

State of Iowa

1923

BIENNIAL MESSAGE

OF

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N. E. KENDALL

GOVERNOR OF IOWA

TO THE

Fortieth General Assembly in Joint Session

DES MOINES, JANUARY 9, 1923

INCLUDING BIENNIAL BUDGET

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GOVERNOR'S BIENNIAL MESSAGE

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N. E. KENDALL, GOVERNOR

To the Fortieth General Assembly of Iowa:

By Section 12 of Article 4 of the Constitution it is rendered incumbent upon the Chief Executive to communicate to the General Assembly at the opening of each regular session the condition of the State. The duty thus devolved upon the Governor is a particularly agreeable one at the present juncture, for the commonwealth is completely and splendidly solvent, unembarrassed by a single dollar of bonded indebtedness, and holding a comfortable unencumbered balance in its treasury. The multiplied activities of the State, and what it is currently costing to operate them, are exhibited in detail in the printed reports of the various departments of the government now available for your examination. I make such reports a part of this message by reference, and I commend to you their careful and scrutinious study.

By Section 191 of the Statute the Chief Executive is also required to submit to the Legislature what is denominated a "budget" containing general information with reference to appropriations granted to each department for the past biennial period, its expenditures during such period, and its askings for the ensuing period. This budget is now presented in a separate pamphlet accompanying this message; but it must be remembered that the data incorporated therein was collated without any control or supervision by the Executive. A casual inspection will disclose that as a general reservoir of information and enlightenment for the General Assembly it is woefully inadequate. A previous Legislature embarked feebly upon budgetary experiment, but it remains for you to carry to full completion the imperfect program it inaugurated.

A BUDGET SYSTEM

We are all in agreement that there should be introduced into the management of our State government the best business practices that can be devised. A period of depression almost unparalleled

in our history is gradually passing, but has not entirely passed, and it is our duty to enforce in the fiscal affairs of the State principles of highest efficiency and strictest economy. Iowa is one of the fairest and richest of the commonwealths of the Union, and while her expenses are lower than those of a majority of the states, they are still burdensomely heavy. I am satisfied that they can be materially reduced. In my opinion one of the most imperative obligations imposed upon us at this session is the establishment of a comprehensive and thoroughgoing budget system which shall include an intelligent and disinterested survey of what is being done with the cost of doing it, and what it is proposed to do with the cost of doing it; in all such concise and simplified terms that the average taxpayer may understand readily and exactly the disbursement of every dollar collected from him as taxes, and the object of its disbursement. The so-called budget contemplated by existing statute is of negligible value, and no General Assembly ever has utilized its meager compilation as an effective aid in the appropriation of public funds. What is needed is a real budget, embodying the salient provisions of those recently adopted by Congress and numerous states, which have resulted in substantial economies in the public expenditure wherever they have been organized. I am fully persuaded that under such a system the taxpayers of Iowa would be afforded a solid measure of the relief to which they are so abundantly entitled. Under its operation a budget board would be created, wholly disconnected from the Legislature or any department, to which each department would report the amount appropriated for its support by the last preceding General Assembly and for what purpose, the amount expended by it and for what purpose, and the amount estimated for the ensuing biennium and for what purpose; all itemized to the last detail, with full and extended explanations in writing of the necessity for all and singular of the sums asked for the future. The budget board would be thoroughly familiar with the available revenues of the State, as it would have accurate knowledge of the income to be anticipated from all sources. It would know what the State could afford to do without disturbing the then current levy. Thus fortified, it would examine, consider and review all the information, data, estimates and requests of all the departments, and after the most rigid scrutiny thereof it would prepare and submit to the Governor a state budget report setting forth the askings of each, together with its specific recommendations with reference thereto. This report would be transmitted to the General Assembly, thereby

furnishing it the reliable information it cannot otherwise acquire to enable it to legislate justly and wisely for the support of the State's activities.

