income in counties benefiting from oil and gas production. It not only absorbed the federal and state funds which were available, but involved commitments on the part of the highway department far in advance of the state's ability immediately to fulfill. These commitments were cumulative and were passed on the present administration, and constituted an obligation of honor which we have assumed. Some of it has been met; the remainder must be.

But the year 1927, which was the first year of my responsibility as Governor of the State, proved to be a peak year for the voting of road bond issues. Piled upon the already outstanding commitments of the department, road bonds were authorized and approved in excess of \$8,000,000.00 by counties and townships, all asking for state and federal aid in the projects involved, at least to an equivalent amount and in many cases more. Augmenting this, a number of counties having a surplus of road funds arising from oil and gas income, petitioned the department for state and federal aid. Such was the difficult problem which met the present highway commission, and it can not be solved except through an act of the Legislature which will provide funds to meet all such demands.

At the beginning of 1927 and my administration, there were road improvement contracts outstanding and uncompleted to the amount of \$7,795,643.97. Commitments official but not contractual were of record which involved the expenditure of millions more. All these constituted an obligation of the state which could not in honor be evaded or modified. There were about \$2,000,000.00 in the treasury to the credit of the department. In the face of this, \$8,051,000 in local bonds were voted during the year with a view to having the amount matched, in equal or greater proportion, by the state; while counties which had previously voted bonds or provided by other means considerable sums for road construction were still knocking at the door for state aid. Manifestly, the state cannot spend more money than it has.

Augmenting the load for 1927, nearly twenty per cent was added to the state highway mileage; increasing the system from 5,187 miles on January 1, 1927, to 6,254 miles on January 1, 1928. This meant an additional twenty per cent in maintenance cost, to come out of the revenues for that year, and each year following. During 1928 another 27 miles were added to the system, bringing the present mileage requiring maintenance up to 6,281 miles.

On January 1, 1925, according to the department report of that date, the state highway mileage under maintenance of the department totaled 3,300 miles. It has been doubled in four years.

During the past two years the department has completed the contracts outstanding on January 1, 1927, in the amount of the \$7,795,643.97, in addition to which it has awarded contracts totaling in amount \$13,670,334.43, all for construction work. During the two years the construction has amounted to 280 miles of concrete, 116 miles of asphalt, 140 miles of gravel, 4 miles of brick, one-half mile of macadam, over 1,200 miles of grading and drainage which includes culvers, and also seventy-five bridges. This is approximately forty-five per cent increase over the actual construction of any previous biennium.

Under the system of county aid and local participation in financing as well as in locating and determining type of the improvement, these contracts have been scattered widely throughout the state and it has been impossible for the departments to give proper regard to continuity or to major traffic requirements.

In 1927, for instance, the contracts awarded were distributed in 46 counties. Such a system, while it will eventually complete the state highways, is expensive because of scattered contracts, and is altogether undesirable in the matter of serving traffic.

The plain truth is this: The people along the entire state highway system are equally interested in surfacing the portion which traverses their respective communities; they all want their section completed first; they are willing to and frequently do provide their local share of the cost far in advance of the state's ability to provide its funds to match; and, very naturally, they consider their particular fraction of the state road mileage as important as any other section of the system. With the state handicapped by limited funds, so that only a relatively small proportion of the system can be improved each year, it is reasonable to assume that dissatisfaction will be developed. Nothing is blameable except the system of financing provided by our state laws. I am asking you, as the law-making body, to supply the remedy.

No state has succeeded in building a connected system of state highways under a plan of co-operating with smaller units. It has been necessary to centralize and fix the responsibility, the funds, and the execution of the work. Yet, the proponents and advocates of the state system of highways in Oklahoma have had from the first to suffer the determined opposition of numerous local authorities, who have insisted upon a system of county roads rather than state highways. Every step which the state has taken toward a unified system under central direction has met stubborn opposition, as everyone who has followed the development of road sentiment in this state knows. The existing patchwork plan, applied to improving state highways, is a result of this early and sustained fight on the part of many local authorities against surrendering any of their power even over roads that have been set aside for improvement by the state as best serving the people for inter-county and interstate traffic.

I know of no other way to remove the state system from the delays and annoyances that now encumber its progress than to sever the link now binding us to an archaic scheme that was outlawed with the coming of the automobile.

It has been quite unfortunate that in the enthusiasm for building good roads, and in the anxiety to accomplish the end more rapidly than the means permitted, pledges were entered into and commitments made which involve the state far beyond its financial provisions for the purpose. This practice seems to have originated with the establishment of the state highway fund under the 1924 law, while the returns from that law and the

subsequent 1925 amendments were still uncertain. Once begun, it could not be discontinued without a show of favoritism.

The sum of these commitments in advance of revenues, still outstanding as an obligation of honor upon the state, is sufficient to absorb all the available funds of the department for several years to come, under the present system of financing.

It is not too much to say that with the present income of the highway commission it will require ten or twelve years to complete the agreements existing between the highway department and the various counties; and even then there would be no connected state system of highways, because of the scattered localities which these agreements affect.

For the purpose of elucidation let us examine a few instances in point:

Early in 1925 Grady county provided \$450,000.00 by bond issue to be used in road construction. An agreement was made by the county with the then highway commission by which eighty miles of state highways within the county were to be improved as follows: The county would contribute \$5,000.00 a mile, and the state would supply the remainder necessary to pave the eighty miles with a concrete slab. The cost of grading and drainage would approximately absorb the amount the county agreed to pay. There was left for the state an amount equal to the cost of bridges and of the concrete slab; so that while the county contributed \$400,000.00, the state was obligated to an amount of some \$2,250,000.00. Less than one-third of this work has been completed, the county bond money has been exhausted, and the balance of the full eighty miles will have to be done entirely by the state.

Stephens county, in 1924, voted \$800,000.00 for hard surfaced roads. In April, 1926, an agreement was made with the highway commission whereby it was agreed that the county funds would be matched dollar for dollar in the grading, bridging and paving of 95 miles of state highway within the county. Subsequently a purported oral agreement was made whereby the proceeds of bonds voted by three townships should be added to the local contribution, in which event the state would contribute dollar for dollar. In addition, when the local funds were expended, the state would proceed to complete the construction of all state highways in Stephens county, besides matching dollar for dollar. This situation is now that all of the county and township bond money has been exhausted, forty-eight mile of paving has been completed, and there are remaining forty-eight miles of graded road to be paved. This will involve an expenditure of more than \$1,000,000.00 by the State.

