

MESSAGE  
OF  
GOVERNOR GIFFORD PINCHOT  
TO THE  
GENERAL ASSEMBLY OF PENNSYLVANIA



Delivered in Person to the Joint Session in the  
House of Representatives

JANUARY 4, 1927

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# MESSAGE OF THE GOVERNOR

- TO THE  
GENERAL ASSEMBLY, JANUARY 4, 1927

TO THE GENERAL ASSEMBLY:

I come before you to make a final accounting to the General Assembly, and through it to the people of Pennsylvania.

Four years ago a new order was established in the government of this Commonwealth. Before that time the government machinery was administered chiefly for the service of political insiders, while the people got little more than the crumbs which fell from the rich men's table.

The new order was based on this simple principle: The public good comes first. It held that the business of public servants is to conduct the government solely in the interest of the whole people, without regard to personal, financial, or political interests. In other words, to spend the taxpayers money, and handle the public business, for the service of the people, and for that alone.

This new order was no vague generality. On the contrary, it was concrete and specific. It had a definite written program, which had been announced (and circulated by millions of copies) in the primary election of 1922, repeated in the general election, and reaffirmed in my inaugural address and again in my opening message to the Legislature of 1925. It was as follows:

If elected Governor I will use the full power of my office:

To drive all saloons out of the State.

To prevent and punish bootlegging.

To maintain and secure good laws for the protection of working children, women, and men.

To safeguard the industries of Pennsylvania and promote the prosperity of the State.

To advance the interests of the farmers, who feed us all.

To give our children the best schools in America.

To check centralization and give more home rule to cities, counties, townships, and school districts.

To maintain the direct primary and protect the rights of women voters.

To meet the just needs of those who served in the World War.

To revise and equalize taxes, establish a budget system, and reorganize the State Government on a business basis.

To keep the expenses of the State within its income.

To get a dollar's worth of service for every dollar spent.

As Governor I will appoint no one to public office whom I know to be unfit. I will move to Harrisburg and be on the job, and I will earnestly strive to give due consideration and a Roosevelt square deal to every man, woman, and child in the State.

This platform from first to last has been and still is the pledge and sailing chart of this Administration. Either this pledge has been kept or it has not. If it has not, this Administration is to be condemned. If it has, then we have kept faith with the people. It is for the people to say, and it is upon their verdict that this Administration will finally be judged.

### PLEDGES ENACTED INTO LAW

In the effort to carry out this platform the following laws (among others) were enacted by the General Assembly and signed by the Governor, during the three legislative sessions of my term:

#### IN THE SESSION OF 1923

**SNYDER ACT**—Abolishing the licensed saloon and providing for the enforcement of the Eighteenth Amendment to the Constitution of the United States.

**THE ADMINISTRATIVE CODE**—Completely reorganizing the executive branch of the government and establishing a budget system.

**GIANT POWER ACT**—Providing for the appointment of a Commission to investigate and recommend legislation for the regulation of the electric power industry.

**THE GENERAL APPROPRIATION ACT**—Enacting into law practically without change as submitted the first Budget in the history of the Commonwealth.

**TRI-STATE DELAWARE RIVER COMMISSION ACT**—Authorizing a commission to negotiate a Compact with New York and New Jersey to regulate the use of the waters of the Delaware River and its tributaries.

**ALL HOSPITAL APPROPRIATIONS** made on a per diem basis, thus paying to State-aided hospitals the amounts they actually earned by caring for the indigent sick instead of what the politicians chose to give them.

**AMENDMENT TO THE EDMONDS LAW**—Increasing the State subsidies to common schools to as much as 75% in the poorer school districts.

**"BLUE SKY" ACT**—Prohibiting the sale of fraudulent securities in Pennsylvania and creating a Bureau of Securities to administer the Act.

**MENTAL HEALTH ACT**—Completely revising the laws relating to the care and treatment of insane and mentally defective persons.

**STATE EMPLOYEES RETIREMENT ACT**—Establishing a system for the payment of annuities to all State employes out of a fund created by contributions of employes and State appropriations.

**GAME CODE**—Codifying and revising the State's game laws.

**ATHLETIC COMMISSION ACT**—For the regulation and purification of athletic contests through a State Commission, and devoting the fees collected to the expenses provided for in the Act next mentioned.

**ACT CREATING COMMISSION TO ERECT MONUMENTS IN FRANCE AND BELGIUM** to Pennsylvania Soldiers and Sailors and Marines who died in the World War.

#### IN THE SESSION OF 1925

**AN ACT APPROPRIATING THE PROCEEDS** of the second fifty million dollar bond issue for the construction of highways.

**LEGISLATION** revising the method of educating deaf, dumb, and blind children, and providing for the first time that all of them shall be trained.

**AN ACT CREATING A STATE COUNCIL** for the blind within the Department of Welfare.

**FISH CODE**—Revising completely and codifying the law relating to fishing in Pennsylvania.

**THE GENERAL POOR RELIEF ACT**—Codifying the laws relating to the relief of the poor in all counties except of the first and second classes.

**AN ACT ABOLISHING ALL SPECIAL FUNDS** for professional examining boards, requiring their fees to be paid into the State Treasury, and placing all of them on an appropriation basis.

**AN ACT APPROPRIATING** one million dollars to the Department of Welfare to enable it to arrange for the care and treatment of indigent sick in hospitals not owned by the State.

**AN ACT APPROPRIATING MONEY AND CREATING A COMMISSION** to acquire a new site for the eastern state penitentiary.

## VIII

AN ACT GIVING JURIES the right to impose either life imprisonment or the death sentence as the penalty for murder in the first degree.

AN ACT EXTENDING THE BENEFITS OF THE SCHOOL TEACHERS' RETIREMENT FUND to teachers who had retired from the State's service prior to the passage of the School Teachers' Retirement Act.

AN ACT ACQUIRING THE LOCUST MOUNTAIN MEMORIAL HOSPITAL as a State hospital.

THE UNIFORM CONDITIONAL SALES ACT.

ACTS PERMITTING THE PURCHASE OF LANDS FOR GROWING FOREST TREE SEEDLINGS and permitting inmates of State penal institutions to work in State Forests.

### IN THE EXTRAORDINARY SESSION OF 1926

ALCOHOL ACT—extending the State's power for the enforcement of the Eighteenth Amendment.

ACT PERMITTING THE COLLECTION OF TOLLS for the use of the Delaware River Bridge.

AN ACT TO ASSIST THE AUDITOR GENERAL in the collection of the gasoline tax.

ADOPTION for the first time of a Resolution proposing a voting machine amendment to the Constitution.

### MEASURES WHICH FAILED

The most important measures advocated by the Governor which the Legislature refused to pass during this Administration were: in 1923, the appropriation of \$250,000 for law enforcement; in 1925, acts extending the State's power to enforce the Eighteenth Amendment, the appropriation of \$500,000 for law enforcement, the Giant Power Bills, and the ratification of the Delaware River Tri-State Treaty; in 1926, the twelve measures for clean elections recommended by the Commission of Seventy-Six; the Giant Power bills; the ratification of the Delaware River Tri-State Treaty; the Regulation of the Anthracite coal industry; the Banking Code, and a number of separate bills to give to the Banking Department much needed additional powers.

As a partial offset it should be noted that the school people and the Administration together defeated the attempt to cut \$7,000,000 from the appropriations for the common school system in 1925.

## POLITICS IN THE PUBLIC SERVICE

When this Administration came into office the public service of Pennsylvania was rotten with politics. It was badly organized, and filled with incompetents appointed for political reasons. Many of them were doing political work for political insiders at the taxpayers expense, and little or nothing else. This amounts to embezzlement of public funds for private purposes. It is the regular practice of the gang.

The financial system of the Commonwealth was a mess. There was no budget, no uniform system of accounts, no form of fiscal control except that of the Auditor General and State Treasurer, and that did not prevent the waste of public money. A system of self-appropriation by Boards and Departments through deficiencies was costing the taxpayers millions of dollars a year; and to cap it all the State owed some \$32,000,000 for current expenses which it was unable to pay.

For this mess gang control was responsible. I was pledged to clean it up. To do so required the cooperation of all the Departments responsible to the Governor. Summaries of their work will be found in the appendix to this message. I can touch only a few of their principal achievements.

## DEPARTMENT OF STATE AND FINANCE

In the spring of 1922, immediately after my nomination, I asked eighteen highly qualified men and women to serve as a Citizens' Committee on the Finances of Pennsylvania under the chairmanship of Doctor Clyde L. King, in order to make a thorough study of the Commonwealth's financial methods and condition. This study was the basis of our present financial policy. I desire here to make public and most grateful acknowledgment to the members of the committee, to all those who assisted in its work, and especially to Doctor King, who continued as Secretary of the Commonwealth and Budget Officer the work he had so admirably directed as a volunteer.

The influence of Dr. King's highly trained, fertile, and generous mind has been strongly felt not only within his own Department of State and Finance, but as a constructive and stimulating force in every part of the State Service.

The work of the Citizens' Committee showed that when this Administration came into office the Commonwealth of Pennsylvania owed, for current expenses, a heavy debt which it could not pay for lack of funds. At first this debt appeared to be \$29,000,000, but further study of the jumbled finances of the State showed that it was even larger. To that extent the Commonwealth was insolvent.

This Administration assumed actual fiscal control on June 1, 1923, when the present Budget went into effect. On that date the Commonwealth owed a known debt of nearly \$32,000,000 in unexpended balances of General Fund appropriations. Other items discovered later raised the total to more than \$32,000,000.