The system I have just advocated should be instituted not alone as respects the State, but also as respects every sub-division of the State invested with jurisdiction over the expenditure of public money. The importance of this recommendation will be emphasized when it is remembered that of every dollar derived from taxes of all descriptions, ninety-one cents are disbursed locally in the various communities for county, township, city, town and school upkeep, while only nine cents are absorbed at the Capitol for State purposes. It should not be forgotten that the State levy is controlled absolutely by two factors, viz., the amount to be gathered as taxes, and the taxable valuation of the property to be levied on. The rate goes up or down with the total of taxes to be realized, and the value of the property impressed with taxes. With great reluctance the Executive Council has found it necessary within the past biennium to increase the State levy, but the reasons which compelled such action are easily discovered. The amount appropriated by the General Assembly for State purposes for the year 1920 was \$7,900,000 to be raised by a levy on a taxable valuation of \$1,103,349,996. By the simplest computation it will be ascertained that a levy of 7.35 mills would produce the sum required. But in 1922 the amount appropriated for State purposes had advanced to \$10,072,000, while the taxable valuation had declined to \$1,083,448,689. An increase in the levy, therefore, to 9.11 mills was inevitable. The budget system, by fixing expenditures according to income, and limiting them thereto, would have the effect better to stabilize the levy from year to year.

Along with the enlightened method I have suggested for the control of the public finances there should be enacted an express prohibition, re-enforced by suitable penalties, against any public agency expending more money or contracting the expenditure thereof, than the amount previously authorized. A real evil of disturbing proportions has arisen from the practice, altogether too often resorted to by spending bodies, of incurring indebtedness which the ordinary income of their municipalities is insufficient to liquidate. I am informed that in one of the superior counties of the State there are at this time outstanding more than a million dollars of such securities, not a single penny of which ever was sanctioned by the electors of the county who must finally discharge them. Such a

gross abuse of the public interest will be corrected by requiring a budget, and forbidding any expenditure beyond it.

DEPARTMENTAL REFORM

I am convinced that we can, without detriment to the State, abolish some of our present instrumentalities of government. There has been allowed to develop in Iowa, boards, bureaus and commissions—in my opinion altogether more numerous than is warranted by good and prudent administration. They have been erected from time to time as the years have elapsed, and as the State has undertaken original and additional activities. Each is independent of the others, and none are subject to any central control. They are not properly related or co-ordinated, nor can they be under existing law, and as might be apprehended the consequence is a duplication of powers, an overlapping of duties, a confusion of authority, with the extravagant waste inevitably incident to such disorder. Under the system, or lack of it, at present in vogue it is possible that your city may be visited by a State Agent:

On Monday to inspect the hotels to ascertain if they are properly equipped with fire escapes. Per diem, mileage and expenses.

On Tuesday to inspect the butcher shops to ascertain if they are complying with sanitary regulations. Per diem, mileage and expenses.

On Wednesday to inspect the oil stations to ascertain if the merchandise vended is of statutory standard. Per diem, mileage and expenses.

On Thursday to inspect the scales to ascertain if they are returning just and honest weight. Per diem, mileage and expenses.

On Friday to inspect the milk depots to ascertain if the lacteal fluid there dispensed is adulterated with dirt. Per diem, mileage and expenses.

On Saturday to inspect the water supply to ascertain if its sources are free from filth pollution. Per diem, mileage and expenses.

Sunday, of course, is devoted to sacred meditation, and the community is immune. It is obvious that none of these inspections involve exceptional talent or extended time. They could all be made by a State Agent of intelligence and energy in one day, with one per diem, one mileage, and one expense account. It is inconceivable that a procedure so utterly unbusiness-like as I have recounted should be further perpetuated.