In Pontotoc county the agreement made in November, 1925, was to the effect that the state would make up a total of a million dollars, if the county would vote bonds and put up \$425,000.00 of this sum. The entire amount would not grade, bridge and pave more than a third of the state highway mileage within the county, or less than half the 70 miles involved in the agreement. The county has, to date, turned over \$205,000 of the \$425,000 agreed to, as contracts were awarded.

In Pottawatomie county the commission agreed, in June, 1925, to match, 50-50, any funds turned over to the department from the proceeds of a bond issue for building state highways in that county; also, in addition, to provide funds equal to the amount required for their grading and drainage, estimated to be not less than \$350,000.00.

Approximately 30 miles have been paved, and five additional miles graded, leaving a balance of 52 miles unimproved. It is estimated that the uncompleted obligations of the

state, assuming that Pottawatomie county will continue to pay 50 per cent of the cost of the state roads within its jurisdiction will involve more than \$750,000.00.

In Lincoln county the commission agreed, in January, 1927, to hard surface all the state highway mileage in the county, if the county would make available \$900,000.00 from the proceeds of a bond issue. The county subsequently voted the bonds and fulfilled its part of the agreement, turning the money over to the department, and this money is being expended. The state's obligation will call for the expenditure of \$2,400,000.00 of state and federal aid funds.

Nowata county voted its bonds in 1924, and still has uncompleted agreements with the state which will require about \$150,000.00 of state funds.

Washita county arranged an agreement with the commission in November, 1926, and proceeded to vote bonds in the amount of \$800,000.00. Under the terms of this agreement the county is to contribute \$5,000.00 per mile toward the construction of sixteen miles of paved road on U.S. Highway No. 66, which must be met by about \$400,000.00 on the part of the state. Other obligations require \$800,000.00 more from state funds, making a total of \$1,200,000.00 state obligation.

In September, 1926, Canadian county agreed with the commission that \$500,000.00 of a contemplated bond issue of \$1,000,000.00 would be deposited with the State for its share of expense in improving the state highways within that county, totaling fifty-nine miles. The county is keeping its agreement, and work is now in progress; but at least \$1,000,000.00 of state and federal money will be required to finish the work.

In August, 1926, Noble county agreed to put up \$450,000.00 from its bond money, the State to take this and furnish the remainder to build the seventy-seven miles of state road mileage in the county. The county contribution has been exhausted, and while considerable progress has been made in the building of these state roads, their completion with a hard surface as agreed will call for an additional \$900,000.00 on the part of the State.

An agreement with Payne county was made in September, 1926, for building the state highways in that county on a 50-50 basis. The county has advanced some \$250,000.00 more than its agreement calls for, to hasten completion of some of the principal mileage, which the state must pay back; and, assuming that the remainder of this road improvement in the county is to be made on the equal basis agreed to, an additional \$900,000.00 will be required of the state. Payne county, however, will not have bond money available in the amount necessary to meet this \$900,000.00 to complete the system within its boundaries; so that the question will arise there, as it must in most of the other counties where these agreements have been entered into, whether unpaved gaps are to be left in the state highway system because of insufficient local funds to meet a share of the cost, or whether the state shall complete the state highway system, and if so, with what funds.

Caddo county voted \$1,225,000.00 in bonds, and agreed with the commission, in March, 1927, to deposit with the state \$750,000.00 of this sum as its share in the expense of grading, draining, bridging and light graveling of the 220 miles of state highway in that county. This was figured on the basis of the state putting up \$2.00 to the county \$1.00; but, on account of the topography of the country, and the numerous bridges necessary, the completion of this agreement on the part of the state will require more than



\$2,000,000.00, which does not take into consideration any hard surface pavement which will be necessary on at least two of the main highways through the county.

These are given as examples of the type of agreement which has been entered into and which have unloaded obligations upon the highway commission which the limited revenues have been altogether inadequate to meet within the expected time. The revenues provided by the Legislature have never been sufficient to warrant all these agreements, especially if consideration is to be given in the least measure to other localities or to the completion of a connecting system. These counties have acted in good faith, however, and the agreements should be carried out, for which funds should be made available by this Legislature.

In addition to the instances above cited, similar agreements are in existence between the state and the counties of Pawnee, Beckham, Comanche, Grant, Oklahoma, Jefferson, Tillman, Jackson, Custer, Carter and Muskogee.

The above-mentioned counties are those which have voted bonds for the construction of state and county roads. There are many counties, however, which, through their gross production tax and from other sources of revenue, have been able to meet the state 50-50 on the construction of state roads in the respective counties without voting a bond issue. Kay, Osage and Seminole counties are three which have done and are doing a considerable amount of road work in that manner and paying one-half the cost of the state road construction undertaken. These counties are entitled to just as much consideration as those which have voted bonds. For example, Osage county in the past few years has deposited more than \$800,000.00 county funds with the state as their share of state road construction. Kay county, in the past few years, has placed with the State Highway Commission \$1,377,000.00.

Consideration should also be given to the fact that many of the eastern counties in the past have voted their limit in bonds and that money has been spent in the construction of state roads. The increased amount of traffic which has multiplied several times, requires, from the standpoint of maintenance economy, that the cheaper types of surfacing be replaced with a pavement which will economically withstand present day traffic. Additional road mileage has had to be added to adequately serve this increased traffic. There are also counties of low valuation which are incapable of furnishing funds to help build the state roads within their borders and yet they frequently contain important links of interstate highways which the necessity of the entire state demands be improved. There is, therefore, real necessity for a certain amount of work to be done from year to year where county participation in the cost cannot be expected. Neither can the state afford to leave gaps in the cross state highways uncompleted when the county funds have been exhausted. The Federal Aid appropriation, which must be spent under the rules and regulations of the United States Department of Agriculture for construction only, amounts to \$1,750,000.00 per year. In the above discussion this is considered as a part of the State Highway Department's funds for road construction. After setting aside the minimum amount for maintenance, overhead and miscellaneous expenses, and including Federal Aid, the State Highway Commission will have a fund in 1929 of approximately \$7,000,000.00 to apply on construction and at the present rate of growth this will increase something less than 10% per year.

