

State of the State
Governor Robert S. Kerr
of the State of Oklahoma

Delivered To The
SENATE and HOUSE OF REPRESENTATIVES
of the
TWENTY-FIRST LEGISLATURE

In Joint Session Assembled
January 7, 1947

To The Honorable
The Lieutenant Governor
The President Pro Tempore of the Senate
The Speaker of the House of Representatives
The Members of the Senate and House of Representatives
Ladies and Gentlemen:

In accordance with the provisions of the Constitution of Oklahoma I bring you this message on the condition of the State.

The reports of state officers and commissions, as directed by the Constitution, have been received by my office and filed with each House of the Legislature.

Proposing specific legislation is the privilege and responsibility of the incoming administration and I shall not encroach upon that prerogative. I will discuss with you the condition of the State as I see it, in view of some of the work we have done together and, with your permission, briefly look ahead.

I take genuine pleasure in paying a tribute to the Nineteenth and Twentieth Oklahoma Legislatures. Their comprehensive, constructive and timely legislation, and the affirmative action of the people on constitutional amendments submitted by the Legislature to them, made possible and brought about the progress to which I shall refer in this report.

I am grateful for the privilege I have had of working with them on a cooperative basis in these matters. With the people we have come through the war together and into the opening year of the peacetime era.

We have seen the citizens of Oklahoma as soldiers in the armed forces and as civilian soldiers at home make a contribution towards the winning of the war second to none in the nation.

More than 262,000 of our men and women achieved undying fame for themselves, their families, their nation, and their state in World War II. Five Thousand Four Hundred and Seventy-four made the supreme sacrifice with their lives to help defeat the forces of evil that sought to conquer and enslave the world. We, the nation and civilization, and eternally their debtors. We are likewise forever indebted to those who suffered injuries and who today bear upon their bodies the evidences of their sacrifices and of the nobility of their patriotism.

Our people at home did their full part and more in performing the tasks and duties assigned to them. The workers in the factories and mills, the men and women, boys and girls of our farm families, the plain citizens everywhere wrote a story which only heroic men and women, determined to preserve their sacred heritage of liberty and freedom, could write.

Our State Governor and each local unit likewise did its job. It was our steadfast purpose as one of the states of the Federal Union to meet the responsibilities of a nation at war and to preserve and strengthen our State Government, awaiting the return of our fighting men and women.

STATE DEBT PAID

When the Nineteenth Legislature convened in January of 1943, the state debt exceeded Forty Million Dollars. Through legislation at the regular and special sessions, and the submission of a constitutional amendment which was approved by the people, the money was provided, set aside and dedicated, for the payment of the state debt to the last hard dollar. Thus, for the first time since Statehood, no indebtedness of any kind was outstanding against the State of Oklahoma for which funds were not available for full payment.

At the same time, the Nineteenth and Twentieth Legislatures were especially mindful of the greater needs of the people of Oklahoma in connection with education, public health, social security, public roads, public safety, and other matters vitally affecting the general welfare.

EDUCATION

Public education has received its most generous support in the history of the State, and the teachers in our public schools, both for white and negro children, are receiving their highest wage in the State's history.

Salaries of teachers, holding B. A. degrees, with four years' teaching experience, have been increased from \$110.00 per month in 1943 to \$186.00 per month at this time. Salaries of teachers, holding M. A. degrees, with four years' experience, have increased from \$120.00 in 1943 to \$211.00 per month in 1946. These are the minimum salaries in all public schools sharing in State Aid. Funds for maintenance, transportation, and other necessities, have been proportionately increased.

Proud as we are of this progress, we are aware, as we know you are, that salaries and other provisions are yet adequate, and must be still further substantially increased.

The Nineteenth Legislature vitalized a constitutional amendment and created the Teachers' Retirement System of Oklahoma. It has grown until 17,819 teachers, educators, and other employees of the state colleges and public schools of Oklahoma are participating in this program.

