

State of the State
Governor Charles Haskell
January 7, 1911

Gentlemen:

Under the constitution of our State it is provided that at the beginning of each Session of the Legislature, 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 commissioner."

This message has been delayed until this date, due to the fact that the removal of the various offices and departments from the former to the present Capitol, delayed the delivery of official and department reports to me and only yet, am I able to deliver a portion of said report, or to furnish the information in this message that is obtainable only from an analysis of such reports.

As to recommendations, I believe that the new Chief Executive, soon to assume the responsibilities of office, should be accorded that privilege, unhampered, to the end that he who bears the burden of responsibility may have the fullest opportunity to advise as to the policies of government; therefore, this communication, to your Honorable Body, will largely be confined to a review of the things that the Legislative and Executive Departments have done during our first period of State government and the results accomplished, that your work and ours may be measured on its merits.

Much that we have done may from actual application demonstrate the advisability of improvement by amendment or otherwise while some may have proven its efficiency and value to the public.

Our Constitution undertakes to guarantee equal rights to all and special privileges to none, to encourage harmony of action and sentiment between capital and labor and the great industries should be welcomed in our State and be offered the fullest measure of fair treatment and opportunity for profit consistent with common honesty and the public welfare.

In carrying out these general principles of government, the Legislature and Executive Department, acting in harmony, have industriously labored and that their efforts may speak for themselves, a few of the prominent features of government may well be mentioned.

PROGRESS AND DEVELOPMENT.

November 16th, 1907, the President of the United States proclaimed the beginning of State Government in Oklahoma and it devolved upon the Legislative and Executive Departments of this State to vitalize the Constitution and administer the laws.

In the many earlier states there are found no parallel and no precedent to guide us in our work. Other states formed from a single territory or part of territory had passed from organized territorial existence with the counties, townships and school districts long previously organized, with conditions settled and ready to participate in State Government, with an entire population in the greatest of them less than 350,000 people; with corporate wealth aggregating at most twenty or thirty millions of dollars, whereas, in Oklahoma, we were called upon to unite two distinct territories, one wholly unorganized with a combined population of 1,414,000 people and with an aggregate corporate wealth

existing of two hundred and fifty millions of dollars. To harmonize these two territories, organize locally and generally into a single State, to consider the demands and necessities of such vast population and meet the contention of such vast corporate wealth, to deal justly with all and bring order out of such chaotic condition was an undertaking without precedent, requiring patience, zeal and industry without limit and to which those most willing for honorable public service would not knowingly aspire.

PROGRESS AND CONDITIONS.

Three years have passed and we find our population has increased 243,000 people; our taxable wealth has increased \$235,000,000.00; our commerce and manufacturing industries almost 300 per cent and a clear index to the financial growth of the State is found in our individual deposits in the banks of the State.

At the beginning of State Government, three years ago, our State banks carried seventeen millions of deposits; and National banks thirty-eight millions of deposits; total deposits throughout the State fifty-five millions of dollars. Now we find the individual deposits in our State banks grown to approximately fifty-six millions of dollars and in our National banks to nearly forty-six millions of dollars; total one hundred and two millions of dollars, practically doubled in the space of three years under State Government and indicative of commercial and business activity.

We quote from the official reports of the metropolis of our State which show that the bank clearings the year prior to Statehood, 1906, were \$27,881,370.00, increasing from year to year until the year just closed shows the grand total of \$122,823,588.00. Without going further into details, the above evidence of the prosperity and growth of our State shows conclusively that both capital and population have been made welcome and have prospered under the first period of State Government.

BANKS AND BANKING.

The dawn of Statehood found us in the midst of a thirty day holiday, officially proclaimed for the purpose of relieving the banks of the territory from the necessity of paying depositors on demand and by reason of the holiday proclamation banks were privileged to make their own rules, if they cared to transact business or pay depositors at all. As a result it was the general practice to limit the depositor's demands, for his own money, to five to ten dollars per day. This condition suggested the necessity for a revision of the banking laws, not only of the states but of the nation; and Oklahoma, ever mindful of her duty to her citizens, immediately took up the consideration of a banking law, such as contemplated by our State Constitution, under which banking might be treated as a semi-public business, where the rights of the public and the rights and privilege of the banker should both be fairly considered.