With such a fund there can be no thought of completing the state highway system, or even of building the portion of it already covered by obligations entered into with the scattered counties named, for a long time to come.

There are three alternatives before you:

First. Increase the revenues to a point sufficient to complete the system under the present pay-as-we-go plan within a reasonable time, with state funds supplemented by federal aid.

Second. Provide for submitting to the people a bond issue large enough to build the system speedily.

Third. Authorize the issuance of road improvement notes, drawn against future income from gasoline tax and automobile tax.

Now as to the first plan. It will be necessary to increase the current revenues at least two-fold in order to make the plan effective and relieve it from constant embarrassment through lack of funds to meet requirements. Fourteen states, including Oklahoma, collect a tax of 3 cents per gallon on gasoline; twelve states collect 4 cents, six states collect 5 cents, and one state collects

3 1/2 cents. The present automobile tax appears to be reasonable, in the main; but some adjustments may be found advisable. Other proper sources of revenue may be drawn upon to supplement the fund, but this result should be accomplished without invading funds now assigned to the counties for county road purposes.

The second plan involves the submission of a bond issue to the voters of the State, in sufficient amount to complete the system as now laid out. This will require \$125,000,000.00 to \$150,000,000.00. Such bonds, if voted, should be payable, together with the interest, out of a fund supplied by taxes levied on gasoline, motor vehicles, and such other proper subjects as may be included; but in no event should there be an ad valorem tax levied for this purpose. The issue should be sufficient to take up all unpaid county and other local bonds which have been issued to improve state highways within the respective counties.

The third plan is one which has been adopted by some of the states, and possesses excellent features. It is that of authorizing the issuance of highway improvement notes by the highway commission or whatever other agency may be established for that purpose, from time to time as required to supply needed funds for the construction of the state system; these notes to be secured by pledging the revenues accruing from future collections of gasoline and automobile tax and such other special taxes as may properly be placed in the fund for payment of these notes. This is a method by which future collections from these sources may be anticipated and used as needed for immediate construction of the system, instead of waiting for the collections to come in through a long period of years. It has the advantage of shortening the building period and giving the public the benefit of the improvements at an early date, applying the collections later to retiring the notes. It is the system which business men use in the course of their affairs. Under this plan, as in the bond plan, authorization should be made sufficient to take up the unpaid local obligations for state roads.

The first plan necessarily requires an increase in taxes or the resort to other fruitful sources of revenue.

Whatever plan may be adopted, the ad valorem taxpayers should be entirely relieved from any of the burden. These state highways are being built for motor vehicle

traffic, and it should contribute all the expense. It is the motor vehicle that depreciates and finally destroys the road, requiring its continued maintenance after being built; such vehicles pay no tax for any other purpose, not even for the public schools, and it is up to them to build and maintain these improved state highways. Development of this traffic in weight and speed is increasing the construction requirements as well as the cost of maintenance; and any modifications of the tax on motor vehicles should take this into consideration as well as the fact of the rapidly increasing use of the roads for commercial purposes.

As one of our greatest president once remarked, we are confronted by a condition and not a theory. Quibbling, equivocation, nagging of public officials, backbiting and criticism will not answer the question here. No administration, no highway department, can build roads without funds available with which to build them.

To the Legislature is committed the responsibility for providing the ways and means for public improvements by the state. There is no more important matter to come before your present session than the task of making adequate provision for the unhampered and speedy completion of our state highway system, relieving it from the complications arising from mixed responsibilities, financial and others, and assuring the people of this State an early realization of their hope for a connected network of hard surfaced roads.

I give you my assurance of co-operation in arriving at your solution of this great problem. All the information that I have, or that any department under my direction possesses, is at your disposal; and I earnestly hope that before you adjourn this session you will have presented to the State a constructive program which will prove an enduring monument to your wisdom.

### **CONVICT LABOR ON HIGHWAYS**

We have for years employed convict labor on highways, but this has been limited to a few camps on some of the more difficult places of road building—more especially in the mountain districts. Nothing resembling system prevails.

Oklahoma needs the roads and must maintain her penal institutions. It is a matter of economy to bring these two great necessities together and cause one to supplement and relieve the other.

A higher and greater problem is the salvaging of humanity. We are wont to think of the criminal as being solely the architect of his own fortune. This is in part true, but only in part. Society, custom and condition have potent influence. The statistics of America prove beyond refutation that the more thoroughly wise and business-like is the industrial program and activity of the penal institution, the more reform it produces.

Chapter 843 of the Statutes and Amendments to the Codes for the State of California, Edition of 1921, contains a prison employment program which wrought magic in that state. Its distinct elements of service are road building, prison employment, reformation of the convicts and salvaging humanity. It is built on a wage system, caring for the dependents of prisoners, workmen's compensation, and enlisting the interest of each prisoner in preventing escapes.

Oklahoma is a favored state to work out such a system. It means dollars saved to the taxpayers. Proper employment means roads constructed, bridges and culverts built, reformation of character, salvaging humanity, reduction of crime for the future, families relieved from distress and much industrial development for our state through hastening

the completion of highways. I recommend that after giving careful study, not only to the California law, but to the methods and results of the administration of this system, that you work out and enact a statute carrying this plan into effect in our state.

## **PARDONS AND PAROLES**

In the main, courts endeavor to do justice. Notwithstanding disparity in results, there is an abiding principle of right which ever prevails. The great human equation is always present, resulting in radical enequality and much injustice.

The ever-present safeguard of our nation against uprising among the people is the opportunity to be heard somewhere and to be heard again and again before some court, officer, board or commission.

It is because the exercise of executive clemency falls within the debated territory between justice and mercy, the contested line between the letter of the law and humanitarianism or in that field wherein reform and rehabilitation should supercede the ultimate fulfillment of the last need of the sentence of courts, and because an ultimate decision is a psychological concept or reaction within the breast of the executive, that governors, as others exercising the power of clemency, not only frequently fall into error but usually give dissatisfaction because of being too harsh or too lax. They are almost universally misunderstood.

Every governor asks, "What does conscience say about this case? What should be done with this man and his family? What of his past? What of his future? What may or should I do that I may best serve my country and my God? Which way, the man or the court's decree?" Each case requires individual solution.

Applications for clemency occur from one-half dozen to ten or fifteen ordinarily, frequently twenty-five to thirty per day.