Increased appropriations were made for administration and operation of our institutions of higher learning. Substantial appropriations were made for building and capital improvements. Due to shortages of critical materials and/or labor many of these appropriations for improvements are unexpended and will be before you for reappropriation, together with such additional funds as you may see fit to provide.

The enrollment for the current term in all institutions of higher learning in Oklahoma, public and independent, has reached a total of 40,000 of which 30,000 students are now in the State Colleges and Universities. This is an all-time high. Many thousands of these students are returned veterans receiving the best possible service we

can give them. I know that you will have an appropriate concern in assuring continued service of the highest quality to them and to our other youth.

Constitutional amendments submitted by the Legislature and approved by the people, have provided governing boards for the University of Oklahoma and for Oklahoma A & M College and seven other state colleges which insure the most stable operation and greatest freedom from political interference or control these institutions have ever known.

The Nineteenth and Twentieth Legislatures made available substantial additional appropriations for vocational training in many fields, especially vocational agriculture.

Due to shortage of trained vocational agriculture instructors, many districts in the state, although local, state, and federal funds were available, were unable to include vocational agriculture in their courses of study. With the end of the war this trained personnel is available, and I would commend to your special consideration that making available of sufficient funds, not only to maintain and improve the high efficiency of this program where now in effect, but also to make provision for such program in every school district where the local desire and willingness to participate are present.

Oklahoma literally leads the nation in its farm youth program. Our Future Farmers of America and our 4-H Club boys and girls annually win more awards, trophies, and contests, in regional and national competition than those from any other state. This program has been developed both for the white youth and the negro youth of Oklahoma. The annual appropriation by the State has not exceeded \$8.00 per year for each Oklahoma youth engaged in this program.

I remind you that I have been able to find not one boy or girl who has engaged in, and received, this training in the public schools of Oklahoma, who has ever become an inmate of any of our penal institutions.

PUBLIC WELFARE

I share the pride of the Legislature and the people generally in the fact that under the direction of the Oklahoma Public Welfare Commission great improvement has been made in the social security programs in our state.

As of December 1, 1942, approximately 78,099 of our aged citizens were on the Old Age Assistance rolls in Oklahoma and were receiving an average of \$21.92 per month. As of December 1, 1946, although there were 90,992 on the rolls, they were receiving an average of \$42.16 per month.

As of December 1, 1942, there were 17,531 dependent children families receiving aid with an average monthly payment per dependent family of \$22.60. In spite of the fact that by December of 1946 there were 23,611 such families, they were receiving an average monthly payment of \$45.19

As of December 1, 1942, the average blind assistance payment per person was \$23.72. In December, 1946, the average monthly payment to each of 2,214 recipients was \$42.86.

After the December, 1946 payments, the balances in these funds, together with reimbursements due each from the Federal Government, were as follows: Old Age Assistance, \$4,715,379.86; Aid to Dependent Children, \$1,632,752.01; Blind Assistance, \$320,118.41.

As the month progressed sales tax collections augmented each of these balances until the next payment.

The State Board of Public Welfare, with reduced appropriations and with employees reduced more than two-thirds, has operated programs of real benefit and vital importance. Prior to 1943 unemployable destitute persons not eligible for other forms of social security were receiving through this department an average monthly payment of from \$1.00 to \$3.00. Three thousand three hundred such recipients now receive average monthly payments of from \$7.00 to \$14.00.

Garden seed has been distributed annually to these clients and to recipients of Old Age Assistance who had a garden plot available for cultivation.

This department has operated the school lunch program in connection with the Federal Government. It has done a most creditable job in these capacities.

ROADS AND HIGHWAYS

Although during the previous State Administration equipment and materials were readily available and, although the overall cost of maintenance and construction of highways was lower than during the administration that preceded it, and much lower than during this administration, Oklahoma's surface maintenance rating by the Public Roads Administration with reference to the upkeep of its public roads in 1942 was forty-seventh, or next to the last among the forty-eight states.