Our banking law was enacted in December, 1907, and has been in operation substantially, three years, and during all of that time has been subjected to the most vicious assaults and untruthful criticism.

Let me congratulate your Honorable Body and the people of Oklahoma that this law has stood the storm and triumphed over all opposition. The Supreme Court of the United States, but a few days since, affirmed the findings of our own State Supreme Court in declaring its validity. In brief, the results speak for the law. No depositor in any State bank in Oklahoma has ever lost a dollar in the entire three years, or been refused when he demanded his money, at any business hour of any business day of the year.

Never have the services of a policeman been required to aid in the conduct of the State banking business in Oklahoma. We have had our State bank failures, and doubtless always will have so long as human nature remains unchanged. And it is for the purpose of protecting the public against loss and disaster that Oklahoma has a law to successfully manage and liquidate insolvent banks, and where the answer to the anxious depositor, in a failed bank operating under other laws when he may get his money invariably is, "God only knows," under the Oklahoma State Banking Law the answer to such inquiry is, "You can get it now."

We can best illustrate the principal features of the Oklahoma Law by answering some of these criticisms. They say, "The Oklahoma Law is defective because banks break under our law." Our answer is, "Of course banks break under the Oklahoma Law; they break under every other banking law that was ever enacted either State or National, and they always will break in greater or less numbers until The Great Creator has completely revised human nature.

They say, "The annual assessments drawn from the banks of the State is a great burden upon these bankers." I deny this statement. Careful calculation will show that it is the depositors themselves and not the bankers who really pay the assessments to provide for the protection the depositor receives. This can be ascertained by comparing the reduced rate of interest paid on interest bearing deposits today with the rate of interest paid prior to the enactment of this law, and also to the fact that in three years the volume of deposits in the State banks is more than three times as great as they were when our bank law was enacted.

Is a law to be condemned and repudiated because there were average annual losses under it? If so, then the National Banking Law and the laws of the other States should have been condemned and repudiated years ago because there never was a law under which there were no losses. Oklahoma simply claims for her laws that a bank failure does not occasion disorder in the community, disaster to the depositor or business depression throughout the entire locality.

It is also well to mention that eighty-five per cent of all the losses were occasioned by the failure of a single aggregation of men controlling a number of banks, including two of the large National Banks of the State, one of the largest State Banks and several smaller State Banks.

It is easy to say that there should be close inspection so as to have avoided this list of failures. We can only say that this unfortunate syndicate began with the National Banks and thereby obtained the credit standing that enabled them to add control of several State Banks, and that notwithstanding the vigilant supervision of the National Banking Department and the Oklahoma State Banking Department they were unable to prevent the conditions which brought about these failures. But the occasion of these failures fully demonstrated from the standpoint of public welfare, the complete efficiency of the Oklahoma State Law and the complete failure of the National Banking Law. It doubtless appeared alike to both the State and National authorities that this disaster was more the result of poor business judgment and business misfortune than culpable misconduct, especially was this indicated by the earnest effort of these men to aid in the liquidation of these banks, the payment of creditors and the surrender of private property to this end, has determined the policy of the State authorities on account of the failure of their three State Banks, which has been exactly the same as the policy of the United

States Government on account of their two National Banks. That should be sufficient answer to any criticism of our State Banking Department and so long as the percentage of loss annually, under the Oklahoma Banking Law is as small as the percentage of loss which the public suffer on account of the failure of National or State Banks in other parts of the Union, I believe our law can stand upon its record and its merits and so long as a bank depositor never loses a dollar nor waits a day for his money in Oklahoma I believe our law commends itself and fulfills the purpose in that department for which the people organize and conduct government.

I do not wish to be understood as criticizing the National Banks of our State. We still have slightly over two hundred of these institutions of the highest character and are a part of the general business of our State, of which we are justly proud, but I do warn your Honorable Body against the propriety of receiving advice as to proposed amendments of our banking law from the Legislative Committee of National Bankers who have been appointed to advise you as to amendments of the State Banking Law under which they do not operate and by which they are not controlled, and in which they can have no legitimate interest.

I commend these worthy Gentlemen of the National Banking Fraternity to you for all other purposes, except that of telling you how to write a State Banking Law.