Two years ago in the inaugural address I directed attention to the evil, and recommended a consolidation of these agencies into a limited number of departments, with fixed and definite responsibility,

in the belief that better and cheaper service could be attained. I then suggested the following:

1. The reorganization of the Board of Agriculture and the enlargement of its functions to include those now exercised by:

- The Iowa State Poultry Association,
- The Horticultural Society,
- The Weather and Crop Service,
- The State Apiarist,
- The Commission of Animal Health,
- The State Entomologist,
- The State Dairy Association,
- The Beef Cattle Breeders' Association,
- The State Veterinarian
- The Corn and Small Grain Producers' Association.

2. The reorganization of the State Board of Health and the enlargement of its functions to include those now exercised by:

- The State Food and Dairy Commission,
- The Commission of Pharmacy,
- The State Oil Inspector,
- The State Board of Dental Examiners,
- The State Mine Inspectors,
- The State Board of Optometry Examiners,
- The State Fire Marshal,
- The State Boat Inspectors.

3. The reorganization of the State Library and the enlargement of its functions to include those now exercised by:

- The State Historical Department,
- The State Library,
- The Library Commission,
- The Bureau of Public Archives,
- The Academy of Sciences,
- The State Conservation Commission.

4. The reorganization of the Board of Control and the enlargement of its functions to include those now exercised by:

- The Board of Parole.

It was frankly admitted that some of the consolidations indicated might not be the most desirable, and that others more workable might be devised. Further reflection has strengthened the opinion then expressed as to the propriety of such action, and I now reiterate it with redoubled earnestness. The Chiropractic Board and the Osteopathic Board might well be made auxiliaries to the Board of Health. The Conservation Commission and the Fish and Game Department can be united to their mutual advantage. My observation of the parole system during the past two years has left me without doubt that its administration would be largely improved and

the expense it entails materially reduced by merger with the Board of Control as I have suggested. In view of the large number of women and girls in the various State institutions as employes, inmates, patients and prisoners, there ought to be a woman on the superintending board. I very strongly recommend that the Board of Control be increased to four members, at least one of whom shall be a woman, and that the duties now discharged and the powers now enjoyed by the Board of Parole be transferred to the Board of Control as so constituted.

On the whole I enjoin a thorough reform of the departmental organization now existing, to the end that more improved methods may be introduced into the management of our affairs. Many states have inaugurated the departure I propose, and its complete feasibility has been amply demonstrated. The problem is one of much complexity, but it should be grappled with fearlessly and without delay. You can render a distinct and permanent service by answering the demand for a systematization of the business of the State, for a reduction of the personnel of those supervising its functions, and for a curtailment of the expense involved in its operation.

AUDIT

With the budget system established and the consolidation of departments effected, there should be invoked to accompany the change the most searching methods of inspection and audit. No fact is more clearly revealed in the history of civil administration than that the best government is attained where every officer, agent and servant of the sovereign people is required at frequent intervals to render a detailed report of his stewardship. The law now provides for an examination by the Auditor of State of the books and accounts of all county, city, town and school officials. The statute has resulted in the extinguishment of graft and laxity where they existed, and in the promotion of efficiency and economy where they were absent. A notable illustration of the efficacy of this provision is presented in the fiscal affairs of the City of Des Moines. The State's checkers in the discharge of their duty exposed fraud and malfeasance in one department over a period of two years involving the misappropriation of about \$75,000 of the taxpayers' money, and successful criminal prosecutions have ensued. In an appeal to the people to be constantly watchful for corruption in their government, one of my predecessors once remarked that there will be no scandal in public administration so long as every transaction is open to public observation. I believe the examination to which I have referred

should be extended to embrace all officers, and all boards, bureaus and commissions of every description operating upon revenues supplied from the public treasury. Doubtless culpable delinquencies would be uncovered rarely, but a proper supervision thus exercised would make for better observance of official duty.

My experience of two years in the executive office has convinced me that the legislation I have outlined foregoing would lift the public service to a higher level than it now occupies. Appropriate measures to effectuate these reforms will be before you, and I very earnestly invite your early and serious consideration of them.