In the Spring of 1943, Eastern Oklahoma, and especially Northeastern Oklahoma, suffered the worst flood damage in the State's history. Again in 1945, devastating floods occurred in Eastern Oklahoma. These floods caused many millions of dollars of damage to the State's roads, highways, and bridges, creating emergencies at a time when it was practically impossible to procure materials necessary for repair and rebuilding, when labor was very scarce, and when both materials and labor were exceedingly high. At the same time, and in fact, until June 30, 1945, the revenues allocated to the Oklahoma Highway Commission were the lowest since Oklahoma has had a statewide highway system. In spite of these adverse conditions your Highway Commission has repaired and improved and maintained the state highway system until today Oklahoma's surface maintenance rating by Public Roads Administration is exceeded by only seven of the forty-eight states.

Eight hundred forty-nine and five-tenths miles of roads have been added to the state highway system and improved at a total cost, including maintenance, of nearly Three Million Dollars. During the past four years, improvements of all types, including gravel surfacing, asphalt surfacing, concrete paving, pavement patching, regarding, widening and construction of highways on new locations, have been made on a total of 9,580 miles. During this time nearly Eighteen Million Dollars have been spent on maintenance programs alone.

For the past 18 months, and at this time, the greatest program of highway construction, including primary roads, secondary roads, and farm-to-market roads, in the State's history is under way. This has been made possible with funds provided by House Bills No. 72 and No. 470 of the Twentieth Legislature.

HIGHWAY FUND SURPLUS

Certain units of the State Press have told the people that the present Highway Commission has spent or obligated all of the money it has received, and is therefore "leaving the cupboard bare" for the incoming administration. This statement is a glaring error.

As of today the total net current assets of the State Highway Commission available for road construction amount to approximately Eight and a Quarter Million Dollars.

In addition there is approximately One and a Quarter Million Dollars cash on hand now in the process of being allocated to the State Highway Commission to whom it will be paid in February.

In addition there is approximately \$4,719,000.00 cash farm-to-market road money on hand or in process of being allocated to the Highway Commission.

These amounts are over and above full provision for cost of all contracts made, or to be made, by the present Commission, including adequate estimate for the January 11th letting, and full provision for unfinished State Force account projects, including contract and regular engineering and administration costs.

This means that the incoming Highway Commission will start with a cash backlog of more than Fourteen Million Dollars available for building roads. This vast sum is from highway taxes paid by the people before January 1, 1947. This amount just about equals the total state tax income from all sources and for all purposes received by the present Highway Commission during its first two full years.

In vivid contrast to this condition, I remind you that four years ago the new Highway Commission received less than \$38,000.00 and the total amount in process of being allocated to it was less than \$450,000.00

GENERAL REVENUE FUND SURPLUS

Further attesting the outstanding position of the State's fiscal condition is the fact that the General Revenue Fund as of June 30 this year, after taking care of all appropriations made by the last Legislature, will have a surplus on hand of approximately \$14,000,000.00. This will exceed by many millions of dollars any General Revenue Fund surplus of any previous year.

Thus, Oklahoma, which four years ago was a debt ridden state with more than \$40,000,000.00 outstanding obligations, is today a debt-free state with an over-all surplus in excess of \$40,000,000.00.

OKLAHOMA TAX COMMISSION

During the four years ending June 30, 1946, the total collections by the Oklahoma Tax Commission were the highest in history, yet their work was done with proportionately the lowest number of employees, and with the lowest percentage of cost of administration, to the gross collections. The percentage of cost to the collections for the four fiscal years previous of 1943 was 2.545%. For the last four fiscal years this percentage of cost has been reduced to 1.497% and the current rate is only 1.26%, which is the lowest percentage of cost in the history of the Tax Commission.

As an example of the efficiency of your Tax Commission the Income Tax Division from July, 1945, to November, 1946, developed and made additional assessments in the amount of \$2,697,037.02. These additional assessments were made on incomes not reported by the taxpayers, or where erroneous methods of computation had been used. Most of this amount has been collected; the balance is either in the process of being collected or is in litigation.

OKLAHOMA PLANNING AND RESOURCES BOARD

The Oklahoma Planning and Resources Board has been greatly expanded. Its additional work in former and new fields of endeavor has been of the highest value.

