

**State of the State**  
**Governor Leon Phillips**  
**January 7, 1941**

To the Honorables  
The Lieutenant Governor  
The President Pro Tempore of the Senate  
The Speaker of the House of Representatives and  
The Members of the Senate and House of Representatives

Gentlemen:

As we begin the Eighteenth Session of the Oklahoma Legislature it is my Constitutional duty to discuss with you the condition of the State, and make recommendations calculated to give us the best opportunity to progress.

From Statehood down to date, we have done many things which have added to our prosperity and comfort. But in governmental affairs we have made some mistakes which we, as the people of Oklahoma, and particularly as the Governor and members of the Legislature, should seek to correct.

The members of the last Legislature made great progress toward simplifying the machinery of government and making it operate for the betterment of the people of our state, rather than further oppress them.

For many years I have heard the expression that the convening of the Legislature was a thing for the people to fear. I sincerely hope and believe that that feeling will be changed in Oklahoma by the end of the present session, and that you, the members of this Legislature, will be honored and respected for the change in the popular attitude toward Oklahoma Legislatures.

Oklahoma is now in a condition similar to that which existed in this state preceding the great World War, 1914-1918. We have seen a rise in the costs of living which affects first, the people who are on fixed salaries which do not vary with the change in the cost of necessities, and the State, through the appropriations made and to be made for the maintenance of its eleemosynary and penal institutions.

As we look back now on the history of our state I am thoroughly convinced that we have built too many state institutions. I think many of you agree with me in that, and I am certain that a great many of our people, likewise, are convinced that many institutions have been created and maintained through the years merely as a sop to political expediency, which do not perform a service real enough to justify their existence.

In the period 1914-1918, before referred to, another pernicious practice was adopted which has been a curse to this state; I refer to the practice of the Chief Executive issuing deficiency certificates and usurping the functions of the Legislature in the expenditure of state funds. During that period, and since, millions of dollars have been spent which no Legislature appropriated, but which the people of the State of Oklahoma have had to pay. That power was given the Chief Executive by the Constitution to take care of emergencies, but in that administration and in nearly every one since, this power has been used 'in lieu' of Legislative appropriation. I have not, thus far, exercised that power, and you will not be called upon to provide money to pay for such orders at this session of the Legislature.

I recommend that you make such restrictions upon the use of that power in this State as will prevent the exercise and compel the abandonment of that evil habit in the years to come.

The Constitution of this State provides that no debt shall be created against the State, without a vote of the people, in excess of \$400,000. Abuse of power by Chief Executives, careless and indifferent Legislatures, and extravagance in many places, have circumvented this wholesome limitation of the Constitution; and the courts have yielded, as a matter of apparent necessity, to the extent that we now spend approximately four million dollars a year for a thing we have given the sugar-coated appellation "debt service." Debt service is the money we take out of our present income to pay interest and accruals on former debts which have been created in violation of the intention of the Constitution limiting our debt to \$400,000 except with approval of the people.

The Honorable Frank C. Carter, on page 4 of his biennial report for the period ending June 29, 1940, in his analysis of our financial condition, has a notation which reads:

"The Eighteenth Legislature will have to take care of this deficit."

An examination of the report of the State Auditor will show you that the last Legislature reduced the expense of government from the high level of the "Spending Sixteenth," but the decline in revenues did not permit us to put our financial affairs in balance as the people of this State have a right to expect us to do.

The platform of the Democratic Party, as adopted at its convention at Tulsa in 1938, and as re-affirmed in the resolutions of the convention of 1940, charge us with the responsibility of putting our financial house in order. I have determined to perform that duty as far as my ability goes, and to cooperate with you to see that that job is finally done.

In referring to the Democratic platform and the resolutions of the convention I am not waving a party flag to create any discord between members of my party and the members of the minority party. In all the years of my service as a public official I have had no cause for complaint against the members of the minority party in Oklahoma as to their attitude and service in helping to build a program for Oklahoma that would be better for us; and never, in all that time have I observed factionalism or selfishness in that regard.

Through the years of distress in the past, and through inefficiency and sometimes graft, the abuse of power on the part of the Chief Executive, and carelessness and extravagance on the part of Legislatures, we have permitted the practice of over-stepping appropriations to saddle our people, without their consent, with debts which it will take years to pay.

Therefore, I propose to you, as the chief objective of the present session, the enactment of a resolution submitting a constitutional amendment which will provide that any indebtedness in excess of \$400,000 for any biennium, over the revenue provided shall be void, couched in language so plain that the three branches of our government, the executive, legislative, and judicial, cannot misunderstand its meaning, so that the proposition of running into debt shall forever be stopped in this State.

I suggest to you that you consider and develop the provisions of such a Constitutional amendment, and set a time for referring it to the people within the time the Eighteenth Legislature shall remain in session, so that the people of Oklahoma may know at the close of this session that their Governor and their Legislature, have arrived at a condition of sanity, and that no future Governor nor Legislature can ever again so burden us with debt.

Even the youngest of our group has lived long enough to realize that no government can continually increase its debt without threatening its very existence.

It is one of the first duties of this Legislature to make a survey of the present revenue and its sources in order that you may safely proceed and not submit for my approval appropriation bills in excess of the amount of revenue which has been provided. I shall not approve

appropriation bills this session which are beyond the limits of the revenue reasonably to be expected.

In the period of 1915-1917, under conditions similar to the present, the per capita costs of our state institutions were permitted to mount. The maintenance of prisoners in our penal institutions in that period ran to an average of sixty-four cents a day. During the past two years, through efficient management by the wardens of both the Penitentiary and the Reformatory, operating under an efficient State Board of Public Affairs, our per capita cost has remained at less than twenty-five cents a day for maintenance for food and clothing. The Board of Affairs has saved, out of greatly reduced appropriations made by the last Legislature, \$369,097.94 which reverted to the general revenue fund July 1st, last year.

### **STATE AUDITOR**

As I recount to you in this report the savings which have been made by the preceding Legislature and by the Boards and Commissions under my administration, due credit must also be given to the Honorable Frank C. Carter, State Auditor, and his very able assistant, Mr. Roger Phelps. While in public life there are many men and women who receive more salary than they earn, the statutory salary of Mr. Carter and Mr. Phelps does not adequately pay them for the services they perform for the State of Oklahoma and for the savings which have accrued to the tax-payers by reason of their faithful cooperation and service.

The Seventeenth Session of the Oklahoma Legislature in 1939 was forced to fund \$18,000,000 of General Fund indebtedness which had accrued during the biennium following the Sixteenth Session of the Legislature. This was an average deficit for each year of that biennium of \$9,000,000, and was caused by appropriating money in excess of the actual revenue which was to accrue from taxation. Although this deficit was larger for that two-year period than the deficit for any other biennium since statehood, the system of re-occurring deficits has become, instead of an exception, almost the universal rule in this State.

The record showed that from July, 1930, to July, 1939, only two years ended without a deficit in the General Fund, and that for the other seven years the smallest annual deficit was \$3,160,000, while the largest was \$10,000,000 for any one year. We realized during the Seventeenth Session that it was time to do something about this deplorable situation; but in order to prevent a deficit it is absolutely necessary that appropriations and revenues meet. It was our hope that at that time that appropriations could be reduced to the amount of the revenue; but to arrive at the amount of appropriations which was absolutely necessary to maintain each department and institution of the State, as well as the other services which the State renders, it was necessary that we have more information.

In the past it has been the practice for departments and institutions to request appropriations far in excess of what they actually intended to get, for the reason that they expected the Legislature to reduce their original requests. Appropriations have not necessarily in the past been made after a thorough investigation of the actual needs of the institution or department, but were the result of compromises between the Legislature and the controlling boards and heads of institutions and departments. Under this kind of a system of enacting legislative appropriations, it is always found that the spending agencies are encouraged to use all of the appropriation they receive from the Legislature, regardless of whether some of it could have been saved. It seemed to be the general idea that if the appropriation was not spent, that it would jeopardize the chances of the same appropriation being made next year. Therefore, in order to arrive at the actual needs of the institutions or departments, and to force an immediate reduction in state expenditures, the Legislature during the Seventeenth Session, through their appropriation committees made a thorough investigation of every item of the appropriation bill

in cooperation with the various heads of institutions and departments, in an effort to reduce the total amount required from the General Fund. It was deemed advisable, because of certain difficulties which had arisen during this investigation in arriving at the actual facts, to enact several laws which in some respects could be called “reform” measures, while in other respects it should be said that they were more for regulatory purposes. The Seventeenth Legislature therefore enacted four such bills:

- (1) The Pre-Audit Law
- (2) The Quarterly Estimate Law
- (3) The Travel Law
- (4) The Competitive Bid Law

Each one of these bills had a separate and distinct purpose.

## I

The Pre-Audit Law was one of the major reform bills of the Seventeenth Legislature, and had for its purpose the prevention of certain illegal practices which had grown up over the past several years. It had almost become the universal practice in this State for departments and institutions to incur obligations in the form of contracts or purchases of supplies and materials in excess of the appropriations of the Legislature. Many times these obligations were incurred without any records being made therefor. No purchase order or contract was ever written because it was illegal to incur indebtedness in excess of appropriations; but when the Legislature met, it was inevitable that many institutions and departments would ask for supplemental appropriations with which they expected to pay these obligations, which they had already incurred far in excess of their annual budget which had been appropriated by the prior session of the Legislature.

Under the pre-audit law, every contract or purchase entered into by any purchasing agency or official of this State must be evidenced by a written contract or purchase order and filed with the State Auditor and booked against the appropriation which has already been made therefor. If this is not done, the department head is liable personally for the obligations which he has incurred, instead of the State of Oklahoma being liable. During the last year, which was the first year of the operation of this law, there were absolutely no contracts or purchases in excess of the appropriation of the Seventeenth Legislature.