To show the efficiency of the Oklahoma State Banking Law, I call your attention to its notable test in liquidating the Columbia Bank & Trust Company with its three million two hundred and ninety-four thousand dollars of liabilities, at a total expense of \$13,775.24, accomplished almost complete in five months, as compared with the settlement of the failed Capitol National Bank of Guthrie, Oklahoma, with total liabilities under seven hundred thousand dollars, which after over six year is still incomplete, although over fifty-five thousand dollars expenses have been incurred and paid, and the depositors in this six year period have had small installments aggregating less than two-thirds of their principal. These demonstrations of law as actually applied are the best evidence of its efficiency.

AVERAGE ANNUAL LOSSES.

The average annual losses from the guaranty fund for the three year period, as are shown by the department reports filed herewith, are approximately one hundred thousand dollars per year. The exact amount will depend on the collections yet to be made on certain Columbia Bank, W. L. Norton personal, and other assets that have come into the hands of the Banking Board in the liquidation of failed banks. These losses occurred largely in the year 1909, and show an average for the three years of less than one-fifth of one per cent.

Exact figures and estimate of value of assets, which appear to be exceedingly conservative, are all contained in the detailed reports filed herewith, from which reports and the office records, the following statement is compiled:

Bank Guaranty Fund

The total amount of all assessments collected	
to December 31, 1910, in the Guaranty Fund	\$840,392.23
Deduct rebate and adjustment of new bank deposit	21,551.58
Net proceeds	\$818,740.65

This collection of guaranty fund covering a period of nearly three years is now represented as follows:

Cash on hand	\$73,626.59
Collections counted as cash	67,192.69
Time or special deposits	90,000.00
Due from State School Land Department, surplus Columbia Bank securities sold	6,728.67
Due from State Treasurer, excess Columbia Bank securities sold	6,239.73
Due from Kobe & McKinnon on demand for Columbia securities	35,000.00
Due from Kobe & McKinnon for W. L. Norton securities sold	15,000.00
Due from sale of Military Park Bonds, Columbia Bank and Norton Securities	40,000.00
(This item is in pending litigation in the State Supreme Court recently decided in favor of the State Banking Board, but not yet surrendered by contestant.)	
Total cash and cash items	\$333,787.68

The remainder of the Guaranty [*sic*] Fund paid out originally to cover losses in failed banks and not yet returned in cash is represented by notes, bonds, securities and real estate obtained from the Columbia Bank & Trust Co., The Bank of Ochelata, the First State Bank of Kiefer and the private property of W. L. Norton, of the par and appraised value of approximately \$800,000.00.

While this is in excess of the amount of money paid out of the Guaranty Fund in liquidating failed banks and which has not yet been recovered, yet it cannot be expected that these assets will realize sufficient to wholly reimburse the fund. In fact, from best information, I would not expect a loss of less than 60 per cent from these values, and considerable time and effort will be required to produce a better result.

PROHIBITION.

The United States Congress in the statehood bill required the State of Oklahoma to maintain prohibition for twenty-one years in Indian Territory and certain parts of Oklahoma Territory.

The Constitutional Convention submitted a separate proposition to the people at the time the constitution was being voted on, whereby the people were given the opportunity by their votes to either limit prohibition to Indian Territory and the Reservations, or make it uniform throughout the state. By a majority of eighteen thousand votes the people enacted the statewide prohibition provision.

The First State Legislature passed a law vitalizing this part of the constitution, and establishing dispensaries for medicinal, mechanical and scientific purposes, and providing for a vote at the ensuing election November, 1908, as to whether the dispensaries should be maintained and extended. At the November election the people voted to discontinue the dispensary system. This vote was canvassed by the Secretary of State, and certified to the Governor within thirty days. The Governor immediately proclaimed the dispensary law repealed, and closed every dispensary in the state.

In January, 1909, the Supreme Court set aside the vote of the people for defects in the form of the proposition upon which the people had voted; thus by decree of the court

reviving the dispensaries, and providing that the same should be re-opened for business. The Legislature being then in session, the Governor submitted the question to the Legislature by special message, recommending that the will of the people, which had been defeated by legal technicalities should be enacted into law by the Legislature. The Governor waited without re-opening any dispensaries until after the Legislature had finally adjourned in March, 1909, and in the following month, the Legislature not having repealed the dispensary law, the Governor proceeded to carry out the findings of the Supreme Court, but instead of opening dispensaries in eighty-two towns of the state that were entitled under the law to have dispensaries, the Governor ruled that no dispensaries would be opened except upon petition of a representative number of the citizens of any eligible town or city. As a result of requiring such citizens' petitions, there have never been in excess of twenty local dispensaries in operation in the state.