It assisted in bringing about the reduction of workmen's compensation rates in Oklahoma.

It initiated and completed an industrial survey of Oklahoma. This survey dramatically portrays unbounded opportunities for industrial expansion. It is being made available not only to our own citizens but to those of other states as well.

The Board has labored diligently and effectively to ascertain, accumulate, and disseminate, pertinent and valuable information concerning Oklahoma, its resource, and its people.

The Board has participated in the preparation of a brief on the Arkansas River Development and in the presentation of that brief to the Corps of Army Engineers and to Congressional committees. This helped bring about Federal authorization of the \$450,000,000.00 Multiple Purpose Arkansas River Development Program.

The Board cooperated with the Federal Bureau of Mines in the preparation and production of a motion picture film of Oklahoma's mineral resources. This film has been or will be distributed and shown in all the states in the Union.

It sponsored the production, without expense to the state, of a moving picture showing the damage of soil erosion and from floods to Oklahoma's soil and waterways. The picture, which is being shown throughout the State, also shows present and prospective soil conservation measures in and for Oklahoma. It also portrays present and prospective developments of Oklahoma waterways, including flood control, reclamation, irrigation, hydroelectric power production, recreation facilities, and navigation possibilities.

Oklahoma, in the past four years, has witnessed within its boundaries the most extensive and far-reaching advances in the development and utilization of water resources of any of the forty-eight states. The program is just in its infancy but is well started. The Planning and Resources Board generally, and in particular through its Division of Water Resources, has taken the lead and played a vital part in this program.

The Division of Forestry and State Parks' improvement program has resulted in a 400% increase in the number of days' use of the state parks. Total days' use for these parks in 1946 was one million.

The Forestry Division participated in four annual tree planting campaigns. The Planning and Resources Board helped initiate this program which has resulted in the planting in four years of more than twenty million trees and shrubs in Oklahoma. More than 50% of these were produced and made available through the Forestry Division.

The State Post War Planning Commission is a part of the State Planning and Resources Board. It has been very active in matters of veterans affairs which have been of great benefit to Oklahoma veterans. The Director of Veterans Assistance has cooperated in and helped direct the coordination of the various veterans programs. It helped promote veterans service centers at the community level.

Time alone can fully disclose the outstanding value of the expanded effort of the Oklahoma Planning and Resources Board. Its membership and officials are able men. They have served the State at personal sacrifice to themselves. They have been of great value in the over-all effort of this Administration to enlighten the people in and out of our State with reference to Oklahoma's abundant resources and opportunities.

SOIL CONSERVATION

The Twentieth Legislature added another chapter to the fine Soil Conservation Program which has been developed in Oklahoma. Oklahoma today probably has a greater percentage of its tillable land in Soil Conservation Districts than any other state in the nation.

STATE AND FEDERAL RELATIONS

It has been the purpose of this Administration to cooperate with the Federal Government in every possible way that would result in benefit to the State of Oklahoma and its people. We have done this in conjunction with our representatives in Congress, and the executive department and bureaus of the Federal Government.

We had a part in securing the early building of the bridge on Highway 70 across the Washita arm of Lake Texoma, instead of its building being delayed for years in accordance with the contract between the Federal Government and a previous State Administration; in the early completion of the Altus-Lugert Irrigation and Water Development Program in Southwestern Oklahoma; in securing the return to the State of the \$27,000,000.00 Grand River Dam Project, and in refinancing the \$14,000,000.00 revenue bonds against this project, at an interest rate of 2 1/2% instead of the 4% at which they were written; in securing the approval by the Treasury Department and Internal Revenue Commission, without dispute or court contest, of Oklahoma's Community Property Law passed by the Twentieth Legislature; in securing from the Federal Government war-time installations for use by Oklahoma colleges, universities, institutions and agencies, which have been of great value to our State:

- (a) The Lexington Gunnery School was acquired as an annex of the Central State Hospital at Norman. It was the first installation of its kind secured by any state:
- (b) The Naval Bases at Norman were secured in whole, or in part, to be used as annexes to Oklahoma University. The value of the property thus secured exceeded that of the entire physical properties of the University prior thereto:
- (c) The great Glennan Veterans Hospital at Okmulgee has been secured as an annex to Oklahoma A. & M. College.