I am transmitting to you a compilation and report of the Pardon and Parole Office, setting out every case from January 10, 1927, to the night of December 25, 1928, wherein executive clemency or any other order affecting the status of convicted persons was rendered.

Temporary paroles were granted to one hundred and seventy-nine persons in the penitentiary and reformatory, twenty-eight from county jails. Owing to the fact that some were renewed, extended, or re-issued, the number of orders made was three hundred and twenty-five.

The foregoing is in full of all executive clemencies. All other orders were matters of executive detail or administrative service or expiration pardons, commonly known as citizenship pardons. I have dealt with a convict population approximating 5,670.

The report contains no cases where clemency was denied. A summary of the result is as follows:

Pardons from state penitentiary.....	9
Pardons from reformatory.....	None
Pardons from training schools, etc. ....	None
Paroles from state penitentiary.....	74
Paroles from reformatory.....	50
Paroles to persons not imprisoned.....	5
Paroles from county jails .....	15
Commutation of death sentence .....	1
Commutation – time reduction, penitentiary .....	11

Commutation – time reduction, reformatory .....	1
Commutation, jail sentence.....	2
Jail pardon.....	1
Misdemeanor fine or cost remitted.....	11

The above is a full list of all **actual** clemencies, except seven instances of leaves of absence which by virtue of renewals savor of the nature of paroles.

In a few cases clemency has been granted because of special services rendered to the state.

Of the one hundred and thirty-nine paroles granted, the rendition of one hundred and twenty was in fact no clemency at all. In one hundred and twenty cases the good-time of the prisoner entitled him to be discharged in the near future, but by granting the parole we kept him under supervision during the unexpired part and as much longer as the executive should elect to hold the same over him.

In such cases should the convict violate the terms of his parole, violate the law, or give occasion therefor, he is immediately returnable to prison and must serve not only the balance of his sentence but that part also accredited and reduced by virtue of good behavior. This class of parole is in reality extension far beyond the power of the state to obtain in any other way. The net result of the pardon and parole record is nine pardons and nineteen paroles, not based on the policy of extending state supervision, and in the nineteen cases, such policy prevails to a minor degree.

As to the one hundred and seventy-nine persons granted leaves of absence, stays of execution or temporary paroles, all of which are in fact temporary paroles, and are herein so stated, only three have defaulted in returning to prison on time.

Experience demonstrates that of all forms of executive clemency this is the fairest, which alleviates sad conditions, suffering and distress the most; and is the most rarely abused and has the greatest character-building value in the entire category.

A Supreme Court judge, attending strictly to the duties of his office does well to write a hundred opinions in a year, aided and assisted by full argument and briefs and the counsel of his fellows upon the bench.

No Constitution or legislative authority would impose the pardon and parole duties upon any judge or any other one man, and at the same time fail to provide more than one lone helper in the person of a master in chancery or a referee or a pardon officer, pardon or parole attorney, except such one man be the governor of the state.

This state has several hundred paroled persons who have by just and upright living, shown actual rehabilitation and return to good citizenship – yet they are not citizens and not voters. Many of them are fathers of children born since their parole; but this nightmare of youthful folly hangs over them. Some should have executive clemency. I have neither the time nor machinery with which to make the investigation as to the cases in which the same should be granted. A few are leading exemplary lives in other states. In such cases, they are worse off than if they had served their time and received regular expiration pardons.

A few are in the prisons who, perhaps, should not have been convicted, but the state has no sufficient machinery or organization with which to act on such cases without dire hazard, or making needless mistakes. We have at least three of four hundred in the two prisons who are not of the professional criminal type and have genuinely reformed who perhaps should be paroled.

We need a board or tribunal; first, to sift the facts and learn the truth and become advised in the premises; to act as the eyes and the ears and the fact-finder for the Governor. Second, to make a survey of those cases now at large and determine the ones that are leading a life of hypocrisy and should be returned to the institution; to discover those whose rehabilitation is such that they should be given their citizenship pardons. Third, to ascertain those cases wherein reformation and humanity should supercede the naked sentence of the law and liberate them upon parole for the purposes of more full restoration. Fourth, to survey the crimes committed by different convicts and ascertain the comparative severity as between different ones, to bring about at least a relative similarity or comparative degree of penalty where the facts fully justify.

I therefore recommend that an advisory pardon and parole board be established, providing for a clerk to keep a regular docket, providing that whenever application for clemency is made, for notice to be given to the county attorney and sheriff of the county where the crime was committed, with a provision requiring the county attorney of such county to make a showing as the facts ascertainable by his appear to be just.

## **CRIMINAL LAW**

### **Official Corruption; Embezzlement**

I recommend the amendment of the Statute of Limitations on crime providing that for the offense of accepting a bribe, or embezzlement or any other official corruption in office, that the Statute of Limitations shall not begin to run until the expiration of the term or terms of such officer and shall not begin to run until the perpetration of such offense is discovered by persons other than those interested in protecting the perpetrator, or having interest adverse to the prosecution thereof.

## **REFORMATION OF CRIMINAL CODE**

We have an excellent criminal code and an excellent code of procedure, but it has some glaring defects and is capable of much improvement.

We are too lax in giving bond with too many straw bail escapes. A different rule should prevail in dealing with the professional criminal than with the ordinary convict. A man may commit a first or even a second offense, and be amenable to reform, but the punishment should be adjusted accordingly; and we should adopt the Habitual Offender Act now prevailing in some of our states.

Without going into detail, I recommend that you procure and study the recommendations of William Howard Taft, Chief Justice of the United States, the different recommendations of the American Bar Association on crimes and punishments, and that you rewrite our criminal law and procedure act to substantially accord therewith, insofar as the same appertains to the vicious or professional criminal.

## **AGRICULTURE**

Agriculture and stock raising, the greatest industries of the Mississippi Valley, are distinctly the great wealth producers of Oklahoma.

The revenues from the farms in 1927 aggregated more than \$520,000,000. The happiest feature of it all is that this wealth is spread out from north to south, from east to west, where its returns bless the whole state, and every city as well as country town exists and subsists thereby and therefrom.

The farm people are law-abiding, law-respecting, home-loving, industrious, virile and patriotic.