As the questions of dispensaries in a prohibition state is one of judgment, and bears more or less relation to the enforcement of prohibition law, the burden of which is soon to be assumed by another, I shall therefore add nothing to the opinions that I have heretofore expressed, but I do feel at liberty, as I am not to be officially concerned therein, to call attention of your Honorable Body to the fact that while the public look to the Governor of the state to be a strong factor in the enforcement of the prohibition law, yet he is almost wholly without any legal authority to accomplish this law enforcement.

During my term of office, my authority in the enforcement of this law has been limited almost entirely to aiding, advising and encouraging local officers who are willing voluntarily to accept the limited aid and encouragement that the law authorized me to give them, and where the local officers were not willing to accept this aid and encouragement as Governor I have had no power whatever in the premises.

I submit to your Honorable Body that the public believe that the Governor should carry out the constitutional provision which makes it his duty to see that all laws of the State are enforced, and that you should therefore, fully vitalize that provision of the constitution, and give the Governor the fullest power to discharge the duties that the people expect him to do. I also call your attention to the fact that on a petition initiated by the people, and voted upon at the last general election, the will of the people favoring prohibition was re-affirmed by a majority slightly larger than that by which prohibition was originally established, and this vote clearly indicated that the majority of our people demand prohibition, and are entitled to have laws that will make the provision effective.

I also express the hope that your Honorable Body will memorialize Congress to the end:

- (a) That United States revenue tax for the conduct of wholesale and retail liquor dealers be not collected in prohibition states. Its collection simply amounts to a settlement for one year in advance at a nominal price of Federal permission to violate the state law.
- (b) That the use of the United States mail as an aid to the soliciting and filling or orders for the sale of intoxicating liquors in prohibition states is a much to be condemned as was the use of the mail for the conduct of the Louisiana lottery business, and that where an agent for the sale of whiskey cannot come into prohibition territory and solicit orders, certainly the United States Government should not furnish the means for evading such law by affording the unrestricted used of the United States mail.

- (c) That the protection of interstate commerce should not be given to an outlawed commodity so as to protect its shipment into territory where its traffic and use is prohibited by law.

CONVICTS, CONVICT LABOR, PARDONS AND PAROLES.

There is probably no subject in government receiving more thoughtful consideration than convicts, their employment and treatment. We often hear the expression. "That prisoner has violated the law, been convicted, given his time, and he should serve it out." This expression could have but one meaning, namely: "Vengeance-an eye for an eye and a tooth for a tooth."

We assert that this is not the accepted principle of today; that on the contrary punishment is for the purpose of reformation and not for the purpose of revenge, and to he who says that society must be protected, we say the best way to protect society is rather to reform the offender than to wreak vengeance upon him. If you are to wreak vengeance, then the time comes at the end of the sentence when you turn loose upon society a man who has received from the law no mercy and owes it nothing but resentment; and you have, instead of benefiting society, simply levied upon society a tax to support a convict whom you had no purpose to reform. Hence, the expression: "Let him serve his time out," is an absurdity.

There is no such thing intended by the law as "his time." Measuring the probably time required for reformation according to the viciousness of mind and character, the legislator has graded crimes and fixed different periods of confinement. The time fixed was not intended by the legislator to be invariably served out. It was intended as a maximum period during which the most hardened criminal of that class would doubtless reform, and in order that this maximum period would only be served by those who failed to reform, the people of the state in adopting the constitution, fixed upon the Governor the duty of paroling or pardoning those who reformed at an earlier date; and it is not the privilege of the Governor to say that he will refuse to exercise that important duty that the constitution imposes upon him. Indeed, the Governor will never have a more important duty to perform than to carefully observe when reformation has taken place in the convict, and his duty to the convict, to society and to the taxpayer is to exercise that clemency-not as a privilege of the Governor, but as a duty that the people have imposed upon him and our people and our Legislature have in Oklahoma more wisely than in most other states of the Union, provided a parole law which we assert as without superior in any other state, in this: In order that the Governor may proceed with caution and avoid mistakes in judgment, the convict may be given temporary freedom under parole, which does not exhaust the sentence but merely suspends it, and by which the Governor may test the reformation of the convict by promptly revoking the parole and returning him at any future date to serve further under his sentence if he again violates the law. In our experience the parole system has been of great value, and has been exercised with great benefit to society and to the taxpayers of the state.