CODE REVISION

A subject of prime importance which should engage your earliest attention is the revision of the Code. The whole body of our statutory law is in inextricable confusion, and it should be so simplified and clarified and codified that lawyer and layman alike may, without difficulty, discover where it is and interpret what it means. This ought to be done as immediately as conditions will allow, and as speedily as thoroughness will permit. I am not unaware that there is diversity of opinion as to the most expeditious course to be pursued. The subject was discussed at length prior to your last adjournment, and I was importuned to convene a special session to deal with it. This I declined to do, because I felt that the taxpayers of the State could ill afford the expenditure of \$250,000 that would be thereby incurred, and because it became apparent to me that the work could be satisfactorily accomplished in the usual course without any extra expense whatever. I know that my refusal was denounced as obstinacy in certain quarters more or less distinguished, but I know also that the money was saved, and that no vital interest has been seriously injured by the postponement. Subsequent study of the subject has confirmed my conviction that revision can be effected at the regular session upon which you entered yesterday without dislocating other necessary business, and in this I am reinforced by many in and out of the General Assembly whose ability and experience qualify them to measure the situation. But not by all, however. Last week a senior in years and service in this body deplored the disproportion of first-termers in Senate and House, and lamented that any sensible program will be sorely retarded by fantastic panaceas projected for the afflicted body politic. The good man did not appreciate the fact that the new members are not here

to smother the State with legislation that would reproach it, but to aid the State to legislation that will benefit it. Their chief ambition, as they have divulged it, is to proceed without delay to the discharge of their duties. Every session of the Legislature to the extent that it enacts, repeals, substitutes or amends the statute, is a code-revising session. Doubtless it is true that in the days to come numerous bills will be introduced, but equally it is true that almost uniformly they will relate to modifications of existing law. They can be considered and disposed of, therefore, concurrently with the general revision in progress. The magnitude of the task confronting you has been vastly exaggerated, and the advantage of the work already done has been largely minimized. You have before you the Compiled Code and the Supplement thereto, conceded after rigid review by the last General Assembly, to embody all the general law of the State. They contain some ten thousand sections, but the Commission has undertaken the re-writing of only about one-third of them. It has formulated a bill respecting every section affected by its report, and each bill is accompanied by an elaborate brief explaining explicitly what is proposed. If any old matter is eliminated, or any new matter is inserted, or the phraseology is altered, or the arrangement is transposed, the fact as the case may be is clearly indicated and the reasons therefor succinctly stated. Thus our position is differentiated from any that has heretofore obtained, in that the mechanical drudgery of revision has now been conquered. Possessed of the original section as it appears in Code or Supplement, and armed with the explanatory brief to which I have referred, it is easily within the power of the most unskilled legislator to familiarize himself not only with the law as it is, but with the specific recommendation of the Commission concerning it, and to decide with ready facility whether he favors or opposes such recommendation. The bills of the Commission will, of course, be subject to amendment to any degree within your sound discretion. If it be urged that a special session has hitherto been resorted to under similar circumstances, it may be answered that no comparison can be instituted between previous revisions and the one now impending because the circumstances are not similar. I am fully persuaded that more than one-half of the labor of this revision is already behind us, and that the remainder can be completed within the limits of an ordinary session. The Code Commission as well as the Law Department will be at your service for all assistance possible.

I do not need to re-state the argument for early revision. The

editions of all Codes and Supplements are practically exhausted, and the people are entitled to have the laws by which they are governed reduced to compact and convenient volume. The opportunity is before you for constructive achievement, and I trust it may be zealously embraced. The way to revise the Code between this January 9th and next April 9th is to revise it; not by predicting in advance that it *cannot* be done and deferring it, but by resolving at once that it *shall* be done, and doing it.