Much of the farm program is set out in various parts of this message, notably:  
State aid for weak schools –  
A better highway plan and program –  
Sustaining the Corporation Commission battle for lower freight and express rates

–  
Lifting the burden of highway improvement from homes and other real estate and from personal property –

Conservation of forests, wild life and other natural resources –

Conservation of moisture; co-operation with the federal government in flood control, saving property and homes of riparian residents.

I further recommend that you provide for extending the activities of the market commission, and

That this legislature launch a plan not only to disseminate information but to carry the Agricultural and Mechanical College to the farm.

Place the state actively and interestedly, financially in co-operation with livestock raisers, cotton growers, wheat growers, farmers' unions and other organizations in a defensive warfare against crop pests and in suppression of tuberculosis, anthrax and other deadly infections and contagions among domestic animals.

Soil conservation and restoration is not a matter of moment to the land owner alone; it is a public problem of the first magnitude. I suggest that you make possible co-operation of the state in a financial way in a broad program of terracing.

Varying soils and varying climatic conditions require different choice of crops and methods of cultivation for different sections of the state.

The state has never fulfilled its full obligation in determining the crops nor the agricultural methods which are best suited to these varying sections. I recommend that you fully vitalize the provisions of the Constitution directing a soil survey to the end that the various agricultural agencies of the government may fully and correctly advise the farmers of the state in their personal and regional problems.

### **FLOOD CONTROL**

The great Mississippi and Arkansas River disasters of 1927, covering and devastating approximately 12,575,000 acres of some of the best land in our country and playing havoc along the main channels, together with the floods along the Poteau, the Illinois, the Verdigris, the Canadian and Washita Rivers awakened the nation to the necessity of combating these floods at their source by the impounding of water.

A block of one hundred and twenty-five Congressmen and Senators in Washington determined that the Government should rescue or aid in rescuing all river inhabitants and riparian owners from a repetition of this great loss.

\$5,000,000 was appropriated last session of Congress and turned over to the use of the War Department for this purpose.

The stand Oklahoma has heretofore taken has put our State in the lead and on July 1st, 1928, the army engineers from the War Department entered Oklahoma to examine into what is known in Washington as "The Oklahoma Plan" of fighting the flood water menace.

Our Oklahoma Commission established some degree of co-operation with them and this is a gigantic movement which calls for genuine co-operation between the State and the Federal Government.

The next two years will be determining factors in this situation. It is important for Oklahoma to be among the first States to be recognized by the government and to constitute, if we may, the initial point for these great federal enterprises.

I therefore recommend to you the importance of following up our established organization by expanding same and providing sufficient appropriations for state and federal co-operation.

### **CONSERVATION OF NATURAL SCENERY, WILD LIFE; FORESTRATION AND PARKS**

Oklahoma is especially blessed with attractive scenery of natural beauty, but unless we embrace our present opportunities little will be left for the future general welfare and its enjoyment will be limited to persons of financial means.

Each biennium witnesses the rise in land values and the disappearance into permanent private ownership of vast tracts of desirable territory.

The good roads movement had its inception as a private enterprise, the public rendering an indifferent amount of help until an awakened and intelligent public sentiment resulted in a state and national movement.

Our country saw wild life fast disappearing when persons with varying motives stepped in to curtail the hunting privileges and to forestall wasteful and reckless destruction thereof.

The movement resulted in state and nation making it almost exclusively a public affair. In Oklahoma, the Game and Fish Department operates without a dollar's worth of expense to the State and has accomplished untold good.

Progressive and far-seeing persons conducted a campaign for the preservation of our forests. Eventually the salvation of these resources attracted the attention of both state and nation, with the result that people generally are now interested in the preservation of forests and reforestation, and this is being accomplished through governmental agencies.

Many mountain states are engaged in preserving their natural scenery and thus performing the noblest imaginable work for our age and the coming generation; and in addition this movement has great commercial value and significance.

Governor Pinchot of Pennsylvania states that out of eight hundred twenty-two million, two hundred thirty-eight thousand acres of virgin forests, less than one-eighth remains and the reason for the preservation of that one-eighth is largely due to governmental reservation; that the rest will be gone unless the state steps in to protect it. Thousands of acres of comparatively waste land in western Oklahoma could with small expense be seeded to forest trees. Their value would be to produce shade, cool the atmosphere, prevent hot winds, distribute the rainfall, fertilize the lands by leaf-mold and aid flood control by holding back the water in its rush to the rivers. Such forests would increase the supply of firewood and timber for posts and other uses, would give shelter to birds which destroy insects harmful to crops, and would make shelter for game birds and be of value to various other ways.

Much of this land already belongs to the state of Oklahoma and with the help of modern tractors it would not be difficult to seed such lands to various kinds of trees, including the valuable nut-bearing varieties.



Our neighboring states are engaged in a campaign of building upon the beauty of the natural scenery they possess. Constructing roadways and inducing summer tourists to bring and leave much money as a result of their visits is one phase of development. Oklahoma should share the benefits by a like development and avoid the opprobrium of neglect which failure to provide accessibility will engender. With land values at this time reasonable and yet with a fixed certainty that they will rapidly advance, some far-seeing persons, notably the Eastern Oklahoma Playgrounds Association, have preserved and developed their "hills with a million thrills" and other health resorts of our state. In other places private enterprises maintain some semblance of an opportunity to "go back to nature."

I recommend that the Game and Fish Commission be given jurisdiction to act as a Forest and Park Commission for the purpose of aiding in the preservation of our available beauty spots, purchase the lands desirable therefor, establish thereon places of rest and refreshment for ourselves and future generations.

This need cost but little for the initial purchase price and its uses and enjoyments may be planned on a basis similar to that of the State Game and Fish Commission by providing a small license fee for the privilege of its use, being officered and maintained and patrolled in like manner as the game rangers now patrol the state for preservation of wild life.

I recommend the fullest co-operation with the plan of the Federal Forestry Commission in developing the conservation of the forests and reforestation wherever necessary.

Whatever the policy for the preservation of this beauty may be, I urge upon you now to take the needful steps to secure parks and outdoor privileges reasonably accessible to all the people of the State.

## **EDUCATION**

### **Department of Vocational Education**

The Sixth Legislature accepted the provision of the Federal Vocational Education Act by providing for the Board of Vocational Education and making appropriation to meet the Federal funds. The Tenth Legislature also accepted the provision of the Federal Civilian Rehabilitation Act, placing this under the State Board of Vocational Education. This department has rendered a service by providing courses in Agriculture, Trades and Industries, Home Economics, and civilian rehabilitation relief to the physically defective throughout the State.