The development of Oklahoma's soil, river and streams in a great soil conservation, reclamation, irrigation, hydro-electric power, recreation and navigation program is years ahead of schedule because of cooperation by this Administration with the National Government.

In connection with these matters, too much praise and credit cannot be given to our representatives in the Congress. We give them full credit for the great work they have done, and are happy to have had the privilege of cooperating with them for, and on behalf of, the State.

WILL ROGERS MEMORIAL

It was our pleasure to cooperate with the Will Rogers Memorial Commission in the efforts that resulted in the bringing back to Oklahoma of the body of Will Rogers. It was deposited in the beautiful sarcophagus prepared for it on the grounds of the Will Rogers Memorial in Claremore, on May 22, 1944. In keeping with his desire, Oklahoma's best loved and most distinguished son sleeps today beneath the soil that gave him birth. On June 21, 1944, Mrs. Rogers passed away, and on November 11, 1944, her body was placed beside that of her distinguished husband.

I share your pride, and the pride of all Oklahomans, in the fact that more visitors annually come to the Will Rogers Memorial than to any other shrine in the Nation, save one. More come there than to Mount Vernon, or Monticello, or Lincoln's home in Illinois, or to Yellowstone National Park. The only shrine in the Nation visited annually by more Americans is the Washington Monument in the Nation's capital.

INTERSTATE OIL COMPACT COMMISSION

The Interstate Oil Compact Commission is now composed of seventeen states. It has been one of the most effective forces in the Nation in the matter of conservation of oil and gas within each of the member states, by the states themselves. It has been a bulwark against Federal control of the production of oil and gas.

Oklahoma played a leading part under Governor Marland in the creation of this compact, and Oklahoma has played, and now plays, a leading part in the work and program of this compact. Its headquarters are located in this capitol. It has been, is, and will continue to be, of great value to Oklahoma. The notable success of this compact proves the practical value and workability of interstate cooperation in this manner. Likewise it points the way for similar procedure in many fields where the individual welfare of many states can be served by cooperative effort and action.

PARDON AND PAROLE BOARD

The Nineteenth Legislature submitted a constitutional amendment which was approved by the people on the 11th day of July, 1944. Under this amendment the Pardon and Parole Board was created, and under it the Governor's power to grant executive clemency, aside from a brief stay of execution or leave of absence, was limited to matters affirmatively recommended by a majority of this Board.

This Board has secured the organization, and encouraged the development, of ninety Parolee Supervisory and Welfare Councils within the State of Oklahoma. The persons comprising these councils have been selected at the local level through the cooperation of the American Legion and other civic organizations.

By this amendment and vitalizing legislation, an important and far reaching forward step has been taken with reference to one of the most vexing and difficult responsibilities of organized government.

The Legislature also enacted the Interstate Parole and Probation Compact Law.

STATE INSURANCE BOARD

One of the most valuable achievements during the Administration was brought about through the State Insurance Board. Workmen's compensation rates charged and collected in Oklahoma have been reduced by 45.3%. This has been accomplished even though the workers now get a maximum benefit of \$21.00 per week as against \$18.00 per week formerly. This reduction in workmen's compensation rates, based on conservative estimates, is now saving industrial employers in Oklahoma \$6,000,000.00 per year. Further reductions in these rates can and must be made.

Residence fire insurance rates have also been reduced in Oklahoma.

STATE INSURANCE FUND

Your State Insurance Fund has enjoyed a substantial increase in its business, and is in a much improved condition as compared to four years ago. At the beginning of the period it had 321 policies in effect. As of August 1, 1946, it has 471 policies in effect. Your Insurance Fund management assisted in bringing about the reduction in workmen's compensation rates in Oklahoma, and through it policies are written 20% below the

present reduced manual rates. Its net assets as of January 1, 1943, amounted to \$263,222.79 with a surplus as of that date of \$89,007.79. As of November 30, 1946, its net assets were \$593,436.88 and its surplus was \$435,358.93.