FEDERAL ACT

On January 21, 1922, I accepted on behalf of the State the provisions of what is designated as the Sheppard-Towner Act. "For the promotion of the Welfare and Hygiene of Maternity and Infancy," etc. I did this in virtue of the authority conferred under Section 4 of said Act, and by the following formal communication: "Miss Grace Abbott,

Chief Children's Bureau
U. S. Department of Labor,
Washington, D. C.

My dear Miss Abbott: —I am in receipt of your letter of the 12th instant. In reply I have to say:

1. That as Chief Executive of the State of Iowa, I accept insofar as I have power, the terms of the Act of Congress for the promotion of the welfare and hygiene of maternity and infancy of November 23, 1921, for a period not to exceed six months after the adjournment of the next regular session of the General Assembly.
2. I designate as the agency to co-operate with the Children's Bureau, the Iowa State Board of Education.
3. I appoint as Custodian of the funds, the State Treasurer of the State of Iowa."

By the foregoing acceptance I have exhausted all the power of the executive in the matter, and it is now submitted to you for legislative action. I venture to say that in my judgment the State should fully co-operate with the Federal government in the great and humanitarian enterprise fostered by the Act.

RAILWAY VALUATIONS

By Chapter 284, Acts of the 37th General Assembly, the Governor was

"directed to undertake and carry forward such investigation and preparation as shall be necessary to properly represent the interests of the State in connection with the valuation of the property of common carriers now being conducted by the Interstate Commerce Commission, and to do all things needful in representing the State before said commission or in any court or tribunal where the question of such valuation shall be the subject of controversy,"

and \$40,000.00 was appropriated to defray the expense connected therewith. Soon after I entered this office I became convinced that the work contemplated could be more efficiently and economically performed by the Railroad Commission than by the Executive Department, and at my instance the 39th General Assembly transferred the entire matter to that body. The Commission has completed the major portion of the labor necessary to the ascertainment of the land values of all the carriers, and has finished the preparation of all data relating to the Rock Island. The latter company is disputing its valuations before the Interstate Commerce Commission, and the State is being represented in the contest by its attorneys. The Federal Valuation Act provides that the values of the railroads in the United States shall be determined with reference to State lines. It is of the utmost importance, therefore, that those assigned to Iowa shall be in all respects sufficient and accurate. The possession of the reliable data being accumulated will also be of immense advantage to the Executive Council in the assessment of railway property for taxation. I urgently recommend that adequate appropriation be made to continue the valuation work now being prosecuted by the Railroad Commission.

BOVINE TUBERCULOSIS

The eradication of bovine tuberculosis from the State is of the most vital importance not only because it is a menace to the livestock industry, but because of the danger of its communication to the human family. The 38th General Assembly appropriated \$100,000 to be used annually for the suppression of contagious and infectious diseases in domestic animals, and to provide indemnities in co-operation with the Federal Government for animals slaughtered as tubercular. The demands for this preventive service so multiplied that the 39th General Assembly increased the appropriation to \$250,000 per annum, which has been available the past biennium. This amount has been inadequate to answer the situation. Requests for treatment come not only from livestock owners, but also from health officials asking that dairy cows supplying milk for human consumption be subjected to a satisfactory tuberculin test.

Up to the present time 1,251 herds, representing 33,184 cattle, have been fully accredited; 4,239 herds, representing 82,116 cattle, have passed one free test. There are now on file applications from 4,674 herds, representing 91,035 cattle. In order properly to care for these applications and others being received daily, I recommend a most liberal appropriation for this great and necessary work.

PROVIDENTIAL CONTINGENT FUND

Your predecessor placed at the disposal of the Executive Council a fund of \$50,000.00 to be expended under its order in the repair or restoration of property of the State damaged or destroyed through providential causes. Practically all of this fund was necessarily disbursed during the biennium. Since the State carries no insurance on its property not less than the amount above suggested should be appropriated to meet emergencies as they arise during the next biennial period.