The total number of commutations of death sentence to life imprisonment, four.

The total number of pardons in the last two years have been fifty. Theses do not include what is termed "expiration pardons," which are granted to all prisoners of good behavior a few days before the expiration of the sentence.

The number of expiration pardons in the last two years have been, with restoration of citizenship, 347; and without restoration of citizenship, 164.

The number of paroles during the same period have been 308.

Of all the paroles granted, it has been found necessary to revoke in felony cases, twelve, and these persons were returned to prison to serve further upon their original sentences.

The above list does not include pardons or paroles in cases of violation of the prohibition law, and other misdemeanors, which we give below.

In enforcing the prohibition law, people may differ as to the policy that produces the best results, and a careful study will show us that conditions change from time to time.

In the beginning of state government, it was difficult to find a jury that would convict the average person charged with violating the prohibition law, because the penalty required imprisonment, as well as a money find, and for that reason juries were slow to bring a verdict of guilty that would require punishment by imprisonment, and as a result an overwhelming per cent of prosecution on an average throughout the state would result in a verdict of not guilty regardless of the evidence.

The Superintendent of the Anti-Saloon League of the State, as well as his associates, and myself thought seriously of this question, and recognizing that for want of decisions from the court of last resort the local courts were much divided throughout the State, each decreeing the law to be according to his own judgment, and it took several years time-indeed, we have scarcely yet had all the various points in a prosecution of a prohibition violation passed upon by the Criminal Court of Appeals, so that the trial courts may have a uniform basis, and as a result of these vexatious questions, the Anti-Saloon League and myself determined that it was well to parole the offenders from the jail sentence during good behavior, after payment of fine and costs, and if he chanced to be a poor man, in whole or in part from the payment of fine, or to let the fine and costs be paid on monthly installments, so that the poor man could be treated as mercifully as the man of greater means.

The result of this policy agree to by the Superintendent of the Anti-Saloon League and myself was to secure a much greater per cent of convictions on an average throughout the state, as the juries would realize that the offender could retain his liberty during good behavior, and the jury did not hesitate to place the offender under this restriction and require him to pay the fine and costs, and experience has shown us that with the imprisonment hanging over the offender's head, simply being at liberty on parole, and liable to be promptly imprisoned for any misconduct, it has appeared to us that much better results have been obtained.

But this is a matter of judgment. Men may differ upon it. Different conditions of general law, or court practices, may make some other policy at other times a better one. We are simply giving our experience and our reason for it.

And under this theory we have in the last two years pardoned in prohibition and other misdemeanor cases, fifteen in number, paroled two hundred thirty-seven in number, and revoked nine paroles.

The above policy as to pardons and paroles as to all cases is our judgment of the purpose of the law and the duties of a Governor. When reformation has taken place and the man has become a citizen of right mind, a husband or a father, or a son, useful to those who depend upon him for society and support, it is the duty of a Governor to remember that the constitution has imposed upon him the duty of extending clemency.

And in Oklahoma the constitution of our new State have placed other reasons which of necessity would force upon us liberal releasing of convicts.

We find our State with twelve hundred convicts, for a thousand of which we have no other place of detention than a stockade with a frame shed for a sleeping place and a wire fence for a wall, and during the period of building the permanent prison, necessity would require us from time to time to release those who were no longer a menace to society; and to those who would say we release too many, we have but to ask where would you find a place to detain them?

And again the constitution of Oklahoma and our laws contemplate that prison labor shall never be brought into competition with free labor. Hence there is only a limited opportunity to employ convicts in the physical labor necessary to preserve their health and employ their minds, and the most objectionable practice would be to maintain prisoners in idleness, working ruin upon the prisoner himself and destroying the best opportunity for reformation, and until our Legislature provides means whereby prison labor can be profitably employed upon the highways of the State, there will be little opportunity for the employment of these convicts after those now engaged upon prison construction have completed their work, which will be done at an early date.