CORPORATION COMMISSION

I would like to make special mention of the Oklahoma Corporation Commission. Its Interstate Transportation Rate Department has rendered outstanding service to Oklahoma, and in cooperation with similar agencies of other states, to the South and to the West, in the matter of adjustment of freight rates.

Oklahoma, together with the Southern and Southwestern states, has made great progress in the past four years in the matter of achieving equality of freight rates with the North and East.

The Interstate Commerce Commission on May 15, 1945, issued a certain order and report whereby it directed an interim 10% reduction in the rates in the Southwest, the Central West, and the South, and a 10% increase in the rates in the East. It further directed the subsequent filing of a uniform classification of class freight rates by the railroads, providing equality of class freight rates in all of the area East of the Rocky Mountains.

Certain phases of this decision were appealed by Northern and Eastern states, and Western railroads. They lost their appeal in the Three-Judge Federal District Court of Northern New York State. An appeal was then carried by them to the Supreme Court of the United States where oral argument is to be heard February 10th and 11th.

Counsel for the Oklahoma Corporation Commission and for the Southern, Southwestern, and Western States are, with good reason, fully confident of success at an early date in this matter before the Supreme Court of the United States. With ample justification they hope for an early realization of equal class freight rates as between our area and heretofore highly favored areas of the country. This will bring benefits of great proportions to Oklahoma.

PUBLIC HEALTH

Much progressive and beneficial legislation was passed by the Nineteenth and Twentieth Legislatures looking to a better health program for Oklahoma and its people, not only in the cities and towns but also to the most remote areas. Under the provisions of these laws Oklahoma today has one of the most progressive health programs of any state in the Nation.

It includes vast and valued additions to the State's facilities for training doctors, nurses, and health technicians.

It includes a statewide hospital plan.

It makes provision for sharing by our State and Local Governments, in Federal grants for construction of hospitals in the State. Presently existing Federal laws make \$8,200,000.00 available to Oklahoma for this purpose in the five-year period beginning with 1946.

This program expands and extends County Health Units.

It makes provision to insure better health for expectant mothers and infants.

It provides better means and methods for fighting venereal disease.

It makes better provision for the prevention and cure of tuberculosis. One item to illustrate: In 1942 there were 4,463 chest films in connection with possible tuberculosis taken; in 1946 there were 87,375 such films taken. So effective has been the fight against

tuberculosis that within the last four years Oklahoma has had a 16% decrease in known cases.

NEGRO CITIZENS

The Nineteenth and Twentieth Legislatures passed many laws recognizing and acknowledging our obligations to our Negro citizens. These laws were principally in the field of public education and public health.

SURPLUS PROPERTY

The Twentieth Legislature created the office of State Surplus Property Agent. More than \$9,000,000.00 of surplus property equipment has been secured for the State, its various agencies, and more than 400 schools in Oklahoma. Of the amount of surplus property acquired, 95% was secured without cost to the State.

ADJUTANT GENERAL'S DEPARTMENT

During the war years Oklahoma's National Guard, consisting mainly of a majority of units of the world-famed 45th Division, was in combat service. The Military Department was operated on a skeleton basis, but effectively and efficiently at all times.

Beginning early in June of 1946, the reorganization of the Oklahoma National Guard was started. Following acceptance by the State of troops allotments made by the National Guard Bureau, appointment of officers and organization of units was commenced. The State's allotment involved 117 Army Ground Force Units, and 10 Army Air Force Units, with an ultimate aggregate strength of 14,240 men and officers. The first units were presented their Federal recognition on September 5th and by December 20th, 1946, 87 of the 117 units had been inspected and recommended by the War Department Inspectors for Federal recognition.

From the beginning, Oklahoma has led the entire Nation in National Guard Units organized and Federally recognized and for more than a month had more organized and recognized units than all of the other forty-seven states and the territories combined.