Part of this debt dated back as far as 1909, but over \$21,000,000 of it came directly from the preceding Administration. It had piled up not because of the poverty of the Commonwealth, but because of long continued repudiation of sound financial principles for political advantage.

To meet this liability of over \$32,000,000 there was in the General Fund on June 1, 1923, an actual cash balance of \$31,002.39. A million of debt for each thousand of cash. On the same date bills due and approved for payment to the amount of \$9,020,468.08 were lying in the State Treasury unpaid for want of money.

During the calendar year 1922 this excess of bills over cash to pay them at the end of each month averaged \$13,483,630, with an average cash balance to pay them of \$452,059.

The honor as well as the credit of Pennsylvania were involved in paying off this debt, and paying it off at the earliest practicable moment. Moreover, the taxpayers ought not to be penalized, if that could be avoided, for the misdoing of politicians. Therefore we undertook to pay off the debt, not by additional taxation, but by rigid economy, and to pay it off in two years.

The first budget in the history of Pennsylvania, which I had the honor to submit to the Legislature a few days after taking office, accordingly provided for a reduction of 26½ per cent in the comparable current expenses of the Departments responsible to the Governor.

As necessary parts of cleaning up the mess, a complete system of uniform accounts was established, self-appropriation through deficiencies was eliminated, and a plan of fiscal control was introduced which, for the first time, gave the Governor complete and current knowledge at all times of the actual and proposed expenditures of the Departments and the financial condition of the State.

At the end of the first two fiscal years of this Administration the debt was wiped out. More than \$26,000,000 had actually been paid, and instead of a deficit there was a surplus in the Treasury much more than sufficient to pay off the rest.

During these two fiscal years the reduction in running expenses of the Departments responsible to the Governor enabled us to pay off the debt at the rate of over \$45,000 for every working day, and that with no reduction but on the contrary a notable increase in the amount of service rendered.

When the present fiscal biennium closes and the last appropriation year of this Administration comes to an end, it is estimated that

there will be a free and unencumbered cash balance in the General Fund of about \$6,700,000, with all unpaid obligations fully provided for.

Moreover, for the past two years the State Treasurer has been able to pay every bill of the Commonwealth the moment it was presented. During the calendar year 1925 there was in the General Fund at the end of each month an average cash balance of \$1,598,748.09 in excess of all bills due. During the first eleven months of 1926 the average excess of cash over current bills payable was more than \$9,500,000. These figures speak for themselves.

A summary of this debt and its payment appears in the appendix (Department of State and Finance). The individual items and the dates upon which they were paid off are given in the biennial report of the Secretary of the Commonwealth. Persons who might otherwise be deceived by the repeated efforts of enemies to question or deny the reduction of current expenses and the payment of the debt are referred to this document.

Talk about reducing the running expenses of any government, State or National, is common enough, but the thing itself is rarely done. It is worth remembering that in this second biennium of the present Administration the ordinary running expenses of the State Government are less than they were four years ago.

I have not learned that any corresponding cut was ever made in the current expenses of any other State or nation. The reduction of war expenses is a wholly different matter. Furthermore, to provide for contingencies and prevent deficits, the appropriations were so allotted before expenditure began that each Department would spend less than half of its appropriation in the first year of each fiscal biennium.

Under this Administration Pennsylvania is expending only five per cent of her income for the regular running expenses of the State Government. The rest of the \$250,000,000 which the Commonwealth is collecting and spending during the present fiscal biennium is returned to the counties in the form of good roads, subsidies for common schools and for hospitals, protection of fish and game, and a thousand other things which the counties would be obliged to pay for themselves if the State did not help them out. Ninety-five per cent of our total income goes straight back to the people.

The personnel work done under the direction of the Secretary of the Commonwealth has been vitally important. Not only did he make, through men working under his supervision, the classification of employees for submission to the Executive Board, but the work necessary to enforce the classification, to build up and sustain the morale of the workers, and to look after their safety and comfort, and especially the safety and comfort of the women, has all been done under his direction.

Under his direction also the Coal and Iron Police, which was filled four years ago with thugs and criminals exercising the police power of the State by commission from the Governor, was thoroughly investigated and purged. The practice of issuing commissions to men of whom nothing but their alleged names was known was stopped, with a revolutionary change in the character of private policemen in this State.

This very brief outline shows how new tax burdens to pay off old debts were avoided, how the debt was paid off, and how an effective modern system of finance and fiscal control under the Governor was established. Thus it was demonstrated that by cutting out politics and political deadheads the business of the State could be better conducted for far less money. The Budget, effective fiscal control, and intelligent fiscal planning did the work.

### DEPARTMENT OF JUSTICE

Under George W. Woodruff, Attorney General, the Department of Justice has carried on an amount and variety and quality of work during these four years that has never before been approached.

The greatest single achievement of the Department during this time was the substitution of a broad for a narrow view of the law. The view most common among lawyers, and most often followed in public life, is that public officials, to perform their full duty, need and should do nothing that is not specifically required of them by the law. This means that they merely follow the letter of the law by rote, and that the public interest is correspondingly neglected.

The point of view adopted and enforced by the Department of Justice during this Administration is the same as that adopted and enforced by President Roosevelt upon the recommendation of the present Attorney General of Pennsylvania, then an Assistant Attorney General of the United States. It is that a public official is bound to do everything that the welfare of the people demands and that can be accomplished without violation of existing law.

This policy has made the Department of Justice during these four years the active and intelligent defender of the public rights. It was followed in all the endlessly varied and complicated questions which have come before the Department, and especially in advising the officers, boards, commissions, and departments of the State Government to do whatever the public interest required wherever the law did not stand in the way.

The vigorous application of this policy necessarily brought the Department of Justice into active conflict with many interests antagonistic to the public good. It is a matter of great pride to me that in the very numerous, complicated, and important cases at law in

which the Department of Justice has been concerned, the vast majority have been decided in accordance with its contentions.

This is, however, nothing new. The present Attorney General, while in the service of the Federal Government, initiated important conservation litigation in nine cases involving new interpretations of law. All nine were carried to the Supreme Court of the United States. All nine were decided in his favor, and all but one by unanimous vote.

The Administrative Code, prepared in the Department of Justice by Deputy Attorney General Schnader, has brought high and well deserved credit to the man who drew it. In its influence upon the Government of the Commonwealth it is the most important single enactment in many years. It reconstructs the State Government throughout. It assembles under eighteen departments and three independent commissions more than one hundred independent spending agencies which previously were responsible to no one but the Governor. In general, it substitutes for the previous haphazard and unworkable frame of the State Government a compact, efficient, and workable business machine.

The constitutionality of the Code when attacked was defended by the Department through Mr. Schnader and has been affirmed by the Supreme Court of the State. At the same time the practical character of the reorganization effected under the Code has been proved by four years of sound, productive, and economical business administration.

Much time and effort were consumed during the first part of this Administration in defeating the wholly unjustified attempts of the elective fiscal officers to make themselves independent of the official opinions of the Attorney General, in spite of the clear provisions of the Act of June 7, 1915, and their reenactment in the Administrative Code. These efforts were finally and completely defeated, as they deserved to be, by decisions of the Supreme Court of Pennsylvania. If they had succeeded, the effect would have been to permit the fiscal officers, who have no proper means of doing so, to interpret the law to suit themselves, and would have made any effective business administration of the State Government wholly impossible.

The enforcement of the Eighteenth Amendment, under the generous and patriotic gift of the women of the W. C. T. U., which took the place of the money refused by the Legislatures of 1923 and 1925, has been a most important part of the Department's work. Further comment upon it will be found below.

Much time and attention were given to the interpretation and defense of the Securities Act, under which the Securities Bureau of the Banking Department in a single year excluded \$500,000,000 of questionable securities from the State of Pennsylvania.

The reorganization of the State Government made necessary much more than the usual attention to the legal needs of the several Departments, while membership on numerous boards and commissions, including the Giant Power Board and the Alcohol Permit Board, has taken very much of the Attorney General's time.

Other matters which deserve mention are the legal questions concerned with the Delaware River Bridge; the enforcement of the Anthracite Coal Tax, during which proceedings the position of the Department was twice sustained by the Supreme Court of the United States; and the immense amount of litigation due to the efforts to escape taxation under the provisions of our numerous tax laws.

An achievement of the Department which will have far-reaching effects upon the future of the State was the formulation of a completely new water power policy for the State. The laws into which this policy was crystallized were drawn by Deputy Attorney General Philip P. Wells, who, with the Attorney General himself, had the largest hand in the formulation of the national water power policy now embodied in the Federal Power Act of 1920. Thanks to these laws, Pennsylvania is now not only on a par with the Federal Government in the protection of the people's right in this great natural resource, but in some respects ahead of it.

The new policy has powerfully stimulated development. Two large water power projects have been approved, one of which is in operation and the other under construction. For the first time in the history of the State permits for dams for industrial use now contain provisions safeguarding the right of the public to use the waters for fishing and other recreation.

The Department has collected \$7,250,000 in fees and taxes during the four years, or about 15 times as much as its total cost to the taxpayers. This amount would have been very largely increased if the Legislature had not refused to add to the appropriation of the Department as requested, although it knew that such addition would result in the collection of additional funds many times greater in amount than the additional appropriation.

Instead of employing special attorneys at heavy cost, the Department has carried through the litigation before it, whenever possible, with its regular force, thus saving the taxpayers many hundreds of thousands of dollars. It has pursued this policy with success up to the Supreme Courts of Pennsylvania and of the United States, and has thus proved its wisdom as well as its economy.