STATE INSTITUTIONS

The detailed report of the Board of Control deserves your particular attention. There were, on June 30, 1922, in all the institutions under the supervision of the Board, 6,558 men and boys, and 4,060 women and girls: a total population of 10,618 people. The provision for the insane, the defective and the afflicted is unequalled anywhere. The restraint upon the incorrigible and the criminal is humane and reformatory.

There is under cultivation at the fifteen institutions 13,527 acres of land, which yielded during the biennial period farm and garden products and poultry aggregating \$673,190.21. Live stock marketed during the period was \$148,429.92, and dressed meats consumed, largely raised and slaughtered at the institutions, was \$327,270.04. A valuable herd of cows has been maintained, supplying milk of the value of \$337,750.65, all used at the institutions except that produced on the farm at Clive.

Under normal conditions the factories at Fort Madison and Anamosa net the State about \$14,000.00 per month, which it is hoped to increase as they are more fully operated to \$15,000.00 per month. On March 2nd last fire of unknown origin totally destroyed the chair works at the penitentiary. No appropriation had been asked of the last General Assembly for the establishment or maintenance of industries, but out of profits accrued from the industrial departments of the prison, together with certain unexpected balances, it was possible for the Board to erect and equip a four-story fireproof building at a cost of \$165,000.00, to replace the one burned.

During the biennial period the Board has covered back into the treasury \$321,453.70. Of this amount \$184,435.00 represents profits from the penal industries, and the remaining \$134,018.70 is unused appropriations which the Board by careful and discreet management conserved to the State.

Without exception all the institutions are so acceptably conducted

that it would be difficult to indicate any criticism that might improve their administration.

THE NATIONAL GUARD

It is exceedingly gratifying to report that the National Guard is in excellent condition, with an efficiency unsurpassed by any similar body in the United States, and that it is suitably financed at an annual cost of less than eleven cents per capita of our citizenship. Once during my present term I had occasion to summon a battalion of the infantry to supplement the strength of the local authorities, and in the difficult and delicate emergency which existed officers and enlisted men alike acquitted themselves with a dignity and a discretion that commanded the unqualified approval of all. Throughout the troublous year which has just expired Iowa was one of the very few states which did not have to resort to military force for the maintenance of order. It was generally understood that the State had an adequate organization available for any exigency which might arise, and that such organization would be promptly employed for the enforcement of law wherever the usual agencies were incompetent. Our citizen soldiery is composed of the highest character, courage and patriotism in the commonwealth, and it is entitled to the liberal support of the State.

PRINTING AND BINDING

The 39th General Assembly revamped the laws governing the State's printing and binding, and created a Board with large powers to which jurisdiction over the subject was committed. The Board has been functioning since July 1, 1921, and it is not too much to say of its management that the printing and binding of the State never has been done so expeditiously and efficiently. Exact figures in comparison cannot be presented, but I have no hesitancy in asserting that the new departure is resulting in an economy of fully \$75,000.00 per annum. The Board in its report recommends certain minor modifications of the law which it is believed will promote further improvement, and your attention is invited thereto.

TELEPHONES

Complaint has been frequently referred to me of the exaction by certain telephone companies operating in the State of installation fees, rental rates and service charges alleged to be exorbitant. Before the complaints were investigated the law was examined, and the anomalous fact was disclosed that this vital utility, so indispensable to the convenience of all, is subject to no legal regulation

from any authority whatever. The Legislature has not asserted the power, nor has it conferred it upon the local municipalities. By Section 3973 of the Compiled Code it is provided that cities and towns

"shall have power to regulate and fix the rent or rate for water, gas, heat, light or power, and may regulate and fix the charges for water meters, gas meters, electric light or power meters."

The foregoing statute affords the public ample protection against overcharge for the commodities to which it applies, but telephone service is not embraced within its contemplation. In nearly every community those owning this utility enjoy an absolute monopoly, untrammelled by any competition whatever. The temptation to impose unreasonable rates is always present and sometimes irresistible. I recommend that the provisions of the Section aforesaid be extended to include the service rendered by telephone companies.