The second accomplishment of this bill was to prevent the necessity for the issuance of deficiency authorizations and deficiency transfer certificates. During the 1937 fiscal year, deficiency authorizations had been issued in the amount of \$292,000.00; and in 1938 more deficiency authorizations had been issued totaling \$193,000.00. Since 1939, there have been no deficiency authorizations. During the same period from 1937 to 1939 it was necessary to issue \$212,000.00 in deficiency transfer certificates. Since 1939 there have been no deficiency transfer certificates issued. In other words, under this law departments and institutions are required to live within the appropriations given them by the Legislature.

The third and most important purpose of the Pre-Audit Law was to stop the spending of balances of appropriations at the end of the fiscal year for which the money was appropriated. It had become the common practice until the enactment of House Bill No. 165, for institutions and departments to go back into the last year and spend money which was left over in that year, when it should have reverted to the General Revenue Fund. Under some of the liberal appropriations which had been made, this practice was abused to the tune of approximately \$1,000,000.00 in

some years. Spending last year's appropriation was possible at that time because of the fact that the State Auditor did not have a copy of the contracts or purchase orders which had been legally entered into during the year for which the money was appropriated; and therefore when claims were presented against last years fund, the Auditor had no way of knowing whether the money was spent before or after the year in which it should have been spent.

At the close of July, 1940, the operation of the four measures I have already enumerated succeeded in maintaining a balance in the appropriations for the 1939-40 fiscal year of \$1,474,000. This money was not needed during the year for which it was appropriated and should not be spent during any succeeding year. The Pre-Audit Law operated on July 1, 1940, to see that this \$1,474,000 would not be spent during the 1940-41 year or any other year, as such balances had been spent in the past.

## II

The second measure was separate and distinct from the Pre-Audit Law, and had absolutely no connection with it. This law was the Quarterly Estimate Law, and had for its purpose the giving to the Chief Executive the authority to reduce the appropriations in an effort to bring them within the revenue received from taxes, if at any time during the year he saw that revenue would not accrue sufficiently to meet the total amount of the appropriation. This law was declared unconstitutional by the Supreme Court. The decision held that appropriations could not be reduced after they were passed by the Legislature; but by the time this decision was rendered, the Quarterly Estimate law had served its purpose. We had determined that the supply bills of the institutions could be reduced to at least the figure which we had already reduced them, and these records can be used by this Eighteenth Session in arriving at the actual needs of the various agencies of the State for the next biennium.

Since the quarterly estimate law has been declared invalid, I suggest that you specifically repeal it. It was never my attitude to "grab power" not authorized by the Constitution; but while this Bill was in operation we were enabled to learn that even though the last Legislature had been careful in the matter of appropriations there are still more savings which can be made by the present Legislature, by careful attention to the appropriations.

## III

The Travel Law was enacted to place a limit on the amount which a State employee could charge the State for subsistence expense while on official business. Prior to the enactment of this law, exorbitant amounts had been charged in some cases for hotel and meals. Now, while in the State of Oklahoma on official business, no employee can charge in excess of \$4.00 per day for subsistence, and he can only charge that if he actually incurs expenses to that amount. This bill, during the first year of its operation, decreased the total amount spent for travel from a high of \$965,000.00 in 1938, to \$689,000.00 in 1940, or a reduction of \$276,000.00 for one year, in spite of the fact that it is becoming necessary each year for more travel to be done because of the addition of certain new agencies as a result of social legislation such as Old Age Pensions, Unemployment and general relief administration.

## IV

Until the competitive bid law was passed by the Seventeenth Legislature, there had been no statutes of the State requiring competitive bids except for the State Highway Department which was required under its own law to purchase on Competitive bids. There had been some supplies purchased on competitive bids by the officials in the past, but it was a custom instead of

a law; and since it was discretionary, many instances occurred where goods were purchased at a price in excess of what they could have been obtained for, under a competitive bid. The present State Board of Public Affairs has saved many thousands of dollars since this law was passed, through its efficient system of requiring competitive bids on state purchases.

In summary, I wish to call your attention to the total appropriations of the first year of the prior biennium, as compared to the first year of the present biennium, and the effect of the operation of the above laws on the General Fund budget.

In 1937-38, the first year of the prior biennium, the total appropriations from the General Fund were \$33,500,000.00, including debt service; while for the year 1939-40, the first year of the present biennium, the appropriations had been reduced to a total of \$26,500,000.00, including debt service, or a total reduction of \$7,000,000.00 which is the amount that the Legislature reduced the appropriations for the first year of the biennium following the Seventeenth Legislature, as compared with the first year of the biennium following the Sixteenth Legislature. To this saving must be added the \$1,474,000.00 which is the balance of the appropriations which were not spent on July 1, 1940, making a total saving or reduction in the appropriations of \$8,474,000.00, which would have been nearly sufficient to have balanced the budget if the revenue from taxes had been as large as it was following the first year after the Sixteenth Legislature.

During that year, revenue from taxes accruing to the General Fund was \$24,388,000.00, while during the first year following the Seventeenth Legislature revenue from taxes accruing to the General Fund had dropped to \$16,754,000.00, or a decrease in revenue of \$7,634,000.00 which is about the amount of the deficit for last year. The decrease in taxes accruing to the General Fund came about as a result of a \$2,060,000.00 decrease in Income Taxes, and a \$4,614,000.00 decrease in Gross Production Taxes, and the diversion of the Motor Vehicle Excise Tax and the Use Tax and the Use Tax from the General Fund to the Welfare Fund to be used for general relief.

Though the last Legislature is not to be criticized for not anticipating so great a reduction in our revenue, yet you who are members of the Eighteenth Legislature now have that picture before you, and must make your plans accordingly. You do not have to face the curse of deficiency authorizations, and there will be only slight demands for supplemental appropriations. You can expect, however, that this biennium will show another deficit, which will include the expense of the present session of the Legislature and any special election which you may authorize, unless you so revamp our revenue program as to prevent a recurrence of that condition.

I especially commend the plans of the Senate, as expressed to me by Senator Curnutt, President Pro Tempore of that body, to carry forward the economy program developed by the Senate of the Seventeenth Session. The record made by the last Senate, and the anticipated record by the Senate of the Eighteenth Session has done much to restore that body to a place of trust, confidence, and admiration in the eyes of the people of this State.

I also heartily commend Speaker Blumhagen and the members of the House for the record they are making in limiting their own expenditures to the absolute necessities. The record of the early expenses in preparation for this session by Speaker Blumhagen, I am sure, is the best record that has been made in this State. I approve the policy of not buying additional statutes for members of the House or Senate who have served before, thus avoiding unnecessary expenses in carrying on the functions of this Legislature. The few members of the House who disagree with this attitude, I am sure cannot find popular approval of their wish to create unnecessary expense.

## TAXATION

So let us look first to such acts as, by their passage, amendment, or repeal, will adjust and prevent the creation of a deficit for the fiscal year ending June 30, 1941. It is within your power, and it is your duty, to so adjust our financial affairs that no deficit shall occur, even though it may be necessary to levy some special tax to operate only for the remainder of this fiscal year.

There are several of our present, regular, taxes, which by being placed in the general revenue fund, can go to take care of at least a part of that threatened deficit. I refer particularly to the Motor Vehicle Excise Tax.

Through careful management by the present State Board of Public Welfare, composed of Honorable Carl Sebring, State Treasurer; General George Ade Davis, Adjutant General; Dr. Grady F. Mathews, Commissioner of Health; Honorable E. W. Smartt, Chairman of the State Board of Public Affairs; and myself, as ex-officio Chairman, and by curtailing to a very marked degree the employment of personnel, there was, as of December 31, 1940, a surplus in that department of \$1,120,918.00. This surplus is sufficient to care for the needs of the Welfare Department for the remainder of this fiscal year, and have money left to reduce the appropriation, which will be hereafter recommended, for the years of the next biennium. By re-levying this Motor Vehicle Excise tax and the Use Tax, and placing the revenue therefrom into the general revenue fund, it will benefit by six months operation of those tax laws, and the anticipated deficit will be reduced to that extent.

In order to get the benefit of all the available funds of that department it will be necessary, and I recommend, that you authorize the counties of the state to set up and provide for a revolving fund in order that they may care for the expenses incident to the food stamp program now under operation in cooperation with the Federal government. The method for handling this fund, and the appointment of the necessary personnel, can be cared for in the later part of this Session.

There is likewise a surplus in the Department of Public Safety, in the sum of \$312,000, as of January 1, 1941, due to the careful and thrifty management of Honorable Walter Johnson, Commissioner. This surplus will permit the continued operation of that Department, and also allow you to set over enough money to be used to defray the necessary expenses of the Eighteenth Session of the Legislature.

For your consideration, I also suggest the broadening of the tax on cigarettes to include other forms of tobacco. I can see no reason why it is not as proper to tax the users of cigars and other forms of tobacco as it is to tax the users of cigarettes.

I suggest, also, some tax on amusements. Oklahoma is one of the few states which has not enacted a tax on amusements. I do not think we should tax business of any kind to such an extent as to hamper or destroy it, but the amusement tax in Oklahoma is negligible, and it is a proper field for consideration of an emergency tax which can be enacted and put in force at once for the benefit of the general revenue fund to prevent the anticipated deficit.

I suggest the re-enactment of the beverage tax, with provision that the proceeds be placed in the general revenue fund effective July 1, 1941. It is not desirable to change the beneficiary of this tax at this time for the reason that the revenue anticipated from the Act is, or should have been considered in making the estimates for the schools for the present school year. I further suggest that you amend the beverage tax law so as to prevent the transfer of licenses. Such an amendment will safeguard the people of Oklahoma from many of the vices that sometimes spring up in connection with the handling of these beverages.

I recommend the re-levying of the Gross Production Tax at the same rate, for the reason I believe that in the highly competitive market which Oklahoma producers now face this tax is as high as we can safely make it without further curtailing the revenue so badly needed in the general revenue fund from that source. As you have already noted from the reports in your possession from the Oklahoma Tax Commission and the State Auditor, the decrease in income from the Gross Production Tax is in excess of four million dollars a year. This decrease was caused by the shift of markets from Oklahoma to other states. I do suggest, however, that the funds derived from the Gross Production Tax be placed entirely in the general revenue fund, and that we make other provision for the support of schools and county government.