I desire to express my personal judgment that the opinions of the present Attorney General stand wholly by themselves in the benefits they have secured for the taxpayers of Pennsylvania and for the people generally.

## LAW ENFORCEMENT

In January, 1923, Pennsylvania combined, as did no other State in the Union, the three great sources of illegal drink—whiskey, alcohol, and beer.

More whiskey was stored in the Pittsburgh U. S. Revenue District than in any whole State except Kentucky; scores of crooked alcohol concerns were running in Philadelphia under Federal permit and were diverting into bootleg channels millions of gallons of poison drink each year; and 156 breweries were pouring out illegal high-powered beer all over the State.

The Federal Service for enforcing the Eighteenth Amendment, with its entire control over the sources of illegal drink, had broken down not only disgracefully but dishonestly. Its principal officials in Pennsylvania, having been selected for their known character, were under indictment for crime. United States District Attorneys, especially in Pittsburgh and Philadelphia, had encouraged the big liquor law violators by their inaction and worse, and had dispelled all fear of punishment under Federal law.

The dominant political machine in Pennsylvania was and had long been intimately tied up with the liquor interests, which also controlled many local machines, and notably those of the two great cities. Habitual violators of the Eighteenth Amendment with political pull were entirely confident of being let alone, and an unworkable and insincere State statute gave official protection to law breakers by providing for licensed saloons to sell beverages with only the legal content of alcohol.

In consequence saloons running openly everywhere under State license were defiant of all law, and boldly sold whiskey and high-powered beer to any customer.

Most important of all, there was no State enforcement law under which to deal with liquor law violators or compel respect for the Constitution of the United States.

Pennsylvania was wet and wide open when I came into office in January, 1923.

In my inaugural address I made this definite statement:

This Administration will be dry. The Executive Mansion will be dry, and the personal practice of the Governor and his family will continue to be dry, in conformity to the spirit and letter of the Eighteenth Amendment.

The law is the law. It is the foundation of order, safety, and prosperity, and of the Commonwealth itself. Every State official takes oath, and is in honor bound, to obey it. I shall expect and demand from every public servant appointed by me, or subject to removal by me, from the highest to the lowest,

entire and ungrudging obedience to the Eighteenth Amendment and the Volstead Law. They are part of the law of the land.

This pledge has been kept, and I have appointed no man or woman who had not before appointment given me their word to support, defend, and personally obey the Constitution of the United States, including the Eighteenth Amendment, and all laws, State and National, enacted to give it effect.

Thus all doubt as to whether or not this Administration proposed to stand by the Constitution of the United States was removed at the start.

The Armstrong-Snyder Act, an Administration enforcement measure, passed after hard fighting, and with a margin of but two votes in the House, was signed by the Governor on March 27, 1923. It brought the law of Pennsylvania in harmony with Federal enforcement law and it abolished the licensed saloon.

#### THE W. C. T. U.

Other Administration bills dealing with breweries and alcohol distilleries were defeated by the same Legislature which also refused my request for \$250,000 to enforce the Federal legislation and the Armstrong-Snyder Law. Thereupon the women of the W. C. T. U., under the active militant leadership of Mrs. George, their President, offered to provide what the Legislature had refused, and to raise the funds needed to enforce the law and compel respect for the Constitution. What they thus offered they have in fact performed.

I am not aware of a more public-spirited, self-sacrificing contribution to the public welfare by any body of men and women than this. The members of the W. C. T. U. are for the most part in moderate circumstances, and the raising of nearly \$150,000 was a great achievement.

Furthermore, the W. C. T. U. has stood forward throughout my term as the one State wide dry organization of whose position there was never any doubt. It was always ready to fight for its principles with courage and common sense, and it never hesitated because of the personal or official position of those who opposed it. There are no better fighters for righteousness than Mrs. George and the women of the W. C. T. U.

#### THE SALOON

The campaign carried on during this Administration with the help and the fund of the W. C. T. U.; with the indefatigable and indispensable assistance of the State Police; with the cooperation of law enforcing officials in many, but by no means in all, parts of the State; and with the devoted and untiring guidance and help

of Major William Burnet Wright, Jr., special counsel in charge of this work, has produced the following concrete results:

The licensed saloon has been driven from Pennsylvania. The most effective method ever employed against law breaking saloons, breweries, and distilleries has been adapted to Pennsylvania conditions and finally fought through the Supreme Court and upheld by it. This is the method of padlocking under injunction. It is now available as a proved efficacious remedy to every law enforcing loyal official in Pennsylvania.

We have used this method in twelve of the wettest counties. Proceedings for 228 injunctions were brought, 228 temporary injunctions were secured, and final orders wiping out the saloons were obtained in 177 of the 187 cases tried to date. Evidence was also secured or papers prepared in 180 other injunction proceedings against lawless saloons, and 100 contempt proceedings were initiated, or a grand total of over 500 cases.

Every city of over 3,000 population, and every small community where the saloon was a problem—over 230 in all—, was carefully surveyed, and more than 6,000 separate visits were made to law breaking saloons. The information thus secured was effectively used. A recent check-up shows the following results:

For this check-up thirty-three cities and towns were selected to include the worst parts of the State. In these the locations of 665 saloons which our inspectors had visited and seen openly breaking the law in 1923 were revisited in the autumn of 1926. Four hundred and three of them, or nearly two-thirds, were closed and gone.

Today the drinking places that still remain are not open saloons but furtive speakeasies, and in nearly every case they are suspicious of strangers and afraid of being caught. Even the speakeasy as a serious problem does not exist in forty-two counties covering more than two-thirds of the area of the State.

#### BREWERIES

The breweries presented a most serious problem. This was partly because of the expensive spy system they maintained and because of the difficulty of proving anything against a brewery which had the right under its permit to make strong beer and then remove the excess alcohol to make near-beer. But the main trouble was with the Federal Government, which insisted, against my vigorous protest, in continuing to issue permits to breweries we had caught violating the law. In some cases we caught them seven times before we could get them put out of business.

But in spite of these and other troubles, out of the 156 breweries that were operating in January, 1923, ninety-five, or nearly two-thirds, are gone. Of the sixty-one still running in the State today, fifty-one are operating under Federal permit.

## ALCOHOL DISTILLERIES

The trouble with the alcohol men was even worse. The Federal Government continued to issue permits, and to restore permits, to distillers, denaturers, and users of alcohol who were known, some by the reports of its own agents, and some by convictions in court, to be engaged in violations of the law. At first the exposure of these facts had little effect. But repetition finally wore down in part the refusal of the Federal authorities to enforce the law, and over forty illegal alcohol concerns, which in 1923 were diverting over one million gallons a year into bootleg channels, have been put out of business.

In the session of 1925 all Administration law enforcement measures were defeated, including the appropriation of funds to carry out the law. But in the special session of 1926 the Alcohol Bill was passed.

This is the most important enforcement measure yet secured in Pennsylvania. It creates the Alcohol Permit Board, which has the right to permit or not to permit alcohol distilleries to operate, together with the right of complete inspection at any time. It has also the same powers over breweries, as well as the right to the fullest information about the business of each concern.

The operations of the Alcohol Board in revoking the permits of law breaking breweries have had the most healthful effect in restraining these sources of illegal drink. If continued and properly supported, the Alcohol Board will do more to make Pennsylvania dry than any other one agency, not even excepting the State Police.

## DEPARTMENT OF PUBLIC INSTRUCTION

When this Administration came into office important advances had already been made by the Department of Public Instruction. The value of these advances had, however, been reduced by three very serious evils.

The first was its policy of coercing instead of cooperating with the local school authorities; which led to deep resentment and killed the chance of mutual helpfulness.

The second was the inability of the Department, because of lack of cash in the Treasury, to pay their subsidies to the school districts on time; which forced the local school authorities to borrow money, induced them to economize at the cost of the children, and led to general discouragement.

The third was the ill-balanced and ineffective organization of the Department; which led to serious short-comings in carrying out its work.

The policy of coercion has been abandoned and cooperation has taken its place. This was the late Doctor Becht's great contribution as Superintendent of Public Instruction to the progress of education in Pennsylvania, and it has been continued unbroken by Doctor Haas, his successor. As a result local discontent has disappeared and the public school system of Pennsylvania has become a truly cooperative enterprise, without sacrifice of standards.

At present our public school system brings together in harmonious relations the Department of Public Instruction, the county and district superintendents, local boards of school directors, various community organizations interested in education, teachers and parents, and all the other State Departments whose work touches education in any way. As never before, local school districts have been given and have taken their share of responsibility in making the public schools of Pennsylvania fully equal to the best. Thus my pledge of home rule in education has been carried out.

On August 1, 1925, February 1, 1926, and August 1, 1926, every payment due to a school district from the State was made on the dot because the strictest economy had saved the money necessary to pay them. The effect in creating good feeling among the local school authorities was remarkable, to say nothing of the immense advantage to the children through the better business management of the schools.

The Department has been run with economy. The reduction of 12-1/2 per cent in the cost of administration is very noteworthy, in view of the additional responsibility and the increase of 50 per cent in the funds to be administered. During the four years over one hundred million dollars have been handled on a sound pay-as-you-go basis. Deficits have been wiped out.

In 1921-23, \$43,500,000 was available for education, of which \$3,000,000 went for old debts; in 1923-25, \$62,000,000 was available, of which \$6,000,000 went for old debts; and in 1925-27 more than \$67,000,000 was available, and only \$140,000 went for old debts. These increases are due to the Edmonds Law, passed before this Administration came into office. But we have found the money to pay them.