PARDONS, PAROLES AND REMISSIONS

In the past two years I have referred to the Board of Parole four applications in life cases for investigation and recommendation. In two cases the Board recommended commutations of sentence, which have not been disposed of, in the third suspension of sentence, which was granted, and in the fourth it has not returned its recommendation. I have granted pardons in five jail cases upon the recommendation of the trial judge, the county attorney and a number of representative citizens. I have granted eighty-eight suspensions of sentence upon recommendation of the Board of Parole, and sixteen upon recommendation of the trial judge who presided and the county attorney who prosecuted the cases. I have granted two suspensions of sentence from the Industrial Training School upon the recommendation of the trial judge and the county attorney who prosecuted the cases. I have restored to citizenship bench parolees upon recommendation of the Board of Parole and of the trial judge, the county attorney and a number of representative citizens, twenty-six men and one woman; and upon the recommendation of the Board of Parole four hundred seventeen men, and upon the recommendation of the Board of Control eighteen women. I have remitted fines in four cases, upon the recommendation of county attorney, auditor, treasurer, clerk and the board of supervisors of the respective counties. I have issued no pardons whatever in felony cases. No clemency in any case has been extended upon my own initiative, and never except recommended by the Board of Parole, the Board of Control, or the County Attorney and Judge as aforesaid.

HIGHWAYS

There are few problems more vital to the prosperity and welfare of the State than the road problem, and it will have, of course, your serious consideration. The present primary road system was designated and established by the Highway Commission, after consultation with the Boards of Supervisors, under authority granted by the 37th and 38th General Assemblies. It consists of 6,615 miles of roadway connecting all county seats and principal market centers, and it has been improved during the past biennium as follows:

By paving	266 miles
By gravelling	800 miles
By grading, draining and bridging.....	2,110 miles

The present condition of the entire system as shown by the report of the Commission is:

Paved	334 miles
Gravelled	1,558 miles
Graded, drained and bridged.....	1,761 miles
Ungraded	2,962 miles

Practically one-third of the primary system is now surfaced with gravel or paving, and it is possible to travel over such roadway from the Capital City to thirty-four county seats. All projects for grading, draining, bridging, gravelling or paving must originate with the Boards of Supervisors, as the Highway Commission has no power of initiation in respect thereof. This work is now proceeding as rapidly, I believe, as economic conditions justify, and if the present program is maintained all the primary roads in Iowa will be graded, drained and bridged within the next three years.

The secondary roads of the State are of extreme importance to the local communities which daily use them. They ought to be improved concurrently with the primary system insofar as such improvement can be financed.

The National Department of Agriculture advises me that the present Iowa Statute as respects Federal Aid projects is in conflict with the law enacted by Congress, and that unless the deficiency is remedied by proper amendments, contributions by the Government for the construction of highways will be jeopardized. It is insisted that our law is not in harmony with the Federal law in two particulars:

- (1) The Federal law locates the maintenance of Federal roads with the State Highway Department, while our law devolves such maintenance upon the Board of Supervisors.
- (2) The Federal law provides that the State Highway Depart-

ment shall determine the character of surfacing, while our law reposes such power in the Board of Supervisors.

The questions at issue are of much importance, and at a later time I will transmit the complete correspondence to the appropriate committees of Senate and House for the consideration the subject may demand.

With the advent of better highways has come the motor truck and motor bus as transporters of passengers and freight. Such enterprises are not always financially responsible for damages occasioned by their negligence. They pay no property tax on their vehicles, and only the moderate license fees paid by trucks not so used. Yet they capitalize the highways whose construction was financed by the taxpayers of the State. I believe they should be placed under the regulation of the Railway Commission as to rates and schedules, that they should be required to furnish bond to indemnify against injury of person or property, and that there should be levied against them a reasonable occupational tax which shall reimburse to some extent at least their impairment of the highways.