As a part of the shift, and to aid local government, I recommend repeal of the Farm Tractor Registration Act, and suggest that farm tractors should be subject to ad valorem taxes in the counties in which they are used the same as other personal property. They take the place of horses and mules, which are still subject to ad valorem taxes. Their use in Oklahoma, while sometimes a benefit, is also a curse. I therefore suggest that an additional tax at some fair rate be placed upon them when used upon the highways. Their use upon the highways of this state is as injurious to the roads as the use of automobiles and trucks, and in addition they constitute a traffic hazard. Such an act, however, should provide exemption where the travel is only from one farm unit to another by the owner. The use of tractors in many parts of the State of Oklahoma has contributed to the distress of our people. Profiteers in land have used the tractor to farm large tracts of land, and, financed by the Federal Farm Program, they have displaced the small farmer, throwing him upon the WPA rolls. But regardless of that issue, the tractor is personal property, the same as horses and mules, and should be taxed accordingly.

If you find that there is any real necessity for continuing the farm pond program, I suggest that instead of making a complete exemption for farm tractors from tax on gasoline that you repeal that exemption and provide for the revenue therefrom to be placed in a fund to carry on the farm pond program.

As a further aid to the support of local government, I recommend that you thoroughly investigate the exemptions now allowed to fraternal, charitable, and eleemosynary institutions, and see if abuses have not arisen under the cloak of that exemption. I am reliably informed that many large income-producing buildings in this state are not on the tax rolls. There is a safe limit that should be placed upon this exemption. I do not think it should be broad enough to permit the exemption of an entire building in which there might merely be a room or floor used as a lodge room and many other rooms and floors used in competition with other privately owned buildings. In that connection you and I must not take the close, personal view of these things, I own a tractor; I know what the tractor gas exemption means. I am a member of fraternal organizations, and I know what that exemption means. But if we are to write a program that will equalize the burdens of taxation in this State we must be big enough to get beyond our own personal selfishness and the selfishness of groups to which we may belong or which may develop into pressure groups as we work on our program. I rather think that when we compel a farmer to pay taxes on his little farm and on his old mules that our program should be broad enough to also catch, not only tractors but the golf course and even the club house of the more fortunate citizens. The old couple, the widow and her family, who are making an honest living running a boarding house – on which they cannot even claim homestead exemption because of its commercial nature – probably are entitled to more relief from the load of government than the fraternity house where wealth is squandered for amusement and entertainment.

I recommend a thorough study of the Income Tax Law, particularly with reference to inserting a provision taxing the income from dividends received on stocks of corporations which do five per cent or less of their gross business in the State of Oklahoma. At the present time,



under our law, dividends received from corporations licensed to do business in this State are not subject to the income tax. Some corporations secure a license to do business in Oklahoma, operate one filling station, or do a very small gross business in the State, and thus the income from stock in such corporations pays nothing toward carrying the expense of government. Personally, I think this is an injustice, and it is a part of your duty to equalize the burden of government and its institutions on the wealth of our state as nearly equitably and evenly as possible.

Income tax, likewise, should be paid on revenue secured from building and loan association investments. The present enactment makes a distinction where there is no difference between dividends and interest.

The income tax law likewise should be studied and amended with reference to the income from insurance companies, both fire and life. Members of the Committee on Revenue and Taxation in the House of Representatives have already made some study of this, and I commend them for it. I suggest that this be carefully studied and such measures be enacted as will properly equalize the burdens of government. I have no desire to destroy or cripple this business, but I think it, along with other businesses and institutions, should bear its share of taxation.

I suggest the enactment of a law which will provide for a gift tax to operate as a corollary to the Estate and Inheritance Tax. At the present time, the absence of such a law permits the evasion of the Estate and Inheritance Tax. It is not possible to estimate the amount of revenue from such a law, because we have no record as to the amount of gifts made. This enactment should be in line with the present Federal law, in order to work no hardship upon citizens of this State in favor of any of our sister states.

I suggest a modification of the Inheritance Tax Law so that the tax will not be levied two or more times upon the same estate within a period of three to five years, or such other time as you, in your wisdom, may determine.

I suggest the re-enactment of the State Sales Tax Law, setting over the entire revenue therefrom, after costs of collection are deducted, for the support of our aged, blind, and the dependent children. I have always contended, and still believe, that this particular function should be entirely supported by the Federal Government, and for that reason two years ago I recommended the enactment of the Sales Tax Law for only two years. Although the Federal Government has spent and is spending money by the billions, there is no indication that it will soon assume this responsibility, and for that reason I recommend the re-enactment of this law, and suggest that you study its base to see that no injustice is done our people in that regard. You will see to it that this fund is not diminished, and tighten the provisions for enforcement so that every person in our State shall contribute in proportion to the wealth he spends, for the support of our aged, destitute children, and blind. If the members of this Legislature believe that there is even a remote possibility that the Federal Government will assume this responsibility, then the Bill should provide for the disposition of the funds derived from this tax in such an eventuality.

However, since cheap fuel is one of the inducements which may reasonably be calculated to invite industry to our state, I believe that fuel used within the State for manufacture should not be subjected to this tax. We need manufacturing industries and their payrolls far more than we need the small amount of revenue this one exemption would cost.

As a people, we have as yet been able to emphasize the importance to our State of the wrongs committed against us in the way of unjust transportation rates. I have worked with interested, unselfish, and patriotic men in trying to build up industries in our State, and we have met, at every turn, the proposition that unjust freight rates prevent our competition with other sections which do not have such a wealth of fuel as we in Oklahoma. I can see no promise of Congressional action, even in spite of our distress. That, in part, is the reason I was so anxious to

prevent the use of our waters to build waterways for neighbor states, thereby increasing the unjust transportation rate competition. Unjust freight rates even present the farmers and business men of Oklahoma from fully utilizing our dairy products because we cannot compete with other states on the matter of rates. That is the reason I have favored, and still favor the use of trucks on our highways to furnish us the best possible rate for the transportation of our own products.

There has been, however, one encouraging development in this regard: The agitation seeking the benefit of a more equitable freight rate, and the wholesome cooperation between mine owners and labor, through its organization, has developed an improved market for semi-anthracite coal which is produced in eastern Oklahoma and western Arkansas, and a better rate for the transportation of coal to St. Louis, Missouri, has resulted in added employment of our laboring men. This has improved living conditions in that section of our State, and has, consequently, added wealth for the State of Oklahoma.

I propose to you as one method of augmenting the revenue for our aged, blind, and unfortunate children, the passage of a law that will compel the forfeiture of all personal property used in connection with the transportation, storing, furnishing, bartering, or sale of intoxicating liquors. In this connection I recommend the amendment of the law providing for the disposition of funds secured from the sale of such personal property in order to place this revenue in the fund for our aged, blind, and the needy children; and I think the provisions should be broad enough so that every such cafe, beer joint, club, bar, and the like, where any intoxicants or habit-forming drugs, illegal under the laws, are transported, stored, furnished, bartered, or sold – that all property so used, including equipment, tables, chairs, dishes, pianos, and the like, should be forfeited and sold; and that it should be the mandatory duty of the Sheriff and County Attorney to proceed with such forfeitures, and that all revenues produced therefrom be paid into this fund for the benefit of the old, the blind, and the dependent children. If you will enact such a law as that, the “joint” operators will quit screaming when the efficient officers of the Bureau of Investigation of the Department of Public Safety go in with an axe and strike a piano. The piano can then be sold, rather than destroyed, and the old people will get the benefit of it. Also, the problem of enforcing our laws against the use of liquor and habit-forming drugs will be solved in Oklahoma. You can go as far as you like, with my entire approval – even to the extent of making this forfeiture apply to the buildings and lands, if such use is by, or with the consent or knowledge of the owner thereof.

## **FEES AND LICENSES**

I recommend to both the Senate and the House that you appoint, for this Session, a special Committee to study our laws and our departments which provide for and which are engaged in the levying and collection of special fees and taxes. By way of illustration, a few counties of the state, through the County Commissioners, collect a fee of five cents per head for “Brand Inspection”. In other places fees are collected for the inspection of livestock slaughtered for public use. In the Department of Agriculture, in the State Health Department and in many of our institutions many special fees are collected. These funds are used for various things, some of them beneficial, some unnecessary, and some merely harrass our citizens, and are probably harmful.

We have a law assessing a tax upon the use of Oleo-margarine. It is flagrantly violated and produces no revenue of any consequence. I have had one letter from a fellow who is openly violating this law, suggesting that the repeal of this tax would throw him out of employment. We have fees for doctors, and lawyers, and accountants, and barbers, and bee inspectors, and dentists, and the like. It is my opinion that this whole field should be studied by a small but

industrious Committee composed of members of both the House and the Senate, which will discover where we could better take care of these special services by collecting any such necessary tax or fee by one department, such as the Oklahoma Tax Commission. I am of the opinion that our people would welcome this, though it be an innovation in the course of legislation and government.

I am, further, of the opinion that in trying to give relief in the matter of the rate of licenses for automobiles and trucks, that the last Legislature, with my approval, went too far in some phases, and that it will be necessary to make some amendments to that law. This is an instance where the question of the distribution of the funds became so important that it influenced the terms of the tax law, itself. It will be necessary for the Revenue and Taxation Committee to carefully study this law and see to it that this source of revenue is properly and equitably enacted.

At a later time in this Session I will prepare a message to the Legislature with reference to the disposition of the revenue derived from the Gasoline Tax Law, and the re-enactment of that law may become necessary when the course of legislation has been determined, as covered by my message of this date. I am sure that you members of the Legislature, as well as most of the people of this State, realize that an honest efficient administration of the money provided for the building of roads will soon make it possible to complete our road system.