In 1923, by amendments to the Edmonds Act made at my suggestion, the State's contribution to the cost of teachers' salaries in the poorer districts was increased from 50 to 75 per cent.

For the first time in the history of Pennsylvania, education and care for handicapped children, including blind children, is now adequately supplied. Educational opportunities for immigrants, illiterates, and other adults have been extended and greatly strengthened, while vocational schools and departments have increased in number and efficiency.

As a result of a thorough cooperative study of the needs of rural schools, Pennsylvania is well on the way to the progressive development of a program of rural education that will make the country schools of this Commonwealth second to none.

During this administration the Department of Public Instruction has been reorganized throughout under the Administrative Code. Its organization now follows accurately the work it has to do, and there are no more of the twilight zones of responsibility which are so fatal to good administrative work. In this respect the Department is fully on its feet.

The reorganization of the Department brought together for the first time all the various agencies in the State that have to do with public education. Because of it, the Department has been able to develop and maintain a unified State-wide program with thoroughly satisfactory fiscal and professional standards, and with admirable results.

Moreover, a very careful study of the schools of the State, including graded schools, high schools, rural schools, and vocational schools was made by committees consisting of the best equipped specialists it was possible to secure both in Pennsylvania and outside. Taken as a whole, their recommendations were most valuable, and they were given full consideration and great weight.

Our school buildings and their equipment are better and in better condition than ever before, with the resultant wholesome effect upon the health, attendance, and progress of the children.

The quality and competence of school teachers has greatly increased as shown by higher standards of certification, increased enrollment in summer schools for teachers, and increased attendance at the State Normal Schools.

#### THE GANG AND THE SCHOOLS

Four years ago many of the State Normal Schools were in deplorable condition. That question was vigorously taken up, and the schools have grown in number of students, in condition, and in the efficiency with which they do their work. Nevertheless they are still far from able to meet the annual demand for trained teachers, to the serious injury of the common schools. This condition is due to the refusal of the Legislature to make adequate appropriations for Normal Schools over a series of years.

In 1925 an unspeakable attempt was made by gang politicians in House and Senate to cut \$7,000,000 from the appropriations of the common school system of Pennsylvania, including a million and a half from the Normal Schools. The money was available, and it was most urgently needed. Therefore the only possible motive for this conscienceless attack on the school children of Pennsylvania was politics.

The Administration joined with the school people of the Commonwealth in a protest so vigorous that the political leaders weakened before it, and the whole sum, with the exception of \$750,000 for the Normal Schools, was eventually restored. One effect of this indefensible attack on the school system of Pennsylvania was to strengthen immeasurably the good relations between local school authorities and the Department of Public Instruction.

In conclusion, the Department of Public Instruction has rendered its capable and constructive service to the educational agencies of the State with a sympathy and wisdom and a regard for the principles of home rule which have commanded the respect and cooperation of the educational leaders of the Commonwealth, and attracted the attention of national leaders as well. Public opinion has not in many years supported the Department as it does today, and the result is that the public schools of Pennsylvania are better than they ever were before.

### NATIONAL GUARD

The National Guard of Pennsylvania is today at a higher point of morale, equipment, and organization than at any other time in its history. It has increased its efficiency so markedly as to attract national attention. Frequent reference is being made to the Pennsylvania National Guard by the War Department as a model organization.

Infractions of discipline are less than 20% of what they were, which is high proof of an improved morale. The system of property accounting established since 1923 has been accepted by the Federal Government as ideal. The War Department frankly calls it the Pennsylvania System, and recommends its use to other States.

Indeed, the progress made in both personnel and organization has brought to the Pennsylvania National Guard official recognition throughout the United States as one of the very leading organizations of its kind.

During this Administration, Pennsylvania has become one of the four States which has a complete Division as authorized by the National Defense Act, and one of the two States in which this Division is completely organized. Recent inspections of the Pennsylvania Guard by Federal authorities have brought nothing but favorable comment as to equipment, organization, and training.

Improvement in the morale and conduct of the men at the annual encampments has been most marked during the past four years. The responsible officers attribute the improvement to the much stricter enforcement of prohibition under this Administration, and to its refusal to promote members of the Guard who were known to have been guilty of infractions of the liquor laws.

Men at the camps are very seldom absent without leave, and the Commanding Officer states that he cannot recall, during the last three years, a single case due to intoxication in which a man was arrested, tried, and punished. The result is greater efficiency as a military force and a better spirit between officers and men.

Because commissions are now made permanent and are conferred only after examination, and because the increased prestige of the Guard makes commissions more desirable, the peace-time officer personnel is undoubtedly at the highest point in the history of the Guard.

## DEPARTMENT OF AGRICULTURE

Agriculture is not only the one indispensable industry, but it represents a larger investment of capital than any other industry in Pennsylvania, with only a single exception.

The annual gross income of agriculture in Pennsylvania is more than half a billion dollars, and is produced on 200,000 farms.

Because this Administration realized these facts from the start, it attached great importance to the work of the Department of Agriculture, and appointed at its head a man who knew the farmer's needs because he was not only actually earning his living on his own farm when appointed, but also because he had for many years been a most successful leader of farmers in business enterprises of great scope and importance.

This Administration has promoted cooperation among farmers because it is the key to agricultural progress. In 1923 the Department took the lead in the formation of the State Council of Agricultural Organizations, which, acting as a central voice for agriculture, has made noteworthy contributions to the solution of farm problems.

Tuberculosis among cattle is a dangerous threat to the health of children as well as a cause of loss to the farmers. More money was made available during the last four years for eradicating cattle tuberculosis and more herds were thereby freed from the scourge than during all previous years combined. Forty per cent of the cattle in Pennsylvania have already been tested, and if the work is continued tuberculosis can shortly be driven out of the herds of this State.

Hog cholera has been practically conquered, and a plan for control of bovine abortion, which causes a loss of several million dollars a year, has been developed and is in practice. More dogs by 150,000 were licensed in 1926 than in 1922. The fees go to help the children by paying for tuberculosis eradication.

Peach yellows in important peach growing counties has been reduced to one-tenth of what it was in 1921; potato wart has been held

in check; and the spread of the Japanese beetle has been efficiently combatted.

The Department gives valuable service through its market reports, which now have a daily distribution of nearly three million; through its shipping point inspection, which covered 1,500 cars of peaches, apples and potatoes in 1926; through its successful effort to establish a home market for Pennsylvania wheat, which is now on a par in price with the best winter wheat of the West; through its assistance to cooperative organizations, which have grown in strength, membership, and financial standing; and through its poultry and egg marketing work begun since 1923.

Since 1924 the Department has been cooperating closely with the Federal Government in the gathering, compiling, and distribution of crop and live stock reports. Special reports are also made on intentions to plant, which guide the farmer in allotting acreage to different crops, and are most valuable in avoiding a disastrous surplus.

By the constant vigilance of the Department, the food supply of the State has been brought to the highest standard of purity ever reached. Over 400,000 inspections of food products were made during the last four years.

Through the cooperation of many agencies, including the Department of Agriculture, the State Farm Products Show has doubled in size and in the number of affiliated organizations since 1922. It is now the largest winter show of its kind in the United States.

In 1925 the Department, as authorized by the Act of 1895, made the first study of farm taxation in the State, which has furnished the facts upon which to build a program of relief measures for the farmer, the need of which is gravely and rightly felt in many sections.

During the four years of this Administration the expenses of the Department were covered within one million dollars by the revenues created, while of the total expenditure about half was returned to the farmers for indemnities and premiums at fairs. In view of the work done, the cost to the taxpayer is negligible.

## DEPARTMENT OF FORESTS AND WATERS

For the first time since extensive lumbering began in this Commonwealth, forest growth has caught up with and now exceeds the loss from fire. This is directly due to our effective State-wide forest fire organization, which is today the best in the United States, not even excepting that of the Federal Government.

The true test of efficiency in such an organization is the size of the average forest fire. In these four years it has been reduced to

48 acres. The best previous record was 78 acres in 1921. For 1916-1920 it was 142 acres, and for 1913-1915 it was 339 acres. Pennsylvania now has an admirable system of fire towers, and more than eight hundred forest fire wardens have been added during this Administration.

Upon my urgent recommendation, the Legislature twice passed a resolution to authorize a bond issue of \$25,000,000 for the purchase of forest lands. No other State has initiated so comprehensive a plan of State Forest acquisition, and none needs it more. Although the time is near when we must depend on our own supplies or go without, Pennsylvania now grows only one-fifth of the timber she uses.

The largest number of forest tree seedlings ever distributed by the Department in one year (10,000,000) were sent out in 1926. In 1927 this large figure will be doubled.

The State Forest School at Mont Alto has been made from an academy into a full professional school. It has been raised to an entirely new level and is now well able to compare with any of its fellows. The course has been increased from three years to four, and graduates of the school now receive the degree of Bachelor of Science in Forestry. A new building with a capacity of one hundred students is about completed.

Pennsylvania is the only State which maintains a special forest research organization. The activities and the accomplishments of this organization have at least doubled during the four years, and as a result for the first time Pennsylvania foresters are beginning to make important contributions to the literature and the science of forestry, as well as greatly to improve their handling of our own forests.

Forestry has made immense progress in Pennsylvania during the last four years. The business men of Pennsylvania have come to realize that no business whatever can be conducted without the use of wood, while the cooperation of the organized hunters and fishermen in the detection and prevention of forest fires deserves the highest praise. The need for forest protection is an accepted fact in this Commonwealth.