The State Board of Vocational Education consists of the State Superintendent of Public Instruction, President of the Board of Agriculture, President of the State University, President of A. & M. College and one member appointed by the Governor with the consent of the Senate, who is Secretary to the Board.

The State Department of Vocational Education deals primarily with secondary education, and as the State Department of Education is already charged with the direct supervision of the schools, it appears in the interest of economy and efficiency, to eliminate the overlapping duties, and that this department should be placed directly under the supervision of the State Superintendent and State Board of Education. This would combine all the educational activities of the State into one general department.

## **State Aid to Weak Schools**

Theoretically, Oklahoma makes equal provision for the education of all of her children. Actually, there is the greatest variance in the facilities afforded by the different districts in the State

The Constitution provides for a maximum levy of fifteen mills, when this amount is authorized by a vote of the people of the interested district. That this levy is insufficient, in hundreds of cases, to meet legitimate needs is evidenced by the necessity for financial assistance from the State in the cases of 1405 districts. On the other hand, there are many districts in the State which have an abundance of funds from a very small levy, or even no ad valorem levy at all.

These inequalities may be expressed in several other ways. One of the most common methods of making comparisons is by means of the taxable wealth for each child in the district. Records in the office of the State Superintendent show that four counties in the State have an assessed valuation of less than \$900.00 for each child residing therein while the wealth in three other counties is more than \$5,000.00 per child. The valuation of individual rural school districts, outside the cities, ranges from \$13,000.00 to \$7,000,000.00. Frequently the differences among districts within a county are as great as those among the counties themselves. An extreme case in point is: A certain rural district in Lincoln County has one-fourth of the total taxable wealth of the county. While the per capita cost of maintaining schools is not always a true index to the wealth of said districts, it is worthy of note that the schools in a number of districts in Oklahoma are maintained on a per capita cost of less than \$20.00, and in another case the per capita cost was, according to the annual report, \$641.00.

The average annual salary of teachers ranges from \$547.00 in one county to \$2,027.00 in another county within the State. Such differences naturally make for a wide difference in the qualifications of teachers employed and indirectly affect the standards of the schools where such diversity exists.

The distribution of the State Aid Fund of \$1,500,000 has done much to alleviate the wretched condition of many rural schools in Oklahoma. This fund, however, provides an amount sufficient to aid weak districts to an average maximum figure of less than \$40.00 per child, based upon average daily attendance. When attention is called to the fact that the average for all schools in the State is \$64.00 and for the nation \$94.00, the inadequacy of the fund is immediately apparent. The comparisons made above include the money provided from this Weak School Aid Fund.

Since wealth tends to become concentrated in certain localities, the foregoing conditions will be more acute than at present. This Legislature should make provision for a careful survey of the present situation upon the basis of which such remedial legislation may later be passed that all the schools can be supported in keeping with the needs of a rapidly growing State.

The school districts affected under the present district system are putting forth every effort possible and the only relief can come through legislation. The Legislature can, therefore, well devote its time and attention to the study of a plan to provide the necessary support from sources other than ad valorem tax under the district system and a more equitable method of distribution. During the time of this survey I urge you to provide support for the public schools as liberally as the revenues of the State will permit,

that Oklahoma may actually offer as nearly equal educational opportunity to all of the children in the State as possible.

### **Junior College Education**

Oklahoma has thirty thousand in attendance upon her colleges with nearly every college crowded to capacity, many overcrowded. There is urgent necessity to relieve this condition. There are thousands entitled to, and desirous of entering college but who are unable to do so. Many more such student, having acquired the first two years at home, could arrange to finance themselves for their remaining two years of a college course.

Boys and girls are graduating from high school at fifteen, sixteen and seventeen years of age. Such students should remain in the environment of home and of parental care. Turning them from the home surroundings with its shelter and the confidences of parents and the association with the family, implants in them a laxness of loyalty to the home which registers in its social effects later in life, and accounts in a large measure for the rapidly changing attitude of our people toward the family and the family relationship.

The junior college movement has come into prominence within the last 10 or 12 years to relieve crowded college conditions. A much greater need is to provide for education in the home community in proximity to the family. I urge upon you now to pass appropriate legislation authorizing junior college instruction within high schools of specified standing in the state.

### **CRIPPLED CHILDREN**

When the Eleventh Legislature made an appropriation for a Crippled Children's Hospital to be located on the grounds of the University Hospital, it was intended to provide accommodations for one hundred children.

The building was erected and the one hundred beds were provided, but the space inclosed and a part of the interior construction is sufficient for one hundred additional beds.

The State cannot engage in any more commendable undertaking than the salvaging of unfortunate children and making of them, happy, self-sustaining units of society.

A campaign of instruction and help on the part of three or four counties has brought to light many cases of malformation, facial and body deformity that could easily be remedied, and it is the duty of the State to enlighten all its people as to the accessibility of relief and to provide the means for its effectual accomplishment.

At this time all of the one hundred beds provided for by the Legislature are occupied and many other children are in the University Hospital.

I urge you to meet this need;

First, by making a sufficient appropriation to finish the extensions and provide the equipment for the building.

Second, by providing a means for taking an intelligent census of the defective children in the several Counties of the State who are susceptible of improvement.

Third, provide adequate means to bring to the parents of such children that knowledge of the opportunities offered by the State, and that conviction of duty which will induce them to secure benefits for their children.

### **MEMORIAL BUILDING**

By reason of the increase in population of our State and its consequent growth and development, the labor of the several commissions and departments has so greatly

increased that the housing and accommodations provided for the public's business are entirely inadequate.

It is necessary to provide for this expansion and such provision should be so made that it will not separate related branches of state business nor remove one so far from the other as to necessitate the sacrifice of time of state officers and employees in making the journey from one department to the other.

I recommend the erection of a Memorial Building which shall have for its primary purpose the commemoration of the valor and honoring the names of American soldiers and sailors of all our wars, and more especially those of the World's Great War of 1914-1918.

In this building, provision should be made for quarters for the Oklahoma Historical Society with its priceless records and archives and for the Grand Army of the Republic, the Confederate Veterans, the American Legion, the Spanish-American War Veterans, and also to care for the trophies, relics, memorials and keepsakes belonging to these organizations and to the State, and for property which may be placed in its custody by the government or by patriotic individuals.