During the war years the State's 57 armories were maintained on a basis that permitted their use by the local communities and at the same time kept them in a good state of repair available for the use of the Guard upon its reorganization.

STATE BOARD OF AFFAIRS

The State Board of Affairs has operated at a high degree of efficiency under difficult conditions and adverse circumstances. It has constantly been compelled to buy in a seller's market. All materials and supplies, including food and clothing, for institutions under its charge, have been hard to buy due to scarcity and abnormal demand.

Under legislative enactment by the Nineteenth Legislature, authority was granted to the Governor and the State Board of Affairs to reorganize or consolidate certain of the State's institutions. Under this authority, a consolidation of the two State orphans' homes was made. The State Training School for White Boys was moved from Pauls Valley to the Orphans' Home at Helena, which has been vacated. The institution at Pauls Valley thus released was utilized for an additional home for epileptics of the State. These were removed from other institutions.

Appropriations in the amount of \$1,111,367.01 were made by the Twentieth Legislature for necessary repairs, improvements and expansions at State institutions under the Board of Affairs. However, only a small part of this has been used due to high prices and scarcity of materials and labor, and most of this amount remains subject to reappropriation by the Twenty-First Legislature.

JOINT LEGISLATIVE TAXATION COMMITTEE

The decentralization of industry in this nation is on. This not only applies to present industrial capacity but with a special force to further industrial growth. With the coming of equality of freight rate the age-old dream of equality of opportunity for industrial growth will be a reality in Oklahoma.

The Twentieth Legislature had this goal in mind when it created the Joint Legislative Taxation Committee for the purpose of studying the tax system of this and other states, and reporting back to the Governor and the Twenty-First Legislature its findings and recommendations.

This Committee has met numerous times during the past year, has virtually covered the field of State taxes, as well as the related field of State finances, and financial controls over same, workmen's compensation cost, improvement of ad valorem tax administration, and school finances in Oklahoma.

Members of the House and Senate who participated in this work had the advice and counsel of dozens of the State's agricultural and business leaders, together with civic and trade organizations and associations. It has submitted recommendations for the amendment of certain of our tax laws.

It has also recommended a new budget control law providing a system of allotment of appropriations which will permit savings to be made within amounts appropriated under certain specified conditions.

I commend this Committee, and its report and recommendations to you. We realize the industrialization of Oklahoma cannot be accomplished overnight. Under the constructive programs of the Nineteenth and Twentieth Legislatures a substantial start has been made. I know its continuance and improvement will receive every possible consideration at your hands.

SCHOOL LAND COMMISSION

The Commissioners of the Land Office fill one of the most important positions in State Government. They serve as trustees and managers of assets totaling \$82,936,057.19. Those assets consist of the following: Cash, \$2,580,558.29; bonds, \$31,085,871.40; loans, \$12,552,966.09; purchase contracts, \$6,145,822.77; land, \$18,004,962.93; deficiency judgments, \$6,120,205.51; producing oil and gas property, \$3,500,000.00; mineral interest separate from fee, \$2,895,670.20. The income from these funds and other assets are disbursed to the common schools and the institutions of higher education in Oklahoma.

From 1943 through 1946 the Commission purchased \$49,506,931.40 of United States Bonds. During this time it sold bonds in the amount of \$30,608,214.68. These bonds were sold because at the time they brought a premium above their par value. The total of such premiums, which was profit over and above the interest collected on said bonds, amounted to \$1,043,305.52. This premium, along with the principal, was reinvested at the time of sales in other Government Bonds available, during the War Loan Drives, at their par value. The Government Bonds now held by the Commission are worth 102.50, which means that if sold an additional \$795,275.00 profit could be realized for the trust account. Other acceptable investments not being available, it has not been wise to sell the bonds presently owned, but any part, or all of them, are available for sale at a profit should other comparable investments become available, or if the money is needed for mortgage loans in Oklahoma.