The use of the State Forests for hunting, fishing, and camping has enormously increased. Twice as many permanent camp sites are now leased on State Forest land as in 1922. Almost five times as many people now visit the State Forests for recreation as in that year. Tourist camps to the number of 25 have been added, the forest roads now cover 1318 miles and trails 2544 miles; and the State Forests are steadily taking a larger and more important part as the playgrounds of the people.

If the acquisition of the best fishing waters of the State by private clubs goes on at its present rate, the only hope of the unprivileged fisherman will be the open waters on State Forest lands.

The total income from the State Forests during the last four years almost equals the total for all the years from 1900 to 1921. As the State Forests come into better production, these receipts, most of which go to the school fund will, if the State Forest bond issue is passed, ultimately bear a very considerable percentage of the total cost of the common schools.

#### GEOLOGICAL SURVEY

The Administrative Code transferred the Geological Survey to the Department of Forests and Waters, with a great resulting increase of its very useful activities. In particular, its value to the public has been enlarged many fold by the publication of fourteen manuscripts based upon extensive field studies and investigations, some of which had been withheld for many years.

Under executive order, and upon recommendation of this Department, an inter-departmental Board of Surveys and Maps was created to coordinate the mapping of all State Departments, and a new base map was prepared under its direction to meet an urgent need.

#### DEPARTMENT OF LABOR AND INDUSTRY

When this Administration began perhaps the worst example of how gang politics is paid for in human life, in any of the Departments responsible to the Governor, was in the Department of Labor and Industry. It is the principal duty of this Department to protect the lives and the health of workers in the industries of Pennsylvania. It could not do that and play politics too.

The factory inspection service, in particular, with the safety of millions of workers in its charge, was in politics up to its neck. For that service any worn out political hack was considered good enough. Even the protection of human life played second fiddle to the advantage of political insiders.

The outstanding achievements of the Department of Labor and Industry have been the elimination of politics from its decisions and appointments, and the development of professional service in its operations.

Today the factory inspection service has been completely made over. What efficient men had crept in have been retained. The corps has been put on a professional basis, and thereafter no one has been appointed to it who did not have the technical training necessary to make him thoroughly effective in his work of conserving lives.

Politics has no place where the safety and health of the workers of the State are concerned, and it has been eliminated from this Department. Both employer and employee, it has been conclusively proved, now desire this Department to be operated on an impartial, professional, and non-political basis.

As a result of the standards of inspection which have been maintained, there has been in Pennsylvania a steady decrease in the number of industrial accidents over which this Department has supervision. At the same time such accidents have shown a marked increase in practically every other large industrial state.

Complete revision of the safety codes enforced by the Department was undertaken. Twelve codes have been revised and nine new codes adopted with the complete co-operation of the industries affected. The adoption of these codes will result in decreased industrial hazards in the years to come. In several cases Pennsylvania codes have become the model for adoption in other states.

A Bureau of Women and Children has been established to make studies of conditions of employment of these groups and to supervise industrial home work. It has done admirable service. When unregulated, this work was becoming the outstanding evil of the industrial life of this State. Intelligent amendment of the women's and child labor laws will hereafter be possible in Pennsylvania because of the information which this Bureau will make available.

A Bureau of Statistics has been established which provides much needed current data on industrial and employment conditions within Pennsylvania, in addition to developing statistics concerning the operations of the Department.

In place of a disorganized Department whose bureaus, at the beginning of this Administration, were frequently at loggerheads, there now exists a co-ordinated Department operated strictly for the benefit of the people of the State, and not for the benefit of any particular group. The high professional standards now obtaining constitute the outstanding contribution which this Administration leaves in this Department to its successor.

## DEPARTMENT OF HEALTH

The Department of Health was honeycombed with politics when this Administration began. Its employees were used in campaign attacks upon candidates opposed to the gang, and in many of the institutions under it, but not in all, political favoritism was rampant.

During these four years the Department of Health has been taken out of politics, its employees now work for the State and not for politicians, their employment has been put on a basis of merit in-

stead of pull, and the result is plainly seen in the immense increase in the quantity and quality of service rendered to the Commonwealth. This Administration has declined to let the health of our people continue to be the plaything of politics.

With the elimination of politics and the reorganization of the Department, its work has everywhere increased in efficiency, and the administration of the hospitals under its charge has been greatly improved. In the State Sanatorium at Cresson, Pennsylvania has now and has long had one of the most intelligently planned and best administrated institutions in the United States.

Heretofore efforts to improve the public health have been largely confined to the cities. During the last four years special attention has been given to health work in the country, formerly seriously neglected. The inspection of children in country schools has been put on a wholly new basis by the employment of State nurses equipped with automobiles, and corrections of defects have already been secured in thirty per cent of the children examined. Field laboratories have tested 4,363 water supplies, much less than half of which were found to be safe. A traveling health car and a traveling chest clinic have been exceedingly valuable for the discussion they occasioned, as well as for the actual work they did.

Some 400 untrained health officers in rural districts have been replaced by 36 full time men trained in the United States Field Service Medical School at Carlisle. This is real progress.

A crippled children's hospital was provided for in 1925, and is now under construction near Elizabethtown.

The sanatoria and dispensaries conducted by the Department have been operated to full capacity, with the exception of a few months in 1923, when the abandonment of the Veterans' Bureau contract made it necessary to close a part of Mont Alto. Since January 1, 1923, 13,500 patients have been admitted to the sanatoria, of whom nearly 3,000 were children.

During these four years the death rate from tuberculosis has fallen 13%, while the general death rate has been reduced from 13.3 in 1923 to 12.4 in 1926.

No less than 450,000 children have been immunized against diphtheria by the Department of Health in the last four years. In consequence the death rate from this disease has been reduced 50 per cent.

The State had no regulations covering the collection and handling of milk, and because of that many children died. In 1923 the Department of Health made good the lack. In consequence a model milk ordinance was adopted by 100 municipalities, and two traveling laboratories have made more than 25,000 tests.

## DEPARTMENT OF HIGHWAYS

During the past four years the Department of Highways has built more miles of good road than were ever constructed during a similar period by any highway organization in the world, or than were built during the entire previous history of the State Highway System.

During the four years the Department supervised the construction of 4500 miles of major road work, 2700 miles of new pavement, 250 miles of replacement, 1400 miles of resurfacing of worn out stone roads, and about 150 miles of grading and drainage, the paving for which has been provided for. In addition about 400 miles have been put under contract for paving and about 50 miles for grading and drainage, most of which would have been completed had it not been for the exceptionally rainy season of 1926.

The Department has supervised the expenditure of more than \$260,000,000 on road work without a single breath of scandal. Under the method of financing highway work advanced by this Administration and approved by the Legislature of 1925 the users of the highways, through motor license fees and the gasoline tax, are now paying the entire highway bill.

By driving out politics and making competence instead of pull the test of employment, the Department has maintained the roads under its charge better than they were ever maintained before.

Before this Administration came in county superintendents of highway maintenance were required to have political endorsement. As a result they were generally incompetent. Appointments now go only to men who know their job. Since these men have charge of the expenditure of approximately \$15,000,000 a year on 12,000 miles of road, what taking them out of politics means to the people who use the roads requires no comment.

New roads are no longer the subject of barter among politicians. Where a new road shall be built is determined by actual count of traffic, and the type of road is determined by the character and quantity of the traffic and the estimate of future needs.

With the exception of some twelve miles which are subject of negotiation, the Department has completed or contracted for the 1130 miles of road necessary for the completion of the primary highway system.

In addition to the primary system, about 1200 miles of unimproved highways on the secondary state highway system have been paved or are under construction. The assistance given to the counties during this Administration covers 460 miles of state-aid construction and more than equals the total for the four preceding Administrations.

This Administration also allocated \$10,000,000 of the last \$50,000,000 bond issue to be used on the state-aid basis of 50 per cent from the state and 50 percent from the county for secondary roads. In addition to the paving of 450 miles of road thus made possible, 445 miles, wholly at the expense of the counties, have been built or are under contract under the supervision of the Highway Department, or about twice the mileage of the preceding four years.

The appropriation of \$3,000,000 from the motor license receipts during the present biennium for township reward work is the largest ever made. To this should be added about \$1,300,000 of old township reward appropriations, long made but never paid, or a total of over \$4,300,000 for township reward work for the present four years. This is more than was spent during the two previous administrations.

The safety and convenience of the traveling public has been advanced during these four years as never before. White traffic lines are painted on the pavements on all curves and on hills. Twenty thousand sign posts and warning signs have been erected, and reflectors have been placed at dangerous locations to make night driving safe. About 700 miles of guard rail of a most efficient design have been built in dangerous places. Many miles of narrow and dangerous roads have been widened, and the warning markings at dangerous crossings have greatly promoted the safety of highway travel.

The completion of the annual oiling program before July 1 of each year (during the last two years before June 15), instead of carrying it through the whole working season, is a most important advance. This change, together with the oiling of the roads in half widths and the immediate covering of the oiled surface with stone, has been of great benefit to travelers, and so has the oiling of the more important earth roads to eliminate dust.

So also has the new practice of constructing roads in half widths where justified by the traffic. Where that is not practicable, the Department has undertaken to maintain suitable detours on local roads, together with adequate markings to prevent the motorist from losing his way. Not a single complaint was received in 1926 indicating that a motorist had lost his way on a Department detour.

Safety on the highways is the biggest highway problem of the present day, and must be given right-of-way over all others. About 1,700 persons are being killed in Pennsylvania each year through automobile accidents, a large percentage of which is due to careless and reckless driving and glaring headlights.