I frankly say to you I am proud of the record of our present Highway Commission. Taking over that department, as we did, with the huge deficit of between five and six million dollars, and in the course of two years to pay that deficit, scale down the excessive payroll, and handle the affairs of that enormous department with as little trouble as we have had, is a major accomplishment entitling all of the members of the present Highway Commission, Honorable Sandy Singleton, Chairman; Honorable George Meacham, and Honorable H. E. Bailey, members, to the lasting acclaim of the people of this State. We are building more roads and have more money for maintenance now because things we buy do not carry with them the enormous price of either sale without competition or added price and loss of discounts because of delay in making payment. When I called upon the Highway Commission for a report down to date to include in this message, they very modestly submitted the following:

“On January 17, 1939, the present Highway Commission qualified and took over the operation of the Oklahoma State Highway Department. Upon this date there was a balance of cash on hand on deposit with the State Treasurer in the sum of \$388,867.83. The Commission found that on January 9, 1939, the date of your induction into office as Governor, the Tax Commission of the State of Oklahoma has advanced to the Oklahoma State Highway Commission, to meet current bills, the sum of \$700,000.00. The balance shown above as of January 17, 1939, was a part of the above advancement by the Tax Commission. At that time, no one knew exact amount of indebtedness of the State Highway Department. At your suggestion, the Legislature appropriated \$15,000.00 (fifteen thousand dollars) and authorized the Oklahoma State Highway Commission to make a special audit of the outstanding, unpaid, legal claims due and owing by the Commission. Pursuant to said authority, the Commission employed the auditing firm of E. Jennings McBride and Company. The audit was completed and delivered to the State Highway Commission on April 5, 1939, at a cost of \$11,800.88. According to this audit, the State Highway Department, as of January 17, 1939, had an outstanding indebtedness of \$6,115,275.62. (Shown on page 8, Exhibit “A”, incorporated in the book of listed unpaid claims of Mr. McBride’s report.) Since January 17, 1939, the Commission has paid all claims that have been presented in the sum of \$5,025,266.87, and has disallowed

claims in the sum \$15,727.91. The difference between the indebtedness as shown in Mr. McBride's audit and the claims paid is due to duplicated claims, questioned claims, disallowed claims, and invoices and purchase orders included in the audit that had been paid, plus legal claims filed after the audit and not included therein. The State Highway Commission has been, since January 17, 1939, operating on a cash basis, and paying claims as rapidly as they are audited and approved. The Commission has been able, by means of operating on a cash basis, in addition to being able to buy all materials at lower prices, to take advantage of special discounts which have amounted to approximately \$2,856.76. Due to the amount of old claims, the Commission was unable to take advantage of these special discounts until about December, 1939, as the Accounting Department could not audit and pay claims in time to take the discount. The Commission hopes to increase the amount of special discounts as time goes on.

"The Commission had on hand, as a cash balance with the State Treasurer of Oklahoma, on December 27, 1940, the following amount: \$2,080,896.67.

"Since January 16, 1939, the Commission has completed, or has under construction, improvement projects, including State and Federal funds, amounting to the sum of \$19,815,092.00.

"This sum was expended for the following types of road improvements:

<u>TYPE OF IMPROVEMENT</u>	<u>UNITS</u>	<u>QUANTITY</u>
Paving, all types	miles	576.99
Base courses; soil stabilization; gravel surfacing (exclusive of maintenance re-graveling.)	miles	611.58
Grading, drainage and gravel surfacing	miles	465.81
Bridges, overpasses and underpasses.	number	203.00
Landscaping and Roadside Improvements.	miles	47.27
Flashing light warning signals RR crossings.	number	73

"This amount of construction and improvement has been done, or authorized to be done, though the Commission had no letting until June 27, 1939. In the above, this Commission, since it took over the activities of the Highway Department, has sponsored 85 WPA projects, at a cost of \$1,490,969.00, to the Highway Department, and has added to the State Highway system, since January 16, 1939, and taken over for maintenance, 264 miles.

"The Commission desires to give you a comparison of the amount of construction work done during the first year in office, with the amount of construction work done in the year immediately prior by the former Commission. In the calendar year of 1938 the former Commission contracted for Federal and State Aid projects, WPA projects, "C" projects, NRWR projects and "X" projects, a total of \$7,191,350.21, worth of construction. In 1939 the present Commission contracted for the same projects \$8,301,099.94, which made this Commission construct \$1,109,749.73 more roads in the calendar year of 1939 than the former Commission did in the calendar year of 1938; and, in addition, paid off the indebtedness as stated above, plus a payment of \$134,061.16 to the NIRH Trust Account.

“The inventories of January 14, 1939, showed that the Highway Department was owner of 201 automobiles and 420 trucks. The inventories of September 1, 1940, showed that the Highway Department was owner of 185 automobiles and 438 trucks. This makes a decrease of 18 automobiles and an increase of 18 trucks. The decrease in number of automobiles and increase in number of trucks is due to a curtailment of the number of users of cars, and an increase in the number of maintenance trucks due to taking additional mileage for maintenance and improvement into the State Highway system, and the assignment of 33 such trucks to State sponsored WPA projects. The State Highway Department was the owner, as of July 1, 1940, of \$2,825,005.25 in road machinery and maintenance equipment, and \$169,722.95 in office equipment. It is impossible to give you definite data as to the increase in value of our road machinery and equipment, Mr. Kavanaugh, our Equipment Superintendent, advises, however, that the road machinery is of far greater value and in much better condition than it was at the time of taking over the operation of the Department by the present Commission.

“The above summary gives to you a brief outline of the activities and accomplishments of the State Highway Commission during the time you have been the Governor of the State of Oklahoma. The Commission desires to inform you, however, that it was impossible to give you a statement as to the savings made by the Commission by reason of being able to pay cash for all materials and supplies, and the increased efficiency of the Highway Department due to the improvement in the morale of its employees. All reports relative to the morale of Department employees have been to the effect that it is better than any time since the beginning of your administration.

Respectfully submitted,  
THE OKLAHOMA STATE HIGHWAY COMMISSION

S. H. Singleton, Chairman  
George A. Meacham, Member  
H.E. Bailey, Member.”

Thus you will see that, in addition to getting the Department out of debt in the approximately two years they have operated, we have added 576.99 miles of paved roads to the system of this State, and have complete 611.58 miles of roads that have a good base, soil stabilization, and gravel surfacing, as well as the bridges and other activities of that department.

This Department has not been able to satisfy all of the patronage demands which have been made; many times they have had to say “No” in order to make this record; but I think that as a result of its accomplishments, that Department has the confidence of the people of this State.

I don't claim that any department, board, or commission that I have appointed is perfect, and if I find that men on our payroll, with my approval, have not been faithful to the trust imposed upon them, and are unworthy of the confidence which I had in them at the time of their appointment, I will attend to a correction of the mistake as soon as possible. I recognize the fact that in other departments mistakes have been made, but during this session, and for the rest of my term, when information showing such mistakes is received by me I shall ever be ready to act immediately to correct them.

## **SCHOOL LAND COMMISSION**

We made some mistakes in the School Land Department, and I was ready, if it had proved necessary, to send a special officer of my department equipped with extradition papers after one of those mistakes.

In the enactment of the laws by the last Legislature, to prevent a recurrence of a loss occasioned by giving appointees of state institutions and departments a greater salary than that appropriated by the Legislature, we undertook the task of rewriting the law providing for each employee of many of the departments of the State. By inadvertence the Soil Conservation Department of the State School Land Commission was omitted; and being convinced then, as I am still convinced, that the Soil Conservation Department performed a very important and necessary function, and acting upon the advice of the Attorney General, we attempted to carry forward this program by contract. Out of that attempt, I tell you frankly, I think the school children of this State have lost between ten and fifteen thousand dollars through the dishonesty of one or more employees.

I therefore recommend that a Soil Conservation Department be set up in the School Land Department, and that the funds to support the same be taken from the rents of State-owned lands acquired by the foreclosure of mortgages.

The State School Land Department has attempted to modernize itself and see to it that the property owned by it for the benefit of the school children of this State shall not be neglected or wasted. In the last session we made provision for the sale of foreclosed farm lands, and many sales have been held throughout the State. Prices have been higher at these sales than at those generally held these same counties of the State. However, under our existing law, a purchaser receiving a certificate can hold the property for four years without further payments. I therefore suggest that this section of the law be amended to permit the School Land Commission to forfeit and cancel such certificates, in its discretion, after one year, in order to prevent any further loss from this source in the event any purchaser should decide to take a free ride at the expense of the school children of this State. In this connection I want to give due credit to my fellow members of that Commission: Honorable Frank C. Carter, State Auditor; Honorable C. C. Childers, Secretary of State; Honorable Joe C. Scott, President of the State Board of Agriculture; and Honorable A. L. Crable, State Superintendent of Public Instruction, and to the efficient work of Mr. Charles B. Steele, Secretary of the Commission, and the majority of his staff.

I shall attach as a part of this message a brief but detailed report of the School Land Commission, together with recommendations. For the reason that these recommendations were approved by the Commissioners of the School Land Commission by unanimous vote, and for the reason that there is no recommendation at the conclusion of that report which is for the personal or political advantage of any individual, I earnestly recommend your careful consideration thereof.

## **OKLAHOMA TAX COMMISSION**

Attached to this message you will find a brief but very illuminating report to me by the Oklahoma Tax Commission.

I say to you that the record of the Oklahoma Tax Commission and its members, Honorable J. D. Carmichael, Chairman, and Honorable Hubert L. Bolen and Honorable Joe D. Dunn, Members, is an enviable one. Their work is not spectacular; they do not have the popular acclaim which comes to men in some other departments; they have to collect the tax; yet they have been both efficient and loyal, and have stayed far below the limitations allowed them by the last Legislature, inspired by the hope that their economy and efficiency might lessen the burden

of the Eighteenth Legislature by preventing the need for levying much additional or increased taxes. I am sure this Department will cooperate with you in every way to provide the information necessary in your preparation of the right program for Oklahoma for the years to come.

### **STATE INDUSTRIAL COMMISSION**

We have now had less than two years of service by the State Industrial Commission, as constituted by the Act of the last Legislature. The present members of this Commission are: Honorable Wm. L. Fogg, Chairman; Honorable Matt McElroy, Honorable George E. Fisher, Honorable T. H. Ottesen and Honorable Chas. W. Miller, Members. The appointment of last named member of this Commission has not as yet received consideration by the Senate, for the reason the appointment was made on September 13, 1940, when Mr. Miller was appointed to succeed the Honorable Joe Stamper who resigned his post to serve in the military forces of our country.