I have heretofore urged that highway construction throughout our state be provided for by an adequate system of laws, and I still urge that prison labor be placed upon the construction of public highways, but as the details of such laws as you may pass must be administered by another, I have no suggestions to make as to the details of a highway law.

My detailed report of pardons, paroles, etc., is filed herewith.

STATE AND SCHOOL LANDS.

The aggregate of State Lands for the support of common schools, higher education, public buildings purposes, etc., under territorial government, produced results annually to the territory of less than twenty cents per acre. During the first three years of State Government, the results per acre to the State have been increased to about an average of thirty cents per acre and under the new appraisalment, which has just gone into effect, the results per acre to the State will be increased to about forty cents per acre.

The experience of the last year in selling part of the Public Building land has clearly demonstrated what was believed and recommended by many of the members of the Legislature, as well as myself heretofore, i.e., that at the price at which these lands can now be sold at public auction, would at least double the income of the State for all this purpose and if the lands were sold at public auction and the proceeds of sale invested even at 5 per cent interest, and in addition to doubling the annual income direct to the State, the local communities would be greatly benefited by having these lands in the hands of individual owners and subject to taxation and beyond all this is the principal involved in the Tenantry System.

We believe that the Tenantry System is a wrong principal and that Oklahoma should be a place for home owners.

From those in opposition to the sale of the school lands, we usually meet the statement that: "In other States where their School Lands have been sold, that the proceeds of sale have been wasted or lost or otherwise appropriated," and this may have been the case in some States, but, do not overlook the provision that in the Constitution of Oklahoma the permanent safety of a common school fund was carefully provided for.

The Constitution provides that the principal fund shall never be diminished and if a single dollar is lost in any year, it must be replaced the following year, and this fund can only be invested in United States Bonds, State, County and Municipal Bonds or mortgages on improved farm land, and after three years' experience, not one dollar of the permanent school fund has ever been lost, and in addition to producing 5 per cent interest on all the investment, its use has resulted in great benefit to hundreds of farmers, who have obtained the use of the money at 5 per cent interest, and this moderate rate of interest for the use of the State money has resulted in reducing the rate of interest on farm mortgages from privats [*sic*] loan companies. In short, we have heretofore recommended the sale of public land to home builders and the loan of the proceeds of sale at a moderate rate of interest on the improved farms in the State.

In our judgment this will produce more income to the State, encourage home owning and home building, and materially reduce the cost of administering that department of the Government, and the brief summary of facts and figures is as follows:

PERMANENT COMMON SCHOOL FUND.

Original amount	\$5,000,000.00
Additions since Statehood.	111,881.81
Present permanent school fund total	\$5,111,881.81

The above fund is invested as follows:

Five percent current bonds, forty-five Oklahoma counties.	\$1,094,500.00
Loaned to thirty two hundred and forty-seven Oklahoma farmers at five per cent.	3,341,672.00
Invested in Oklahoma state five per cent public building warrants.	240,000.00
Total invested at five per cent	\$4,676,172.00
Cash on hand deposited in fifty-seven different banks all within the state waiting farm mortgage loans.	435,709.81

Total	\$5,111,881.81
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All of the above is shown in detail in the report of the Land Department filed herewith, which includes the name of each bank and the amount deposited therein; the name and postoffice [*sic*] address of each farm loan borrower, and the amount borrowed, and all other complete details pertaining to the leasing of lands, the loaning of the permanent school fund, the sale of the State land, and the complete expense of all said departments.

STATE CREDIT.

The State of Oklahoma is to be congratulated upon the standard of credit it has maintained during the first three years of State government. While there may have been in remote parts of the State some difficulty in finding a local market for State warrants issued for the maintenance of local State institutions, yet in every instance where the attention of the Governor was called to these matters, an immediate market at par has always been found for all of the warrants issued by the State for the maintenance of State government.