The safety of the traveling public has been better guarded than ever before by the establishment of the Highway Patrol, which, through an intensive and successful campaign to prevent dangerous

driving and to eliminate glaring headlights, has immensely reduced reckless driving on the highways of the State. The examination of applicants for driving licenses by the Highway Patrol has cut down the number of incompetent and therefore dangerous drivers.

One thing that the replacement of dirt by hard surface in the last four years means to the motor vehicle owners of Pennsylvania is an annual saving of \$29,000,000 in the cost of operating their automobiles. Deducting the annual charge, interest, and sinking fund on the investment and the maintenance cost due to this construction, this means a net saving to the people of the state of nearly \$18,000,000 annually. An additional \$7,000,000 a year in reduced motor vehicle operating costs and in annual charges and maintenance on 145 miles of construction has been saved by relocations, which shortened the roads by this distance.

Another saving of \$12,000,000 (an average of \$5,000 per mile on about 2400 miles of concrete road completed or under way) is due to a new type of design, which in addition gives a pavement of greater strength and durability than under the old design.

During this Administration the State undertook to see that 6,340 miles of the 8,000 miles of paved roads on the State system are kept cleared of snow and open to travel throughout the winter. Before 1923 there were only 1,400 miles on the snow removal program. The Department does not wait until a storm is over, but begins the removal work the moment snow reaches a depth of two inches.

The Department has published a map of the highway system and important local roads expressly suited to the tourist; has distributed 500,000 copies of the Tourists Guide, said to be the best ever published; and sends weekly throughout the State a map of detours in operation.

By a simpler and more direct procedure, vexatious delays in the issuance of motor licenses have been removed, and the cost of getting them has been reduced.

The Department of Highways has been completely reorganized during this Administration, and special attention has been given to building up closer and more cordial relations with the thousands of its employes. The result appears in a degree of efficiency never before approached.

## DEPARTMENT OF WELFARE

During the past four years the Department of Welfare has been reorganized and put on its feet. When this Administration came into office it was but eighteen months old and was still very much in the embryo stage. Now it is a growing concern with a complete organization, sound and modern business methods, and definite achievements to its credit.

Chief among these is the revolution which has been accomplished in the penitentiaries of Pennsylvania since the beginning of 1923. The conditions at that time were appalling. The administration of the prisons was political in the worst sense of that term, and the buildings were unclean, disorderly, and filled with dope-users and dope-peddlers, and with idle men. Whiskey and alcohol were easily available and immorality was rampant.

Today it is within the truth to say that our prisons and reformatories, in spite of antiquated buildings, are second to none in the United States. The complete change of trustees in these institutions has resulted in four years' time in a peaceful revolution. The prisons are now orderly, clean, free from dope-users and dope-peddlers, free from whiskey and alcohol, and the morality of the inmates has enormously improved from every point of view.

This is largely due to the development of prison industries in harmony with policies approved by the Federation of Labor and the National Chamber of Commerce; to the development of handicraft; and to the utilization of maintenance work for the purpose of trade training. Trade training is further advanced in our prisons than in any other prisons in the United States.

The prison industries are diversified and now cover not less than a dozen different lines. Moreover, not one penny of the taxpayers' money has been spent in the development of these industries during this administration. Their working capital has been earned by the industries themselves, while at the same time wages have been paid to the prisoner-workers, as well as to the men engaged in the maintenance work of the prisons.

The Welfare Department now has full control of its own business. In the reorganization of the State Government, under the Administrative Code, the twenty-seven State Institutions in the fields of mental health, corrections, and charities were made integral parts of the Department. Subsequently, there were added as individual parts within the Department, the State Council of the Blind and the Alcohol Permit Board.

The expenditures of the Department, including the institutions under it, are in complete budgetary control, with this effect: In 1923 every State Welfare Institution, except the Hazleton State Hospital, showed a maintenance deficit. The year 1927 will show but one such deficit, and that one justified by the needs of sick people which had to be met.

State appropriations to private hospitals were formerly handled strictly on a basis of politics. Under the old plan appropriations as measured by days of free patient treatment varied among hospitals from 3 cents to \$1.32. Today payment is made on a basis

of absolute equality between hospitals of the same class, at the rate of \$3.00 per day, or at the actual cost if less than \$3.00—all to the chagrin of the politicians and the great financial advantage of the hospitals, which are no longer obliged to "show a deficit" in order to be paid for the service they render.

The Commonwealth of Pennsylvania no longer plays politics with the needs of sick people, defectives, or prisoners. This is a great step toward eliminating the most effective instrument of corruption used in the Legislature during my time. That is the power to punish Legislators who refuse to go along by cutting down appropriations to their local hospitals or other charitable institutions, or to increase appropriations even beyond reason for Legislators who do go along.

The preparation and adoption of a greatly improved mental health code marked a most important forward step toward the solution of a problem of vast and growing consequence to the people of Pennsylvania.

The enormous wealth of social statistics of Pennsylvania found in annual reports covering state, county, state-aided, and private welfare agencies has for the first time been vigorously studied and publications based upon it in the field of hospital and poor law administration and child welfare have attracted nation wide attention.

In its relation to local institutions subject to its inspection but not administered by it, of which there are 898, the Department has adopted for its slogan "Home rule in welfare work," and has endeavored to help public officials and trustees of private charitable undertakings to develop their own work for themselves upon proper lines. As a result, the alms house, jails, and children's homes of the State have attained (in spite of certain specific exceptions) a general level of excellence never before reached. My own personal inspection of some three or four hundred State and State-aided hospitals, institutions, and agencies during the summer of 1925 enables me to speak on this point.

The number of mental health clinics has been increased from 20 to 51 in the past four years. This will result in reducing the number of patients requiring institutional care, while the increase in occupational and musical therapy will provide a larger percentage of recovery and parole and thus reduce institutional overcrowding. The number of patients on parole has doubled in the four years—thus making available for new patients more than twelve hundred new beds.

Great attention has been given to the work of the Mothers' Assistance Boards. During this administration the appropriations for this work, whose purpose is to keep children with their mothers instead of sending them to institutions, were increased 75%. In my opinion no money is spent by the Commonwealth of Pennsylvania which produces a higher return.

## STATE POLICE

The Commonwealth has in the Pennsylvania State Police the most highly trained and efficient body of policemen in North America.

During the last four years the Pennsylvania State Police has done more police work than was accomplished in the first twelve years of its existence. And this in spite of an appropriation limited during the first two years by the necessity for paying off the State debt, and in the last two years by the fear of political leaders in the Legislature that an increase in the State Police force would result in hampering the operations of law breaking liquor interests whom these leaders desired to protect.

But notwithstanding that its average strength has been only 278 men, out of an authorized strength of 421 men, the State Police, in addition to its regular work, has made 14,095 arrests for violations of the liquor laws; seized 62,212 barrels of beer, 619,202 quarts of alcohol and whiskey, and has confiscated 1,329 automobiles.

The campaign of the State Police against violators of the Constitution has had real results. In spite of the failure of district attorneys in certain counties to do their duty; in spite of the frequent refusal of grand juries to indict on the clearest evidence; in spite of the open tendency of many courts to avoid jail sentences, and let liquor law violators off as easily as possible, 67% of convictions in this class of cases have been secured by the State Police.

During the four years the State Police have handled 44,447 criminal cases and have secured 81.5 per cent of convictions. Fines to the amount of nearly \$2,200,000 have resulted from their operations, and they have been exceptionally successful in solving homicide and bank robbery cases.

These facts entirely dispose of the charge frequently made by persons more interested in violating than in observing the law that the State Police have been demoralized by their effort, under my orders, to compel respect for the Eighteenth Amendment. The morale of the force was never better, as the feats of valor in its record amply prove. The integrity of individual officers is high, although scarcely a man in the organization has not been tempted by bribes larger than his salary for several years. In the few cases where men have yielded, the esprit de corps of the organization was so good that its own members were responsible for bringing the culprits to account.

Before the last four years it was the common belief that the State Police were used under orders to assist corporations in breaking strikes. Whether or not this belief is justified, during this Administration they have willingly followed my instructions and have been absolutely impartial in every labor dispute. The result is such a

change of attitude on the part of organized labor that I have many times been asked by strikers to keep State Police at the scene of the strike.

The men and officers of the State Police force during this Administration have worked harder and for longer hours than at any previous time. Their devotion to duty under the efficient leadership of Major Adams has been such as to deserve the grateful recognition which, in the name of the Commonwealth, I am most happy to record.

### DEPARTMENT OF PROPERTY AND SUPPLIES

Approximately two million dollars have been saved the State in the last four years by eliminating politics and introducing modern business methods in the Department of Property and Supplies.

For the biennium 1921-23 the Department spent about three and one-half million dollars for general supplies, maintenance of public buildings, telegraph and telephone service, and printing and binding. For the next two years practically the same work was done at a reduction of just over a million dollars, and for the present two years the Budget provides it shall be done at a reduction of just under a million dollars, or a total saving for the same service of two million dollars in four years.

Some of this huge saving is due to weeding out useless and incompetent political job holders, but the greater part came from the introduction of such modern purchasing methods as are used by great corporations, and by letting each Department know in advance what it can count upon for printing, stationery, supplies, etc.

Thus each Department knows beforehand exactly how much it has to go on, and the incentive to economy is correspondingly strong. Under the old system there was no limitation, with the result that the General Assembly of 1923 was asked to appropriate more than half a million dollars for deficiencies incurred from this cause.