The appropriation and the building, if limited to the uses stated, would not be of size and dignity in conformity with its real intendment, but if other governmental uses are associated therewith, the total will justify a building of character and size appropriate to the dignity of the state.

My recommendation, therefore, is that in this building provision also be made for such other boards or commissions as may seem meet and proper in the premises.

## **STREET PAVING**

### **Paving**

Under our present law, the cost of paving the streets falls on adjacent property owners. Paving, like other public improvement, is primarily a public service. Much injustice prevails in requiring property owners to pay the entire cost of street paving, more particularly that of the street intersections. There is a public use represented here wherein a percentage of the paving cost should be borne as a public charge. I recommend that the statute on city paving be amended to make proper provision to remedy this condition.

## **EPILEPSY PATIENTS**

Doctors note a difference between insanity and epilepsy and feeble mindedness, but for some reason, in practice, the two are intermingled in our various institutions.

We have two hundred epileptics in our Feeble Minded Institution and three hundred in the three Insane Asylums.

The epileptic needs the outdoors and plenty of space. They are unsafe around factories and high-powered machinery, and while they can handle simple machinery it should be such as not to endanger them when unexpected collapses occur.

Suitable provision should be made for segregation either at one of these institutions or at some other to treat these people for the thing which ails them and to keep them separate from the feeble minded and the insane.

My purpose is not to create a new institution but to point out the harsh injustice with reference to this class of unfortunates and to urge upon you the importance of its proper solution.

## **CORPORATION COMMISSION**

While the Corporation Commission has recently been the object of much attack from those who would cripple or abolish it, and while it may not be performing all the service for which it was planned, to those who remember conditions prevailing before it was created, a return to former conditions is unthinkable.

The Corporation Commission has saved much to the shippers and consumers of Oklahoma on the rates on freight and express within the state. Individual shippers who are not organized or are too poor or too weak to conduct freight rate fights before the Interstate Commerce Commission would be utterly helpless, were it not for the Corporation Commission of Oklahoma, which takes up their fight, appears before the Interstate Commerce Commission in behalf of all Oklahoma.

In the matter of shipments beyond the boundaries of the State, the farmers and other producers of Oklahoma have no other agency upon which to depend.

The Corporation Commission is now conducting three great fights in the interest of the shippers:

First, that for the reduction of freight rate on wheat.

Second, the reduction of freight rate on cotton.

Third, the rate on fruit, vegetables, and garden products.

While there may be some functions of the Corporation Commission which are too extensive and some which should be curtailed, I especially warn you against doing so with a ruthless hand and urge that you appropriate to the uses of the Commission money enough to pay the cost and expense of the freight and express rate litigation now in its charge.

May we not profit by the example of our Government?

## **BANK GUARANTY FUND**

Following statehood for a period of about ten or twelve years, the banks of the state operated under what was commonly known as the Depositors' Guaranty Law. Because of numerous bank failures occurring in the years 1921 and 1922, it was deemed advisable in the course of the administration to change the policy, and in an effort to assist several weak banks that were showing signs of failure, to allow them to pay up guaranty fund assessments by promises in lieu of cash, and numerous other changes were made, including a modification of the order of claims against the fund.

In the course of time, the claims against the fund pyramided until to assess the banks to make cash payments would have been a staggering blow to the financial welfare of our state. Therefore in March, 1923, the legislature repealed the law. There were about three million dollars in assets, consisting of real estate, notes, stockholders' liability and cash in this fund. Against the same was a heavy liability to depositors, including three classes of claims.

For practically six years this fund has been carried in this form and everyone in charge has been timorous and doubtful as to the course to pursue, and unwilling to take anything resembling decisive action without appropriate legislation on the same. You can well understand that the Bank Commissioner or other administrative officers should not take the risk of determining the same for himself and paying out the money on his own unsupported opinion.

In this form the fund has been held away from active participation in business. There is no advantage to the state, to any officer or creditor, in holding the fund in this condition. There is a decided handicap and loss in holding this enormous sum in idleness rather than releasing it to the people who are entitled to receive the same, and place it again in the channels of business.

I recommend that you pass proper legislation authorizing the determination of the rights and priorities of all claimants to said funds, and provide for the disbursement of the same.

## **TAXATION**

### **Tax Commission**

The Constitution of the State of Oklahoma has given the legislature great latitude in dealing with the matter of taxation. But few limitations are found therein. It is the mature judgment of those who have made a life study of taxation, both from the standpoint of those who administer the laws governing the raising of revenues, as well as those who are taxed to meet the expenditures of government, that in the place of a state commission composed of state officers who have many other duties to perform and their work on such commission being secondary, there should be created a State Tax Commission who should be constantly in session, with the same powers and duties as are now given to our present state taxing board.

To accomplish this idea in Oklahoma, it would necessitate an amendment to the Constitution. We may, however, under the terms of our Constitution, create a tax commission by legislative enactment, clothed with sufficient authority to arrive at a just and equalized value of all property in the state, subject to taxation, subject of course to review and approval of the State Board of Equalization.

It is a well-known fact that in Oklahoma, millions and millions of taxable property is either not on the tax rolls or if on the rolls, at a very ridiculous value. Appropriations are growing by leaps and bounds. Additional values must be discovered.

To expect the Governor, the Attorney General, the Secretary of State, the State Treasurer, the State Auditor, the Examiner and Inspector, and the President of the Board of Agriculture to attend to their regular duties prescribed by law and at the same time assess all the public service properties justly, properly, and fairly, equalize valuations as between counties, with satisfactory results, is expecting the impossible.

Our State Board of Equalization has neither the time nor the experience necessary to cope with the problem, while a State Tax Commission, if composed of men who have had years of experience in tax matters, who know valuation, who can analyze balance sheets and who are in session from January to December, is bound to accomplish results so great that a more extensive program relative to our common school relief would soon obtain. My two years' experience on the State Board of Equalization leads me to recommend to you the creation of a Tax Commission, composed of tax experts.

### **Exemption for Head of Family and Minor Children**

The present law in Oklahoma provides for \$100.00 tax exemption for the head of every family.

If a man is rich enough to pay income tax, he is allowed his personal exemption and in addition an exemption for each minor child.