Of the lands owned by the State under this Commission, 302,688 acres are held by individual leasees under 2,078 preference rights leases. In 1941 this land was valued at \$6,620,574.52, producing an annual rental of \$199,772.95. In 1946 this same land was appraised at \$11,013,406.06. At an annual rental of 3% of this appraised value these lands will produce \$330,909.78 income per year or an average of \$131,136.83 per annum.

These appraisals are not too high. As evidence of this fact, public land sold by the Commission in 1944, 1945 and 1946 brought an average of more than 17% above its appraised value. The appraisals of lands sold, and the lands retained, were made on the same basis.

Foreclosed lands in the hands of the Commission in January 1943, and thereafter acquired, were not offered for sale until the latter part of this Administration. By this delay in selling, these foreclosed lands were sold at approximately \$1,000,000.00 more than they would have brought at the beginning of this Administration.

The Commission sold oil and gas leases during the four years for a bonus of \$2,028,539.55. Income from oil and gas royalties during this time amounted to \$1,165,006.63. Oil and gas lease rentals amounted to \$232,559.52 which, together with proceeds from the sale of oil and gas leases, and the income from royalties, were added to the permanent trust funds of the department.

The Commissioners of the Land Office intervened in an action pending before the Corporation Commission to fix the price of gas in the Hugeton-Guymon Field. On December 10, 1946, the Commission handed down its order fixing the price of gas in that area at a minimum of 7 cents per 1,000 cubic feet, and increase of 75% over the going price. This increase will mean additional millions of dollars of income to the department during the life of the affected leases.

As of January 1, 1943, there were 734 foreclosures of mortgages by the Commission pending in various courts in the State. These foreclosures had been in process for periods of time ranging from one month to 22 years. On January 1, 1943, there were 3,983 mortgages and purchase agreements owned by the Commission delinquent for periods of time up to 9 1/2 years.

As of January 1, 1947, there were only 75 foreclosures pending and these are on a current basis. As of the same date there were only 21 purchase contracts and 163 mortgages delinquent as much as six months.

Much has been said about the 213,000 acres of ranch country in Cimarron County, Oklahoma, owned by the State and under this Commission. This land was leased in 1941 for five years at 8 cents per acre with provision to reduce the rental in the event of hard times. During the same time the Federal Government was paying the leasees at least 8 cents per acre for compliance with soil conservation practices. In 1946 the land was appraised for releasing at a figure which will bring approximately 45 cents per acre, or an increase in the annual rentals from \$17,040.00 to about \$100,000.00 each year for five years.

All lands belonging to the State under this Commission were appraised during 1946. There are 823,603.82 acres of such land and the appraised value is \$18,004,962.93.

School land grants and resulting trust funds in most states have long since evaporated or been dissipated. In Oklahoma at the present time the total value and annual

income are at an all time high and the greatest increase in both have been realized during the past four years.

CONCLUSION

I bring this report to you in all humility, with deep and undying gratitude to the Nineteenth and Twentieth Legislatures, to the other branches and divisions of our State government, to the departments within, and appointees of the executive branch, to many civic groups, and to the rank and file of our people whose cooperation, individual and collective labors, and generous support have made it possible.

We have labored sincerely to help make this an Administration of good will and cooperation, and Administration of integrity, efficiency, and economy in every branch of government.

We have a profound confidence in the unlimited possibilities of Oklahoma's future.

We have seen expanding progress and pride as all Oklahomans have increased their knowledge of all of Oklahoma.

We have witnessed, with joy, as the people of other states have enlarged their respect and increased their esteem for Oklahoma and her magnificent people.

We have so much for which to be grateful, so much of which to be proud.

We extend our congratulations to the incoming Administration – to the judicial, the legislative, and the executive branches.

I extend best wishes to my successor. I urge you to give him the full measure of your cooperation. The greatest blessing that can come to him is to receive at your hands the same intelligent, unselfish, and enlightened cooperation which your predecessors have given to me, and I hope with all my heart he may have this in full and abundant measure.

The Golden Age of Oklahoma is not in the past, nor is it present with us today. The Golden Age of Oklahoma is in her tomorrows, in the development of her resources, and the growth of her people – in the hearts and souls of her sons and daughters!

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.