Now note the saving under better methods. In 1921-23 the cost of printing was \$1,252,436; in 1923-25 it was \$760,000; and for 1926-27 the Budget provides \$758,606. This saving has been effected notwithstanding the large amount of additional printing required in the conduct of the State's business. Nothing like this was ever done before in Pennsylvania.

The general supplies are now purchased through the Bureau of Standards and Purchases, which has reduced this business to so efficient a system that the supplies of the State are not only obtained at lower figures, but in many cases also of higher grades than in the old days when contracts went to political favorites. Better goods for less money.

## DEPARTMENT OF MINES

When this Administration came in, the mine inspection service was headed by a politician wholly unfit to be charged with the safety of hundreds of thousands of men. I removed him promptly and put in his place the present Secretary of Mines, who was universally recognized as the best equipped man in Pennsylvania for this important and responsible work. I did so without inquiring and without knowing his politics. He was the best man to protect the lives of the miners, and that was enough.

During the present Administration the Department of Mines has not only carried forward its regular work upon a high standard of efficiency, but has reduced the number of accidents in mines. In 1922, the fatal accidents per million man days were 14.07. In 1925 they were 11.35. That means 171 less deaths from accidents in proportion.

The Department has introduced the rock dusting safety method in bituminous coal mines with important results in the prevention of explosions and the saving of human life; and has taken part in the settlement of two strikes in the anthracite region.

A mining course, prepared by the Department of Mines, the Department of Public Instruction, and State College for use in vocational schools throughout the coal regions, is the most complete course of its kind ever prepared by any State Government.

In Pennsylvania there are 1,700 bituminous mines and about 750 anthracite mines. The State has a force of fifty-five qualified inspectors who have charge of the supervision of these mines for the protection of the miners. During this Administration, the inspectors have made more than 33,000 inspections of mines and investigations of accidents.

The inspectors are selected by examination through a Mine Inspectors' Examining Board for the anthracite and another for the bituminous coal fields. The methods employed in both have recently been found to be unsatisfactory. They need to be completely revised.

## DEPARTMENT OF BANKING

The past four years of prosperity brought into the banks, trust companies, and building associations of Pennsylvania an increase in the various funds entrusted to their care of approximately three billion dollars.

The Banking Department has met its added responsibility ably and completely. First of all, it has made honesty and ability the test in its appointments without regard to political considerations. During the last four years it has made more frequent and more effective

examinations than ever before, and has complied for the first time with the law which requires at least one examination a year of the financial institutions of the state.

The Department has uncovered more embezzlements and defalcations in these four years than during its entire previous history. Most of these defalcations were of many years standing, and were discovered as a result of the searching examinations now being made of financial institutions. In every instance, the offender was promptly prosecuted.

Public confidence in the Banking Department was never stronger than it is today. The divorcing of politics from the administration of the Department has brought a greater measure of protection to the savings of our working men and women and to financial interests generally than the State has ever before supplied.

Under the law, and for obvious reasons, much of the most important and constructive work of the Department must be kept secret. It may be said, however, that the Department has discovered and caused the correction of many unsatisfactory conditions which, if allowed to run on, would have seriously embarrassed the institutions involved.

No small portion of the improved financial condition of the citizens of the State is due to the work of the Bureau of Securities. During the three years of its existence, this bureau has done more to protect the people of Pennsylvania from the operations of security swindlers than any other agency in the history of the State.

Since its establishment the Security Bureau has refused to license dealers desiring to sell a total of \$758,000,000 of questionable or unsafe securities in Pennsylvania. The money which otherwise might have gone into the pockets of swindlers if invested in these securities was thereby saved to our people. At the same time, 1707 other dealers and 6119 agents have been denied registration.

Pennsylvania no longer is regarded as a fertile field for the get-rich-quick stock swindler. Bucket shops have been driven completely from the state, while hundreds of high-pressure salesmen who formerly used their time to profitable advantage in Pennsylvania now are compelled to seek victims elsewhere.

The principal credit for this remarkable and most valuable piece of work belongs to Einar Barfod, who with the enthusiastic cooperation of his associate, Walter J. Fallows, and the firm support of the Secretary of Banking, has disregarded threats, resisted pressure, uncovered subterfuges, and turned on the light in one of the most remarkable campaigns for the protection of the people that I have ever known.

Just what legitimate business thinks of the work of the "Blue Sky" Bureau is shown by a resolution adopted by the Pennsylvania Ban-

kers' Association at its convention in 1925, which reads:

"Resolved that we heartily commend the Bureau of Securities at Harrisburg for their courageous and faithful administration \* \* \* that we express our appreciation of the results already obtained in the elimination from Pennsylvania of the fake stock salesmen."

### INSURANCE DEPARTMENT

A good start has been made toward ridding Pennsylvania of insurance frauds. I regret to report that inefficiency of many years' standing at last reached such an intolerable stage in the Insurance Department that I found it necessary, a little more than four months ago, to replace the Insurance Commissioner with a younger and more energetic man. Accordingly I appointed Einar Barfod, whose fearless and intelligent enforcement of the Securities Act is nationally known. Since that time the Insurance Department has been completely reorganized and restored to usefulness and service.

Since its reorganization the Department has taken a firm grip on the unsafe, unsound, or actually dishonest insurance combinations which have so widely and so heartlessly victimized our people. A complete survey has been made of all insurance organizations doing business within the State. No less than 192 insurance organizations suspected of wrong practices have been put under special scrutiny. Within the last two months ouster or liquidation proceedings have been started against 55 improper, undesirable, or unsafe insurance companies or societies, the proceedings against 28 of which have been completed.

Formerly any insurance organization which came to this State with recommendations from the department of its home State was admitted. That meant that the Pennsylvania Insurance Department had transferred the duty of protecting Pennsylvania citizens to the Insurance Departments of other States. Now Pennsylvania examines all applicants without exception. Since last August no new company from any other State has been able to pass the requirements for admission to this State.

The authority to license insurance agents, which had been surrendered to private and selfish interests, has been retrieved by the State, and is now exercised by the Department only, in the public interest only, and not for private exploitation or intrigue.

The work of the reorganized Pennsylvania Insurance Department has attracted the attention and earned the commendation of the legitimate insurance interests of the entire country. If it is carried forward vigorously and without political interference, Pennsylvania will become as famous for the honesty and soundness of its insurance business as it today is for the honesty and soundness of its investment banking business.

To complete the clean-up in the insurance business, the Insurance Department needs legislative assistance. Proper action on your part will make it as safe for the people of Pennsylvania to insure as it has already been made safe for them to invest.

### BOARD OF GAME COMMISSIONERS

Pennsylvania is now the best game State in the Union. In 1925 the State produced about 5,500 tons of wild game for food valued at something like \$5,000,000.00, and the amount of game available to sportsmen is steadily increasing.

All this is due mainly to our system of game refuges. It is also due to the work of the Commission, to a general revision and codification of the game laws adopted in 1923, and especially to better and more willing observance of the law by the hunters of the State. Only two-tenths of one per cent of convicted offenders against the Game Laws are licensed sportsmen, and at least one-quarter of these are men who voluntarily give themselves up when they have killed unlawful game by mistake.

The sportsmen of Pennsylvania are giving more and more attention to the advancement of sportsmanship in game protection and law observance, and also to the prevention of forest fires, the extension of our State Forests, and the purification of our streams. The work which the hunting and fishing associations of Pennsylvania are doing in these directions deserves the commendation of the whole Commonwealth.

In 1922 Pennsylvania had 38 game refuges. Now we have 103. They cover more than a quarter of a million acres, and constitute the most practical and extensive undertaking for wild life conservation ever set on foot by any State.

During the past four years both the field and office forces of the Game Commission have been reorganized, the term of members of the Board has been increased to six years in order to insure a continuous policy, and the Hungarian partridge has been introduced.

More than 525,000 hunting licenses were issued in 1926. It is remarkable that the State which has the largest number of hunters and the largest annual bag should nevertheless continue to have the largest amount of game.

### BOARD OF FISH COMMISSIONERS

The fishing situation in Pennsylvania can be looked at in two ways. One is that the propagation, distribution, and protection of fish has reached a new high mark during the last four years, when more than 1,120,000,000 fish were turned loose in the waters

of Pennsylvania. Moreover, while in 1923 a total of 168,000,000 were distributed, the distribution in the first eleven months of 1926 was 326,000,000.

Not only has the number of fish distributed annually more than doubled during this Administration, but provision has been made for still further increasing the output. Some twenty new ponds have been constructed at the present State hatcheries; the Reynoldsdale trout hatchery site has been purchased and paid for; a new site has been recommended at Tionesta; and another is under consideration in the Southeastern section of the State. The business methods of the Fish Commission have been entirely recast and it is now doing its work and doing it well.

The new, improved, and simplified Fish Code, passed in 1925, is one of the best pieces of fish legislation ever enacted. Its purpose is to conserve the fish in Pennsylvania waters with the least possible restriction on the angler.

The age limit for resident fisherman's license has been reduced during this Administration from 21 to 16 years. All inland fishing has been restricted to two rods, two lines, and one hand line, with not more than three hooks attached to each. This does away with a variety of special devices, whose yearly catch is estimated at half a million pounds, and leaves so much more fish for the rod fisherman.

The other way to look at fishing in Pennsylvania is that, thanks mainly to the automobile, the number of fisherman has enormously increased, and waters which were rarely touched a few years ago are now fished hard throughout the season. So numerous are the fishermen and so accessible are the streams, that fish life, in spite of the immense increase in the distribution of fish, is fighting a losing fight in Pennsylvania.