I recommend that you amend our tax exemption law by providing for an additional exemption of fifty dollars for each minor child. In this respect, follow the provisions of the income tax law. In other words, treat the poor man as well as you do his more fortunate brother.

### **Gross Production Tax**

Governmental benefits cannot be equal. They are determined by the status of the receiver, and are graduated not only so much per capita but so much per capita plus the station, wealth and activities of the persons, the business and the organizations and the property accumulations controlled or represented. No tax nor system of taxation is just which ignores or overlooks this fact. Just taxes are graduated to the condition of the taxpayer.

Graduated inheritance taxes and graduated income taxes have become an accepted principle in the governmental functions of our country.

The gross production tax on oil and minerals in Oklahoma has missed this fundamental. It is now a blanket tax and falls on all alike; the one who has a mere showing of production, either oil or mineral, pays the same rate of taxes as the one who receives thousands of dollars per day.

If it is the disposition of the Legislature to modify the gross production tax law, I recommend the lifting of the chief weight of the burden from the small producer and small royalty owner and the adoption of the graduated tax theory by graduating and placing the chief burden on flush production and those persons and companies accumulating millions of dollars during the happy days of exhausting the natural resources of the State.

## **PROHIBITION**

### **State and Federal Co-Operation**

I recommend that this Legislature memorialize Congress to improve and expand prohibition enforcement activities of the government by:

FIRST. Increasing the appropriation by adding thereto an amount at least equal to the cost of one first-class battleship per year;

SECOND. Increasing the official forces directly acting thereon;

THIRD. Providing a number of junior federal judges with definite expiration tenure whose business shall be to handle only prohibition and minor criminal cases; and

FOURTH. By sufficiently policing the boundaries, more especially the Canadian and Mexican boundaries of the United States against introducing smuggled or contraband liquor and narcotics into the United States.

The chief allies and consorts of crime and criminals in this State are the illegal vendors of liquors and narcotics.

Law enforcement in this State will always be impaired and handicapped until we more effectively combat the sale and handling of narcotics and alcoholic liquors.

During the years immediately following Statehood, the Governor had enforcement organizations and we were able to enforce the law better than at any time since. With the enactment of National Prohibition, the State lost much of its vigilance and turned the task to the United States. However, the responsibility for success in the enforcement of prohibition rests with the states and their local officers. This is a prohibition state; let us prove it by making provision for not only co-operating with the

Federal Government but also by placing the power of the State into the enforcement of our own State Prohibition Laws.

## **STATE REVENUES AND APPROPRIATIONS**

The budget of the different municipalities of the nation for 1928 amounts to about fifteen billion dollars. The American people have passed the tithing point. They no longer give ten per cent but are giving twelve per cent of their entire income to support the government. There-sixths of the amount will be levied and spent by cities, counties and school districts; two-thirds by the United States government, the remaining one-sixth by the state.

In Oklahoma municipal activities and the modernization of public and private life, tending strongly from local to state administration, have been and will continue to transfer more burdens to the state. Higher education is shifting from private and denominational supervision to state college. Common school budget is changing toward a state program. The highway and bridge building program falls chiefly upon the state. State welfare institutions and public health problems have registered marked shifting to state support.

During the past two years we have erected forty-five new buildings in addition to about fifteen other projects. Requests for appropriations run several million dollars beyond the potential income of the state. This will require very substantial pruning and reduction.

The potential income of the state under existing revenue laws is substantially fixed within certain limits. An intelligent survey of the sources of income with the probable amounts to be derived from each source should be made by committees of your respective bodies that your information may be as definite as possible. With the ascertainment of this information, work on the appropriations should commence and mature as you progress.

After you have provided for the mechanical necessities of the state government, may I suggest that in appropriating the balance of the funds available to you that you apportion them as equitably among the various institutions and other governmental agencies requiring funds as their necessities may, in your mature judgment, seem to demand.

I am moved to make this suggestion because of the necessity that will exist for increasing the burden of taxes and the search for new sources of revenue and additional subjects of taxation, if appropriations exceed the present income. It is my fixed conviction that the people of Oklahoma are already too heavily burdened with taxes for governmental expense, and that there should be no general increase in them. Such amendments as may seem to be required to existing tax laws should not increase but take the form of equalizing the tax burden.

I shall, from time to time, transmit to your Honorable Bodies other messages suggesting additional matters for your consideration, dealing with reports and activities of the State Departments, Boards and Commissions, together with such additional matters and recommendations as I deem worthy of your consideration.

In dealing with the many problems which concern the welfare of our state, your Honorable Bodies and the Governor's office have many functions in common. I beg to assure you of my most earnest good-will for the success of the undertaking we now



begin, and of my intent to co-operate with you in every way possible for a successful performance of the duty which rests upon us.

Respectfully yours,

HENRY S. JOHNSTON,  
Governor.

## **About Digitizing the Governors' State of the State Addresses**

Section 9, Article 6 of the Constitution of Oklahoma provides as follows:

“At every session of the Legislature, and immediately upon its organization, the Governor shall communicate by message, delivered to joint session of the two houses, upon the condition of the State; and shall recommend such matters to the Legislature as he shall judge expedient.”

From statehood in 1907 to present, the state of the state addresses of Oklahoma's Governors have been recorded in pamphlets, booklets, and Senate Journals. One could not foresee the toll that time would take on the earliest of these documents. When these items first arrived at the Oklahoma State Archives, the leather bindings had dried considerably, cracking the spines significantly. Due to the acidity in the paper, many pages have darkened with age. Some of the more brittle pamphlets crumble at the slightest touch.

Thus when we decided to digitize these materials, we faced two challenges: the safety of the original documents and ease of viewing/reading for patrons. Our primary objective was that the unique and historic qualities of the documents should be reflected in the website. However, older fonts would not digitize clearly when scanned and even using a flatbed scanner could cause the bindings to worsen. An image of each page would increase download time considerably and any hand-written remarks or crooked pages could be lost. We decided to retype each document with every period, comma, and misspelled word to maintain the integrity of the document while placing some unique images of the documents online. Patrons can download the addresses quicker and view them clearer as well as save, print, and zoom with the Adobe Acrobat Reader. We have learned much from our efforts and we hope that our patrons are better served in their research on the state of the state addresses of Oklahoma's Governors.