A very brief report of this Commission is attached to my message as an exhibit or appendix. That report shows, and all interested parties know, that we have made a great improvement in this department of state government. I commend the present members and the resigned member for their service. They have been industrious, impartial, honest, and painstaking in their work. They have kept the Department free from the charge of favoritism; they have tried in every way possible to free this Department from the curse of the racketeer and the ambulance chaser, and make it a forum where the workman can receive protection of his rights without paying tribute to the racketeering lawyer.

It is possible that other members of this Department may be called to the service of their country. In such event I shall try to continue the same spirit in any new appointment as that which I believe now exists in the personnel of that Commission. Though I have not read in detail the record of their accomplishments, I earnestly suggest that each of you read the resume of their activities which is included in this message.

### **SOCIAL SECURITY PROGRAM**

In recent weeks there has been some discussion, in the press and otherwise, with reference to the enormous number of employees on the payrolls of departments entirely under State control, and other departments in which the Federal Government participates. There are now 760 people employed in administering the Social Security program under the Oklahoma Public Welfare Commission. Two years ago I recommended the increase in revenue for administering this department. That recommendation was made upon the urgent demand of the Federal Board authorized to control this relief program. Doubtless you all remember the former troubles of our Oklahoma Public Welfare Commission, and the fact that we had been denied assistance grants by the Federal Government. After the creation of a new Commission, and their appointment of Honorable J. B. Harper as Director, I have not attempted to exercise any further control over the personnel of functions of that Department.

That Department has presented a new, or modified, plan for old age assistance, aid to dependent children, and the needy blind. This plan has been approved by the Federal agency, and careful re-checking has been done to remove the cause for complaint which caused us to be denied Federal aid. Full Federal grants to Oklahoma were resumed, effective April 1, 1939, and in July of last year the sum of \$525,000 was paid to the Oklahoma Public Welfare Commission on contested grants which has been thoroughly re-investigated and proper proofs submitted. Such re-investigation work has been continued, but I expect to be able to announce within thirty

days that it has been brought to an end, and that Oklahoma will get its full share of grants from the Federal Government with reference to the claims we have made for such withheld grants.

You will bear in mind that this staff of employees is now under the merit system, as far as we have been able to place them under that system in the time it has been operating since the formation of the new Commission.

I further call your attention to the fact that Federal matching of money is available on payments made to dependent children between the ages of sixteen and eighteen, whereas the Oklahoma law has an age limitation of sixteen years. You will use your good judgment on the question of whether to raise the limitation to eighteen years, or leave that section of the law as it is.

Also, the Oklahoma law, with reference to old age assistance and aid to the blind, contains a residence requirement fixed at five years within the State of Oklahoma within the immediately preceding nine years. This five year limitation might be reduced insofar as it affects the blind. However, that, also, is a matter entirely for your discretion.

Your appropriate committees should, likewise, consider the proposition of changing the Constitutional limitation with reference to the amount to which Oklahoma may participate in old age assistance, it now being possible for the Federal Government to match the money of the State up to and including the total amount of \$40 per month. You might consider submitting an amendment to the Constitution, so that the State could match the Federal Government on such terms as "may hereafter be provided by law."

In the allocation of the money to this Commission for its various functions you will again consider the proposition of the amount to be allocated to old age assistance, to the needy blind, and to the neglected children. You may, in your discretion, provide that the entire sum go to the Commission, with authority to the Commission to make the allocations, changing them as the needs of our people may from time to time require.

Notwithstanding the fact that less than two years ago Oklahoma was in such bad standing with the Federal agency as to be denied grants of old age assistance, the new Commission has worked in such harmony, and has been so careful about the welfare of our needy aged that the merit system of personnel administration adopted by the Oklahoma Public Welfare Commission in compliance with the authorization of Congress was the first in United States to be approved by the Social Security Board at Washington. And at this time there is no cause for alarm that there will be any disruption of the present relations existing as between our State and National Social Security Departments. For this vastly improved condition much credit is due the members of this Commission for their unstinted and efficient work. The present members of this Commission are: Honorable W. R. Wallace, Chairman; Honorable L. C. Hutson, Honorable Charles H. Makins, Honorable Verser Hicks, Mrs. Amy Comstock, Honorable Gary Y. Vandever, Honorable Max Brock, Honorable L. J. Miner, and Mrs. Sam T. Palmer, Members. I attach hereto a brief summary presented to me by Honorable Jess Harper, Director, for the general information of the members of this Legislature.

## **DEPARTMENT OF LABOR UNEMPLOYMENT COMPENSATION**

In the Department of Labor there is a large staff administering the Unemployment Compensation service. The amount of money collected from the industries of this State constitutes a staggering sum. The payroll of this Department at this time cares for more than 350 persons.



I recommend that proper committees, or special committees if you choose, study this department, and see to it that both the rights of the employers and the rights of labor are fully protected, and in the wisdom of the Legislature, make such modifications as you may deem for the best interest of the public generally and the welfare of the people of Oklahoma.

I am of the opinion that when your committee studies this bill you will discover that the application of the law should be broadened to cover other employees. Enormous amounts of money have been and will be paid by employers, and the provisions and benefits of the law should reach as many of our workers as possible.

In the study to be made by your committees as to unemployment compensation benefits for labor, I recommend that proper amendments be made to insure unemployment compensation benefits to those of our citizens who are now or may hereafter go into the military service, and who may be unemployed upon their return to civil life. It is my opinion that the law as it now exists is not broad enough to guarantee those benefits to our boys who may spend a year or more in military training.

As I have just mentioned, a precaution I desire to see taken for the benefit of our citizens who are in the national service, is that we emphasize that it is a great part of our duty to so marshal our wealth and so adjust our taxation program that our people and our industries will not be over burdened and destroyed as we prepare to meet the new load of Federal taxes which will be required to provide for national defense. The great majority of our citizens of Oklahoma are patriotic and loyal, and will pay the costs of our national defense program without murmuring. That need and that program is an additional reason why it now becomes our duty, as well as our great opportunity, to put our own county and state financial affairs in order.

## **DEFENSE LEGISLATION**

You will probably consider further legislation concerning the disloyal, communistic, and unpatriotic few of our citizens. I renew to you now, and to the people of Oklahoma, my determination to remove from the public payroll those individuals who are disloyal to the form of government under which we live. I am pleased with the activities of the law-enforcement agencies of the State in the several counties, in prosecuting such disloyal persons, and placing them behind the bars, where they belong. I commend the American Legion and other patriotic organizations in their diligence in preventing such un-American individuals and associations from gaining a foot-hold in the State of Oklahoma.

## **ADJUTANT GENERAL**

In considering the needs for the Adjutant General's Department you will encounter more difficulty in arriving at definite figures than on probably any other department. If the National Guardsmen are to be returned within a year, the appropriation requirements will be somewhat larger than they were for the last biennium, owing to the fact that our National Guard is larger than it has ever been in the history of the State. If the Guard is not returned, then the appropriation for the Adjutant General's Department could very probably be much smaller than heretofore. The present Adjutant General, Honorable George Ade Davis, whose appointment has not yet been confirmed by the Senate but whose name I will soon transmit to them for consideration, has served the State in that capacity without pay.

Oklahoma was handicapped when the Guard was inducted into service by reason of the fact that the Executive Officer of the Department had pre-empted all instructions with reference to selective service, and we were left without trained men to handle that proposition. However,

that is not a matter that either the members of the legislature or myself can now correct, but I promise you that it shall not happen again during my term.

### **HOME GUARD**

Oklahoma has not as yet any provision of law for the establishment of a Home Guard. I have not felt that this was necessary, in view of the fact that I have had the services of the Department of Public Safety. However, I believe that it is the part of wisdom for your committees on Military Affairs to carefully consider the enactment of some statute authorizing the setting up or appointing of a Home Guard, under such restrictions or limitations as you, in your wisdom, may prescribe. I shall not in this message attempt to give you in detail my ideas about this matter, but will be ready to consult with your committees about it after the Session has begun.

### **STATE BOARD OF PUBLIC AFFAIRS**

I have heretofore mentioned and commended to you the efficiency and faithful service of the State Board of Public Affairs, which is headed by the Honorable E. W. Smartt, Chairman, Honorable Roy W. Cox, and Honorable W. M. Bell, Members. In order to give you, briefly but somewhat more in detail, a better picture of the conduct of the affairs of this important Department, I am attaching to this message a report recently submitted to me by the Chairman of this Board.

### **DEPARTMENT OF PUBLIC SAFETY**

The Department of Public Safety has already been mentioned in connection with its economy of operation and the surplus of funds. It is my sincere belief that the Department of Public Safety, which has charge of the Highway Patrol, has been a boon to the State of Oklahoma. In the past year we have again received the award because we have reduced the number of deaths cause by highway accidents.

The Commissioner of that Department, Honorable Walter Johnson, is my personal appointee. His appointment did not require confirmation by the Honorable Senate, but I anticipate it would have been readily given. I am proud of his accomplishments, and assume with him a share of the responsibility or criticism that may be leveled at the Department by any disgruntled citizen. Mr. Johnson has not counted the hours of the day in performing his duty and working toward the goal of making Oklahoma a better and a safer place in which to live. He has been the arch enemy of law-violaters; and not only has he supervised the activities of the Highway Patrol, but has often personally led a valiant and honest band in trying to break up the illicit traffic in liquor.

The revenue set aside by the Legislature for that Department has not been wasted; and even though you decided to take part of that revenue for the next biennium, there will still be enough remain, at the present rate, to add thirty more patrolmen, which amounts to ten units. I heartily recommend such an addition, and do not consider that it is an abandonment of my ideals of economy to make a recommendation to increase that force. I believe the State of Oklahoma and its citizens receive a full dollar's worth of service for every dollar it costs to maintain that Department.