We mention this because we find from the record that the State of Oklahoma stands alone as the only new state admitted to the Union in fifty years that maintained its current expense warrants at par throughout the first three years of state government, and this record by Oklahoma was made notwithstanding the fact that during the first year of

State government not a single dollar of State taxes levied upon the people or collected, due to our recommendation to the First Legislature that the Oklahoma Territory levy for state purposes should be waived because no equal or similar levy was made upon the taxable property of Indian Territory.

STATE EXPENSE.

I believe that the Legislative and Executive Departments of this government are entitled to the approval of the people of the State for the economic conduct of State affairs. We find that slightly over two million dollars per year from the beginning of Statehood until the close of the present fiscal year will cover all of the expense of State government and the maintenance of State institutions, and this record places Oklahoma as the most economical state according to population, as compared with every other state in the Union from ocean to ocean north of Mason's and Dixon's line, and in the presence of this economy the institutions that promote education, care for the unfortunate and develop the State have not been neglected.

We have a greater per cent of the entire cost of State government devoted to agricultural and mechanical education than any state in the Union.

We have a greater per cent of the cost of State government devoted to charitable institutions than any state in the Union.

In short, the economy of Oklahoma has been the result of curtailing unnecessary expenditures, notwithstanding we have liberally provided for education, charity, and beneficial, development.

TAX REDUCTION.

In the beginning of state government nearly every locality was in need of extraordinary local improvements and public expenditures—roads, bridges, school houses, court houses, jails, furniture, fixtures, and other unusual expenditures. These of necessity required greater levies of local taxation, and the American spirit of rapid progress led many communities into a spirit of spending large sums of money for public purposes, when home building and home improvements should have received first consideration.

In the interest of home building and improvement, a special session of the Legislature one year ago enacted a law reducing the maximum levies for all local purposes, and placing the power to levy higher taxes more emphatically in the hands of the local people themselves, and it is gratifying now to report to you Honorable Body which enacted this tax reduction law that the first year's showing under this new law is that the average taxes throughout the state for this year under the new law is over one-fourth less than taxes of the previous year, and also in the line of equal taxation, asserting that property of great value should pay the same proportion of taxes that property of smaller value is require to pay, we point to the fact that by the enactment of various revenue and tax laws during the last three years, the legislative department of this State has equitably adjusted the burden of taxation so that all classes of profit earning and wealth producing property, tangible and intangible, are upon a basis of substantial equality, and the net result is that the great corporations, the franchises and special privileges are paying slightly over three times the proportion of the total taxes throughout the state that they paid prior to three years ago, while the ordinary individual taxpayer is paying a corresponding per cent of the total less than he paid prior to three years ago, and to show the facts as to the financial condition of the State, we call your attention to the

report of the State Treasurer and the Auditor which show that the taxes and other revenues due the State are equal to all outstanding warrants and other current obligations.

I file herewith all the reports from the different offices and departments that have come into my hands up to this day:

School Land Department, two copies complete report.

Leasing Department

Farm Loan Department

Land Sales Department.

State Treasurer, two copies complete report.

State Auditor, one report.

I call attention to the State Auditor's report in this, that the current expense of state government is combined with the cost of construction of permanent institutions and the purchase of lands therefore, and all other expenditures, so that to ascertain the cost of State government, these items should be separated.

Secretary of State, one complete report, and two summary statements.

Superintendent of Public Instruction, two copies of report.

Commissioner of Labor, two copies of report.

Commissioner of Charities and Corrections, two copies of report.

State Board of Agriculture, two copies of partial report.

State Bank Commissioner, two copies of report, and one copy of detailed report of liquidation of the Columbia Bank, attached detailed expense statement.

This latter report is not a part of the report required by the Constitution, but as the banking law is an important question, these details of the liquidation of the largest bank in the State may be found of interest in the consideration of this important question.

State Enforcement Attorney, two copies of report.

State Agency, prohibition department, one copy of report.

School of Mines Board, two copies of report.

Colored Deaf, Blind, and Orphans' institute, one copy of report.

State Dental Board, two copies of report.

Ft. Supply Insane Asylum, two sets advance sheets of report.

State Election Board, two copies of report.

Insurance Commissioner, two copies.

Adjutant Generals' report, one copy.

The other reports required by law have not reached me, most of them, however, are said to be in the hands of the printer and will doubtless be available for the use of the Legislature at an early date.

Respectfully submitted,
C. N. HASKELL,
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.