THE ARMORY AT AMES

About the middle of December the splendid Armory connected with the State College at Ames was reduced to ruin by fire. The building was used by 1,300 students, divided into sections, reporting for instruction at all hours. In addition it has been utilized to house the State Corn Show and the Little International Live Stock Show. Few buildings in the Campus could be so illy spared from the institution, and the work of reconstruction should be embarked upon at the earliest possible date. I ask you to consider it an emergency measure.

CAPTURED FLAGS

There are in the Historical Department about thirty Confederate flags, colors and emblems captured by Iowa regiments in the Civil War,—mute but glorious evidence of the valor and heroism of the gallant soldiers the State contributed to that epochal struggle. These precious standards are now exposed to the open air, and with the elapse of years are beginning to disintegrate. They ought to be suitably enclosed in permanent glass receptacles, and thus preserved to future generations as priceless trophies of Iowa's conspicuous part in the great conflict which made all men free and retained every star upon our Nation's flag. I commend the matter to your appropriate action.

THE OLD CAPITOL

The Old Capitol at Iowa City is an object of fascinating interest and genuine affection to every citizen of the State. The site for the building was selected on May 4, 1839, and the cornerstone was laid with appropriate ceremonies on July 4, 1840. The structure was occupied by the Territorial and State Legislatures from December 5, 1842, until January 29, 1857. The location of the seat of government at Des Moines was approved on January 25, 1855, and the proclamation of removal was issued on October 19, 1857.

The 37th General Assembly granted to the Board of Education the sum of \$50,000 for the restoration and fireproofing of the venerable pile. The work was delayed by interruptions occasioned by the war, but since the return of peace it has progressed satisfactorily. Defects not at first suspected have been discovered by the engineers in charge, and it is ascertained that the amount originally assigned is insufficient to complete the rehabilitation. An additional appropriation, therefore, should be allowed. The edifice is in constant use by the University, and it is not only beautiful in construction as a matter of architecture, but immeasurable in value for the historic associations with which it is connected.

ILLITERACY

The Federal census of 1920 shocked the proud sensibilities of the State when it revealed the unwelcome truth that there are in the Commonwealth 20,680 people over ten years of age who cannot read or write in any language. Although our per cent of illiteracy in proportion to inhabitants is lower than that of any other State, the fact that in enlightened Iowa so considerable a population is thus deficient in the most rudimentary elements of learning, is a reproach that deeply humiliates. The unhappy condition must be removed at once and completely. Acting upon my own initiative I have appointed a commission of forward-looking men and women who, without any compensation whatsoever, have enlisted to organize an intensive campaign to eradicate the stigma from our escutcheon. This commission is now functioning vigorously and efficiently. To enable the Department of Education to co-operate with it in the splendid enterprise in which it is engaged the Superintendent of Public Instruction will ask a nominal appropriation for clerical expense, and I earnestly hope that his request may have your approval.

THE SCHOOLS

I have reserved for the conclusion of this message all reference

to that mighty interest in the State which overshadows all others in importance and value. Prouder are we than of any other consideration that from rural desk to classic cloister the facilities provided for the education of our boys and girls is unequalled anywhere in the world. The intellectual training and the moral discipline of the young are, and ought to be, the paramount concern of our people. There is complaint of the burdens of government, and the complaint is legitimate, but no good citizen regrets his contribution to the public schools of the commonwealth. Of every dollar realized from revenues of every character, practically one-half is now devoted to this great and fundamental purpose. It is well. We may properly enforce a prudence which approaches parsimony in the other activities of the State, but our educational institutions, great and small, must be supported with a liberality that shall guarantee them their continued pre-eminence.

In a subsequent address I hope to have the honor to discuss other subjects which I believe to be pertinent. I take leave of you now with profound confidence that the legislation which shall issue from the 40th General Assembly will redound materially toward a greater and a better Iowa.

Respectfully submitted,

N. E. KENDALL,
Governor.