I also recommend that the Bill authorize the employment of qualified and trained patrolmen who are on reserve to fill any vacancies that occur in the force of Inspectors, Examiners, and the like. In that way we will add to the spirit of the organization, and continue to

maintain a force that will protect human life and enforce the law without regard to persons and without fear or favor.

Although this Department operates directly under my authority, I have not and do not intend to ever permit political considerations to influence or control the activities of that Department. Its goal and ambition is to protect human life, make the highways of this State safe from drunk and reckless drivers, and to destroy the source of many of our evils – the illicit importation and sale of intoxicating liquor.

I am so thoroughly convinced of the importance of the Department of Public Safety, and the Highway Patrolmen, in the maintenance of the peace and safety of the State, that as Chief Executive I have claimed for each of the patrolmen the right to be exempted from a year's military training. I believe that the training they have received as officers in the protection of life and property, and in the arrest of criminals, thoroughly prepares them to go to the defense of our nation in case of actual emergency.

I give you as an appendix to this message a brief summary of the activities of the Department of Public Safety for the past two years.

In this connection, I specifically recommend the enactment of a speed law for Oklahoma, so that there may be no doubt as to the attitude of our state on the question of *blinding* speed being a hazard to human lives. It is true I was a member of the Legislature that repealed the former speed law; the limit therein contained was so low as to almost compel its own violation. I suggest the limit for daytime driving, in clear weather, should not exceed sixty miles per hour, and that for driving in cloudy or foggy weather and at night, after sunset and before sunrise, the limit should not exceed fifty miles per hour. However, the details of that proposition, of course, are left to your discretion and wisdom.

## **BANKING DEPARTMENT**

The State Banking Department has been greatly reduced during my administration, but with the reduced personnel they have furnished a very efficient service to the people of Oklahoma. I attach to this message a brief summary of their activities, and I specifically recommend for your consideration a revision of the rates for operation of banks, and revision to be upward so that this Department may be better financed by those most interested in and affected by the operation of the Department.

I commend, as being worthy of your confidence, Honorable Linwood O. Neal, Bank Commissioner, Honorable Richard L. Law, Assistant Bank Commissioner, and Honorable James P. Battenberg, head of the Securities Commission which is not a division of the Banking Department. That entire Department has worked efficiently and silently for the welfare of the people of Oklahoma.

In discussing the Banking Department I want to call attention to the fact that attached to this message for your information is a short report of the present condition of our banks, as presented to me by Mr. Eugene P. Gum.

Most of the banks of the State have cooperated wholeheartedly with us in our present financial struggle. On January 1st of last year, through the activities of Mr. Dick Crutcher, of McAlester, and Mr. Eugene P. Gum, almost every bank in this State paid their income tax immediately after the first of January in order to delay the time when we would be compelled to issue non-payable warrants – which, by the way, are very attractive to the banks. I heartily commend them for this attitude, and I am pleased to report that although we are now obliged to issue non-payable warrants, the banks of the State are again paying their income tax far in advance of the statutory limitation for such payment.

I cite this illustration to show you that business of all kinds will pay taxes if they are equitable, and if the money is not being squandered; and they will make their payments without complaint. The Legislature can perform a great service by promoting that feeling among the other tax-payers of Oklahoma.

STATE HEALTH DEPARTMENT  
STATE GAME and FISH COMMISSION  
STATE FIRE MARSHAL  
PARDON and PAROLE OFFICE  
STATE INSURANCE BOARD  
STATE BOARD OF PUBLIC WELFARE

I wish to call your attention, also, to brief summaries of the activities of the State Health Department, of which Dr. Grady F. Mathews is Commissioner; the State Game and Fish Commission, composed of the Honorable Chas. B. Goddard, Honorable Jerry Ledbetter and Honorable James W. McMahan; the department of the State Fire Marshal, Honorable Carl C. Garner; the office of the Pardon and Parole Attorney, administered by Judge J. A. Minton; the State Insurance Board, of which Honorable B. E. Harkey is Secretary; and the State Board of Public Welfare, administered by Honorable Bert McDonel, amplifying my message to you with reference to those departments. They have all operated efficiently and within their income; and I feel certain that the Fire Marshal, by living within his revenue, has set a precedent in the State for that Department.

**PLANNING and RESOURCES BOARD**

The Oklahoma Planning and Resources Board, composed of Honorable Frank Raab, Honorable Raymond Brannon and Honorable T. Elmer Harbour, has performed valuable service for the State of Oklahoma, and has materially assisted the Governor's office in the several fields of activity covered by their operations.

**OTHER STATE OFFICERS**

In giving you this summary and report on conditions of the State, I am pleased to say that in the main most of the other State Officers have tried to cooperate in our program of economy and decency in government. I especially commend the Justices of the Supreme Court and Judges of the Criminal Court of Appeals. They have operated in their own sphere; I have not sought to tell them what to do, nor have they sought to tell me what to do. That condition is as it should be.

Honorable C. C. Childers, Secretary of State, and his employees, have been courteous, and have stayed past the regular hours in assisting me to carry forward the functions of government in which their services were required.

The State Treasurer, Honorable Carl Sebring, has been efficient, energetic, and patient. I have served on the State Board of Public Welfare and the State Equalization Board with him. In all things he has cooperated with my department in performing his duties to the people. I commend Mr. Sebring and his staff to you, and anticipate you will receive that same cooperation as members of the Legislature on matters in which you need to consult that office in order to write the safe program for the State of Oklahoma.

## **INTERSTATE OIL COMPACT COMMISSION**

The Interstate Oil Compact expires September 1, 1941, unless renewed and extended. This waste prevention agreement between oil producing states has furnished a satisfactory forum to study joint problems and to cooperate in state conservation of oil and gas. Through it the states have demonstrated that they can, by joint cooperative action, conserve their natural resources. The Compact Commission has unanimously recommended that the Compact be extended without change for another two year. The original Compact was ratified, approved and confirmed by the Fifteenth Legislature. It was thereafter extended by Acts of the Sixteenth and Seventeenth Legislatures. I am convinced that the member states should promptly and without delay approve a renewal and extension of the Agreement. I recommend that you authorize renewal and extension of the Interstate Oil Compact, and suggest a modification thereof to permit succeeding Governors of Oklahoma to become a member of such Compact by proclamation, similar to the law enacted by the State of Colorado.

## **CORPORATION COMMISSION**

I want to commend the Corporation Commission and the members thereof, Honorable Redford Bond, Honorable Ray O. Weems, and Honorable Wm. J. Armstrong, as well as the retiring member, Honorable A. S. J. Shaw, for their efficient service and cooperation in conserving our great natural resources, oil and gas. I also commend this Commission for cooperation and careful operation under a curtailed budget, as enacted two years ago.

I suggest, however, for your consideration, that proper committees investigate the use of special funds for the employment of individuals in that department, with a view to discovering if there is a necessity for more employees than the statutes provide for, and if so, that their positions be stated and their salaries fixed, or if not, that the appropriations be curtailed when used for any purpose other than that authorized by the appropriation bill. I do not believe this legislature will approve the use of money appropriated to fight inequitable freight rates or evaluate utilities for the employment of routine personnel.

## **INSTITUTIONS OF HIGHER EDUCATION**

One of the burdens of government in Oklahoma for years has been the great number of institutions – educational and otherwise – which have from time to time controlled the progress of legislation. In 1933 a Bill was enacted setting up a Co-ordinating Board looking to a solution of the expensive competition of schools of higher education in Oklahoma. That Board made an extensive study and made a report of their findings, but coming at the end of the administration it was not looked upon with favor by the succeeding administration. In 1939, during the Legislative session, I appointed a new Co-ordinating Board, composed of Reverend Francis C. Kelley, Honorable T. T. Montgomery, Dr. W. B. Bizzel, Dr. M. A. Nash, Dr. A. Linscheid, Dr. A. G. Williamson, Dr. C. I. Pontius, Dr. Eugene S. Briggs, Honorable W. C. Smoot, Honorable John Kane, Dr. H. G. Bennett, Dr. John W. Raley, Honorable G. W. Hildebrandt, Honorable John Rogers, and Honorable Robert S. Kerr. This Board has met from time to time, and independent of politics, and separate and apart from any suggestion I might make as affecting my administration, they have made an independent study and have recently prepared and filed an extensive report. All work of this Board was entirely without compensation, either for their time or expenses, and I commend them for their unselfish and faithful service, which I trust will assist you in helping solve the problems of the State. I have a copy of their Report to present to the Senate and one for the House of Representatives. I

wish it were possible to have the same printed, so that it might receive general distribution in our State.

At the conclusion of their work they make a definite recommendation, and in that recommendation I heartily agree: They suggest that a constitutional amendment be drawn and submitted to the people of this State for their consideration, which amendment would provide for a Board of Regents of nine members to be appointed, with the approval of the Senate, the term of office of one member to expire each year. The purpose is to arrange the terms of the Board so that no one administration will likely ever gain control of the Board, the intention being to further remove the schools of higher education of this State from politics, and place their control in one Board so that a definite program without conflict or competition can be planned and carried out, suitable to the ability of Oklahoma to support institutions of higher education.

Every member of the Co-ordinating Board voted their approval of the proposal recommending the Constitutional amendment. I am sure they all did that in good faith. Coming as it does from such a Board, it merits your prompt and careful consideration.

I consider this recommendation, coming as it does from men of the high type which composed this Board, to be very persuasive both to you members of the Legislature and to the people of the State. I believe it will give us an opportunity in the future to strike at the very root of our troubles in higher education. There is no reason why we should have many schools directly in competition with one another, offering parallel courses, and we, the people, paying the bill. I trust this subject may have your immediate consideration and go along with the other Constitutional amendment heretofore proposed for action by our citizens.

I sincerely trust that both the Senate and the House will select able individuals to serve on the Committee considering Constitutional Amendments.

## **COMMON SCHOOLS**

One of the larger problems facing Oklahoma today is the necessity for finding adequate support for our common schools. I think we have made progress in the last two years toward a solution of this problem. We can all readily agree that the necessity for common school education and adequate pay to the teachers is much more urgent than the political success of any individual. For the past year a joint committee appointed by the Oklahoma Education Association with an equal number of members appointed by myself have studied this problem. Additional and outside work by a practical school man, Mr. M. J. Phillipe, Superintendent of Schools at Comanche, has also contributed valuable data for the use of you members of the Legislature.

You all know that in the past eight years, as the impression grew up that the State could continue to furnish money, there has been a shifting of responsibility by the local districts and county equalization boards to the State. There has also been extravagance in the use of state money furnished to the local school districts. This problem is important enough to require your best work. We all realize now, that this shift must be changes, and that a substantial part of the support of the common schools must be borne by the local districts. In this connection I recommend that of the fifteen mills provided in the Constitution, the Legislature specifically require the levying of five mills of the fifteen mills in every school district of this state to be used exclusively for the support and maintenance of Common schools; that you enact such supervisory legislation as may be necessary to equalize assessments as among the several counties of the State; that you consider, in connection with the recommendations of the joint

educational committee and other persons having reliable information, the method of distributing such revenue as the State can provide to the weak schools of the State. I am convinced now that we have made a mistake in dividing the state support for schools into three or more separate funds.

Frankly, I think we should abolish the Homestead Exemption payment to school districts; do away with the so-called Primary Aid; and enact a bill prescribing regulations and restrictions upon the distribution of State money for the support of schools; then in a separate measure appropriate sufficient money, after the districts have been compelled to do the best they can to support themselves, to insure an adequate school system to every school child in the State of Oklahoma. To be workable such a law should provide for the distribution of the money in such a way that no individual or group shall be able to make political capital out of either the distribution of or the withholding of payment of such funds, with the object of success in some future election.

Many of the present members of the Legislature were in the 1935 Session when we who were championing the cause of education first raised the appropriation for common schools to 8 million, 200 thousand dollars. Since that time there have been appropriations of 12 million, 800 thousand, and 11 million 500 thousand; but the scale of pay to the classroom teachers has remained unchanged. They have not benefitted by the increases, and have borne the brunt of the fight for the few who got the cream.

But, you may say, and the tax-payers are saying, "What has gone with this extra money?" The joint educational committee has made a study of this subject. Some of the advantage was lost in the reduction of local levies; some of it went to favored superintendents and was used in administration; and much of it was squandered in needless transportation.

It is now our job to correct this condition, so that additional revenue, if we can find any, may work to the advantage of the school teachers, themselves.

On the question of transportation, I recommend that you authorize the State Board of Education to set up transportation districts in all counties and affecting all school districts that require State Aid. In such a manner we can save thousands of dollars on needless and overlapping transportation. I also recommend that the State Board of Public Affairs be made the purchasing agent for all units of motor transportation necessary to be used or paid for, in whole or in part, by State funds. I also recommend that you limit the use of such units for transportation to the actual carrying of pupils to and from school.

I have no desire to recommend or head toward a county until bill, such as was proposed in 1935. I hope the control of the school districts may remain in the districts, and that the appointment of boards shall not become a political issue either in my administration or any other. We must, however, prevent the small district from transferring its pupils to an adjoining district and requiring the State to pay the transportation bill.

I recommend to you a careful study of the report of the joint Educational Committee. This Committee is composed of Mr. Lonnie Vandever, Mr. Dan Proctor, Miss Ona C. Ranies, Mr. Elmer Petree and Dr. John F. Bender, who were appointed by the Oklahoma Education Association; and Mr. Earl Emerson, Professor C. E. Campbell, Mr. Jim Logan, Mr. Paul Kannerly and Mr. Joe E. Brown, who were named by me, and all of whom have had years of educational experience. The problem of financing the schools is of paramount importance. You must go on with the studies already begun, get assistance from all available and reliable sources, ever bearing in mind that the schools must be financed, even though the inability of the State to carry the whole load has now been demonstrated to everyone.

## **RE-APPORTIONMENT AND REDISTRICTING**

Another important function the Eighteenth Legislature must meet and perform involves the consideration of a legislative re-apportionment. Your field of investigation and operation should include both the State Senate and the House of Representatives. I have a report in my possession showing the result of the last census insofar as Oklahoma is concerned. The total of our population is 2,336,434. I have information for your use giving the population of the counties of the State, but I am required by the Bureau of Census to hold the details confidential until they decide to release them in Washington.

The re-appointment of representatives is a question that belongs entirely to you, I desire to suggest that in the allocation of representatives to the various counties and districts in the State you make them as reasonably as possible, and reduce the number of members of the House of Representatives so that the body may be a more workable organization.

Unless our sources of revenue are suddenly increased it is not difficult to foresee that in the near future there will be a necessity for the consolidation of counties. It is not reasonable for you to carefully consider this matter, even though in your next apportionment two or more of the smaller counties might be united for the purpose of electing representatives to the Legislature.

You likewise must consider recasting the Congressional districts of this State. It is certainly not a proper districting of the State to have some of the Congressional districts twice as large as others. I do not believe such a condition would be approved by either of the major political parties.

I also recommend for your consideration the proposition of redistricting the State as to District Judges. I recommend rewriting the laws creating the Courts of Common Pleas for Oklahoma and Tulsa Counties. I am sure that two, instead of four, courts in each of these counties would be sufficient.

I call your attention, also, to the fact that in many of the districts of the State the District Judge are not reasonably busy. In my own Judicial District composed of Creek, Okmulgee and Okfuskee Counties, we have three District Judges and two Superior Judges. In Oklahoma County, in Tulsa County, and in many other districts we have District Judges in excess of the requirements of litigation or the needs of the people. When we look at our revenue, as you and I are now compelled to look at our revenue of this State, we must be impersonal and unselfish, and write a program that will grant as much relief as possible to our burdened tax-payers.

## **JUSTICES OF PEACE AND CONSTABLES**

I suggest, also, that you consider the proposition of reducing the number of justices of the peace, and providing some proper curtailment of their activities, or that you submit a constitutional amendment which would abolish them altogether. Recent occurrences at Moffett, and former activities in Oklahoma County and in other parts of the State, invites your careful attention to the subject of Justices of the Peace and Constables.

## **ELECTION LAWS**

Another important question which will require your serious consideration is the enactment of some law which will insure majority nominations for political office. There is likewise much need of reform in our system of registration. I have suggested this subject to several members of the Senate and House. I also suggest that you study and consider the enactment of some law similar to the National Act which is known as the Hatch Act. The people of the State of Oklahoma are entitled to a fair opportunity to choose their officers at the next and



all succeeding elections. It is not right, either as a matter of government or as a matter of politics, that elections, from time to time, should be controlled by those holding the offices.

And in this connection I want to notify you, as I have notified other citizens of the State, that I do not expect you to so draft the election reform measures that I may benefit therefrom at some future election. I tell you again that I do not expect to become a candidate for any other office during my term; so my wishes in the matter shall not be the controlling influence – neither should you permit any other incumbent in any office to write your program of Congressional or Legislative redistricting, or the terms or conditions of any Act that is designed to insure to the people of Oklahoma an honest majority choice of the officers who are to represent them.

### **REPEAL OF EXISTING LAWS**

I further suggest to you that you either appoint a special committee, or authorize some committee already organized, to make a search of the laws for the purpose of repealing obsolete, unnecessary, or unenforceable statutes. Members of a committee that would make a detailed and painstaking study of the statutes and present bills to repeal such obsolete, unnecessary and unenforceable laws would perform a service for this State incalculable in its value. Every individual who purchase the Oklahoma Statutes, and any Commission which re-codifies our laws, would call the committee blessed that would strike the dead wood from our statute books.

As an illustration, I call your attention to the fact that it is still a crime in Oklahoma for a land owner to permit either Johnson Grass or Russian Thistles to go to seed on his land. There are many other laws which are equally impossible and unenforceable which should be stricken down.

### **AGRICULTURE**

An active committee on Agriculture can study any phase of that subject which will promote that industry in our state. In the near future we will live and pay our taxes very largely out of products of the soil. Vocational agriculture, the 4-H Clubs and Future Farmers of America, are the foundations of our future citizenship, and it is our duty to not only guard against further mortgaging the heritage of these young people, but to encourage and assist in their development into the kind of citizens we hope to have in the future Oklahoma.

### **APPROPRIATIONS**

And now, finally, but by no means of minor importance, I come specifically to the question of appropriations. I quote Section 5377 of the Oklahoma Statutes of 1931:

“The Legislature may increase or decrease items in the budget bill as it may deem to be in the interests of greater economy and efficiency in the public service, but neither House shall consider further or special appropriations, except in the case of emergency, which fact shall be clearly stated in the bill therefor, until the budget bill shall have been finally acted upon by both houses. All bills introduced in either House carrying appropriations shall be itemized in accordance with the classifications used in the budget.”

“Complying with that section of our laws, I will furnish you a budget, and will prepare for introduction the departmental and institutional appropriation bills. Much work along this line has already been done by Mr. Holliman, of the House, and Senator Wheeler, of the Senate, and many other members of both bodies. These men have gone, at their own expense, to visit the

institutions of the State. They already have much of the information which they will require in order to recommend to the two Houses of the Legislature the form and amount of these important appropriation bills.

We shall not consider, and I shall not approve, any other appropriation bill except for the expenses of the Legislature, unless there should arise a dire emergency which must be more than the mere recitation of an emergency appended at the end of the bill.

### **STRINGTOWN**

Oklahoma is now cursed with too many institutions. I think one of the more recent of the useless, flagrant expenditures of state money was the purchase, construction, and continued maintenance of the Stringtown Sub-Prison. The land of that tract is not suitable for intense cultivation. Many of the members of both the House and Senate were of the opinion that the institution should be abolished in 1935. Yet notwithstanding our opposition, great sums of money have been appropriated to it since that time. Our laws limiting the manufacture of goods by prison labor have made it impossible for those who are confined at the Sub-Prison to be employed at any gainful occupation.

We must require that the Oklahoma State Penitentiary at McAlester, and the Oklahoma State Reformatory at Granite, use this labor for the manufacture of as many articles as possible which can be used in our own schools, hospitals, and other State institutions.

### **ORPHANAGES**

Another thing I suggest for your consideration is that Oklahoma does not need to continue to operate two orphanages. The habit has grown up in this State of having the County Judges send neglected children to a state orphanage, even though both parents are living, and even though they may not be in destitute circumstances. A far better procedure for the State to take in such cases would be to have the County Attorney prosecute the negligent parents for their failure to support a dependent minor child. We have in many cases seen the parents of children supported in orphanages of this State drive up to the orphanage in a fine car for a casual visit with their unwanted child which had been turned over to the State for support. Possibly you can write such regulations as will protect the State from the task of providing support for dependent minor children, when such support could and should be supplied by the parents.

### **HOSPITALS**

The Charity Hospital at Clinton is unnecessary, under the present financial condition of the State. We cannot continue to give *every* service that some individual might favor without adding materially to our tax load. I recommend to you that you carefully study, with respect to each and every State institution, the question of whether such institution is performing an indispensable service to the people of the State which justifies and requires us to levy new and additional taxes for the maintenance and support of that institution.

I believe the University Hospital at Oklahoma City is a necessary institution, but the present management of that institution, apparently, has no regard whatever for the welfare of the tax-payers of this State. When you read their budget request for new appropriations I am sure you will be forced to the conclusion that they believe you, as members of the Legislature of Oklahoma, have the right to coin money to spend at their direction. Whatever appropriations are made for that Hospital I leave to your sound discretion.

There are certain improvements and extensions of necessary institutions which will have to be made. However, I suggest that these be held to a minimum, particularly with reference to extensions at educational institutions. If you approve and submit to the people a Constitutional amendment providing for the appointment of a State board of regents for schools of higher education, then we should not at this time build extensions to some institution we may soon be forced to abandon.

I am of the opinion, since the Capitol Office Building has been constructed, that it would be good business to complete it, and that an appropriation sufficient to restore the east hallway on the first floor of the Capitol Building should be included in this Bill.

In the budgets presented by several of the institutions, requests are made for buildings. After looking at the dairy barn recently constructed at the Cameron State School of Agriculture at Lawton, I am shocked that such a thing should happen during my administration. For these junior agricultural livestock barns I recommend to you the type of barn invented and constructed by Dr. Morrison, at Goodwell; and I suggest that the construction of any building, at agricultural schools or otherwise, must be under the supervision of the State Board of Public Affairs, if it is to have my approval and sanction. If I had contemplated that a request would ever be made for such an extravagant barn at Wilburton I would have recommended, two years ago, that that school be abolished.

I recommend to you that out of the building fund created by the collection of the oil revenue from State lands you appropriate the money necessary for repairs at our various institutions.

## **INSTITUTIONAL WATER SUPPLIES**

I recommend that you provide for the establishment of a water system at the Oklahoma Agricultural and Mechanical College at Stillwater, but take such precautions as may be necessary to see that it does not develop into a commercial or municipal water system.

Two years ago we tried to get back to the place where the local communities which benefit most by reason of State institutions in their midst would go along with us and pay the institutional water bills. I think that request was reasonable, and I am disappointed that the people of some of the communities which have State institutions were not willing to contribute that small part toward the maintenance of those institutions.

Therefore, if you decide to abandon either of the State Orphanages, or make any other shift to simplify our institutional problem, I suggest that you consider the proposition of abandoning the Oklahoma School for the Deaf at Sulphur, and its removal to some other community more willing to help the State in its present emergency.

In checking over the institutions, you will also give due regard to the Confederate Soldiers' Home at Ardmore, and limit its appropriations so that it will not expand and go into new fields. I am of the opinion that we should go into new fields. I am of the opinion that we should maintain it as long as it may be necessary to provide a home for our Confederate Veterans, but I do advise that you prohibit its going into new fields to establish some new type of home that will grow and grow, and be an additional burden to us. It is the proper function of the Federal Government to care for all veterans with the exception of the Confederate Veterans, for whom this Home is provided; and if the Act creating that institution is broad enough to compel us to undertake the support of other veterans or their widows, I recommend that you amend or modify the Act to avoid that expense. I have not violated the law, as has been the case of some of my predecessors, by ordering the Executive Board of that Home to take persons other than those specifically named in the Act creating the Home.

## **STATE BUDGET OFFICER**

I have gone thus far in my administration without appointing any spokesman to speak for me. If there is a man in the State who can speak for me upon any subject, that individual is our faithful Budget Officer, the Honorable R. R. Owens. I very seldom overrule him. He knows the subject of state finance; he has my entire confidence – I know he is safe on the subject of appropriations; he will not abuse my confidence in that regard. His is not seeking power, and will be surprised to know that I have mentioned him thus in this message.

Mr. Owens has made an elaborate and extensive study of the institutions and departments, and on many matters he has the information you will need to prepare and pass the proper appropriation bills.

## **TEXTBOOKS**

I recommend to you a thorough study of the problem of textbooks in this State. In 1936-1937 there occurred, I believe the most unconscionable book adoption ever made in this State. Money was squandered for books whose period of approval had expired. In the last session of the Legislature, under the leadership of Honorable Charles Duffy, Senator from Kay and Grant Counties, a bill was passed which authorized the use of all books which had at any time theretofore been adopted, in order to prevent the entire loss to the people of the use and value of the books on hand. Subsequent adoptions by the present State Textbook Commission secured other and better books at lower prices, yet without forcing the displacement of the old books that might remain on hand. However, the passage of this law which was designed to save money to the parents of school children, has been used as a crutch for litigation in this State to continue those old and unconscionable adoptions and contracts of 1936-1937.

Therefore, I suggest that you enact legislation which will correct the evil of recurring adoptions, and at the same time prevent the further purchase and use of the type of books above referred to. I suggest Constitutional amendment on the subject, so that it will not be necessary, in complying with the Constitution, to have frequent adoptions. If such an amendment may be submitted along with the others I have recommended, then the Legislature can provide for an adoption which may last on and on through the years.

## **GRADUATED LAND TAX**

I suggest, also, for your consideration, the preparation and submission of an amendment limiting the ownership of land by one individual or corporation. The amendment recently submitted showed sufficient approval by the people of this State to warrant your concern with the preparation of some well-considered Legislative enactment or Constitutional amendment on that subject.

## **CLEMENCY**

There is attached to this message a summarized report of my acts of clemency, but I desire to further discuss that subject briefly in this message. The Constitution places upon the Governor of the State the duty and obligation of determining the persons to whom clemency should be granted. I have not delegated that power to anybody. But I tell you frankly that I am not always sure of myself on questions of clemency. I know it is not right, and I have not yielded to the entreaties of friends, the tears of relatives, or political expediency in granting clemency to any individual when I did not honestly think that he had reformed. I will tell you, frankly, that I now feel that I may have been too strict. I suggest that you consider a Constitutional amendment providing for the appointment of a non-political Board of three to

supervise and recommend on questions of clemency. I am of the opinion that you should also provide for the employment of one or two individuals to supervise and keep check upon parolees.

When I say to you that I think I have been too strict in the past, that is not an inference that I expect to extend such activities very much farther in the last two years of my administration. I just don't turn them out if I don't think they have truly reformed. In the press of business during the past two years many have been unable to present to me their applications and claims. I will probably have more time for those duties in the latter part of my administration; but I give you this assurance, that I shall not relax the rule, or ever sign an order granting clemency to any individual merely because his relatives appeal to my sympathy, or because powerful friends may seek to put pressure on me to force the act.

The brief statement and summary of my acts of clemency is added to this message for the benefit of those of you who do not have an opportunity to inspect and study the full report.

### **PAYMENT OF DEFICIT**

When you have solved the problem and found the answer to our financial troubles for the latter biennium of my administration, we will work together with the State Treasurer, the Honorable Carl Sebring, and provide for the payment of the deficit of the first year of the present biennium.

### **COMMITTEE WORK**

As you now undertake your duties as members of the Senate and House of Representatives, it is my earnest hope that you will not be disappointed or become bitter over your assignment to committee work. There is more than enough work here for everyone; and in doing the job which lies ahead you have an opportunity to be an honor to yourself and a blessing to your people.

### **PATRONAGE**

During the Eighteenth Legislature I hope that we may not be set with bickerings over patronage. I commend of your consideration the Eastern Oklahoma Tubercular Sanatorium at Talihina; That institution has operated for years with never a member of the House or Senate, nor a Governor, daring to force a political appointee in the institution. What a blessing it would be to the State if this could be said of the Penitentiary and the Reformatory.

Certainly we do not have time now to be fitting political henchmen to tag office jobs. I have tried to accommodate and recognize the members of the Senate and House of Representatives, and I shall again lend myself to every possible cooperation in that regard when this other, more important, job is done. We cannot make trades now to secure the passage of the bills that are to be enacted; we shall not approve bills this Session, any more than we did two years ago, when their passage is influenced by corrupt and intemperate lobbyists.

Now, you members of the Senate and House have observed that this message has been long – necessarily so, in compliance with my Constitutional duty; but it is more like the discussions which might be heard around the table of a Board of Directors of a going concern. You and I are the Directors, managing the business of the State of Oklahoma for the next two years.

I have been kidded and misunderstood, to some extent, by the public, for some of my acts as Chief Executive in seeming to place so much confidence in the men with whom I have served in the Legislature. Such criticism is honest, of course, but the individuals who voice it have not

realized that many of the men who have comprised the recent Legislatures have been among our most patriotic, able, and unselfish citizens. The public doesn't know, and a chance reader of this message in the future could not fully appreciate the high regard I have for most of those men, and for most of you. I know the member of your families; I am close enough to you to feel your sorrow, and thrill with you at your successes; I know you are underpaid, and I hope this Session may complete its work before you have to serve for \$2.00 a day; yet, in any event, I know that most of you will serve faithfully, honorably, and unselfishly 'til the task is done. It is with the hope that such service shall be the controlling impulse of the majority of you that I make these recommendations, with the feeling of confidence that we, together, can solve these problems, and together share the credit for having made Oklahoma a better place in which to live.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA:

LEON C. PHILLIPS.

## **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.