As a fisherman myself, I am keenly interested in the preservation of our fishing, but I realize the present enormous drain upon the fish in our streams and lakes. If it goes on, and if the acquisition of the best fishing waters by private clubs continues to restrict the waters open to public fishing and thereby concentrates more fishermen on less miles of stream, serious days are ahead for the anglers of Pennsylvania. My personal judgment is that our fishermen will be forced before very long to choose between increasing the size and decreasing the number of the legal daily catch, or going without good fishing altogether.

The most important single undertaking by the Fish Commission during these four years is a survey of the streams and lakes of the Commonwealth. Under it all waters are classified as to area, depth, species of fish, aquatic life, etc. When the survey is finished it will

provide complete information to show the carrying capacity of every lake and stream, and what the distribution of fish should be properly to stock all the waters of the State.

Upon request of the Sanitary Water Board, to which the Administrative Code transferred enforcement of the pollution clause of the Fish Law, field agents of the Board of Fish Commissioners have examined the streams and waters in fifteen counties, and upon their reports the Sanitary Water Board has designated more than 4,000 miles of class A streams which are now pure and which will be kept pure. This is an achievement of the first importance.

### DELAWARE RIVER BRIDGE

The Delaware River Bridge between the States of Pennsylvania and New Jersey at Philadelphia and Camden is the largest of its kind in the world. It was skillfully planned and honestly built, and it was opened on July 1, 1926, three days ahead of the date set years before. The Commonwealth of Pennsylvania appropriated nearly \$11,000,000 towards its cost.

During 1925 the completion of the bridge was threatened by the contention that the charging of tolls was obligatory upon the State of New Jersey and by the mandate of the Pennsylvania Legislature that the bridge must be toll free. At first I assumed that the bridge ought to be free and accordingly signed the bill which so provided. Later I became convinced that, both for the relief of Pennsylvania tax-payers and for the prompt completion of the bridge, tolls should be charged.

Accordingly I recommended the reversal of the Pennsylvania position to the Extraordinary Session of 1926. It accepted the recommendation. The result will be to return to the taxpayers of the State the \$10,784,662 appropriated, with interest to almost the same amount.

Traffic across the bridge has greatly exceeded the estimates of the engineers. Tolls have been paid without confusion or delay. Not a single complaint against them has reached the management. There are no free passes. In the end the bridge will have cost the Commonwealth nothing. It is a great public improvement which pays for itself.

### STATE ATHLETIC COMMISSION

The State Athletic Commission has been in existence a little over three years. During that time the character of boxing and wrestling contests has been revolutionized.

The Commission has supervised sixteen hundred exhibitions, including boxing and wrestling, with a total of over eight thousand

separate contests. Among the sixteen thousand contestants not a single serious injury has taken place. This is proof that under the supervision of the Pennsylvania Athletic Commission boxing and wrestling are not brutal exhibitions but forms of legitimate sport.

The Commission managed the Tunney-Dempsey boxing match most admirably. It was by far the greatest event of the kind ever known in the history of the world. One hundred and forty thousand persons attended, and the State received \$86,000.00 as its share. I have never been present at a more orderly or better conducted exhibition of any sort anywhere.

### COMMISSION TO STUDY OLD AGE PENSIONS

During the past two years this Commission has carried out exhaustive studies whose conclusions will shortly be laid before you. Whatever legal and constitutional difficulties may lie in the way, the Commission is convinced of the immediate necessity for a constructive plan of State action.

The Commission reports that only China, India, and the United States still remain without effective provisions for the aged; that the cost of old age pensions in the four States which have adopted them amounts to but one-fifth to one-third of the cost of supporting the same persons in almshouses; and that the industrial pension plans which have been adopted by various corporations cover but six per cent of the needy aged.

Finally, the Commission unanimously recommends the second passage of the Joint Resolution adopted by the Legislature of 1925 which provides for the amendment of Article 3 of the State Constitution so as to permit the Legislature to make appropriations for assistance to aged indigent residents of the Commonwealth.

### THE DELAWARE RIVER COMPACT

New ground in the conservation of interstate waters is broken by the proposed Compact for the regularization and utilization for all purposes of the waters of the Delaware River Basin, now under negotiation between representatives of Pennsylvania, New York, and New Jersey. It supplies a sound and practical method for the constructive utilization and development of interstate waters by the three States, with justice to all three, and settles the interstate questions concerning the water resources of the Delaware which have prevented its full utilization and development during past years.

Authorization to negotiate was given by the respective Legislatures in 1923, and the Commissioners of the three States submitted a form of Compact to the Legislature of each State in 1925. New York ap-

proved the Compact in the form submitted, but New Jersey referred it to a Commission instructed to consider it in relation to the whole water supply question of the States.

Negotiations have since been resumed, and the Commissioners of the three States have now agreed in substance upon a form of compact which will be submitted this year to the three Legislatures.

The proposed Compact will make possible the utilization of approximately one-third of the total water resources of the Delaware and its tributaries, or sufficient to meet the needs of the three States for the next fifty years, leaving the allocation of the remaining waters to future generations.

It takes into account also the great advantage to be gained by storage in the regularization of stream flow, and makes possible the utilization of flood waters which now run unused to the sea. At the same time it will materially increase the low water flow of the river just when the water is most needed for navigation and the preservation of the public health.

Through lack of a compact, our one most important boundary stream, the Delaware, has remained practically undeveloped. Its conservation in quantity and quality for the future needs of the three States for domestic and industrial water supply, power, and navigation is nothing less than vital.

Each of the three States has much to gain by this Compact. Without it the Delaware must remain unutilized except in a limited local way. The City of Philadelphia especially needs the protection which the Compact offers, for the reason that it is entirely dependent for its water supply upon the Delaware River and its tributaries, and must remain so.

### THE EXECUTIVE BOARD

Public opinion in Pennsylvania has not yet been crystallized against the spoils system sufficiently to compel the passage of a civil service law for State employees. Therefore any attempt to secure such a law during my term would have been hopeless. The Administrative Code, however, provides for the classification of the seventeen thousand State employees by the Executive Board. They have been classified, and the classification lays down in writing the duties of every office under the State Government, and provides just what qualifications any candidate for each office must have, as well as the maximum and minimum salary.

Under this classification the whole State service has been taken out of politics and put on a basis of merit instead of pull, and the appointment of political deadheads has been absolutely abolished. So long as an honest and intelligent classification is followed no

one can be appointed to a salaried position under the State Government who is not competent to earn his pay.

In four years this Administration has abolished the spoils system in State jobs, and has substituted the merit system for State employees. It leaves in sound working order the nearest approach to a civil service system that can be provided without specific provisions of law.

### GIANT POWER

Electric power presents the greatest economic problem before the American people. Thirteen years ago Charles P. Steinmetz told the Franklin Institute in Philadelphia that long distance electrical transmission would revolutionize human life in our time, and warned us against the new evils likely to flow from electrical monopoly.

The Federal Power Act of 1920 met his views in part, and laid the foundation for a new economic policy. For eighty-five per cent of the undeveloped water powers of the United States, it limits licenses to fifty years; fixes the "recapture price" at the end of that time at the original legitimate cost of the works; and, above all, it makes this original cost the rate base upon which the public service commissions of the States must calculate the "fair-return" to which investors are entitled. Thus the Act dedicates the value of the raw water power resources of the country (and especially the increase in that value which follows the increase of population and wealth) to the public and withholds it from speculative promoters.

This Administration has succeeded in coordinating our State water power laws and administration with the Federal Act. It has also succeeded in applying the same principles to steam-generated electricity, and in devising a plan of public control of all electric service calculated and adequate to meet the needs foretold by Steinmetz.

As to water power, the task was accomplished by the Limited Power Permit Act of June 14, 1923, the Condemnation Act of the same date, and the Act of May 28, 1923, for leasing land in State Forests for power purposes—all administration bills.

As to the generation of electricity from coal (the source of 90 per cent of all electricity in Pennsylvania), and as to a general policy of public control for electric service, a careful inquiry was necessary. Accordingly, at my request, the General Assembly, by Act of May 24, 1923, created a Giant Power Survey Board with the Governor as Chairman, to "undertake an outline survey of the water and fuel resources available for Pennsylvania, and of the most practical means for their full utilization for power development, and other related uses; also to recommend, in outline, such policy with

respect to the generation and distribution of electric energy as will, in the opinion of the board, best secure for the industries, railroads, farms, and homes of this Commonwealth an abundant and cheap supply of electric current for industrial, transportation, agricultural, and domestic use."

The report of the Giant Power Survey Board was laid before your honorable body in 1925. It marked a wholly new epoch in the development of a public power policy in the United States. It attracted favorable attention throughout this country and in foreign nations, and it recommended a complete scheme of legislation.

The Giant Power Bills constituted the most important group of bills dealing with electricity ever submitted to the Legislature of any State. The benefits they hold for farmers and other consumers of electric current as to both service and price are of the most signal importance. Moreover, they embody the only practicable plan so far devised to control the coming electrical monopoly in the public interest without checking development.

These bills were submitted to the session of 1925 with a special message pointing out their necessity and value. They were promptly killed in committee by the organized electric interests of Pennsylvania. The most important of them, with slight changes, were resubmitted at the special session of 1926. Again they were killed in committee by the same electric interests.

I have no doubt whatever that the substance of these bills will ultimately be adopted in this and other States as the only just alternative to public ownership and operation of electric utilities, unless the dreadful scourge of an unregulated electric monopoly should fall upon us first, as at present it bids fair to do.

In brief the Giant Power Plan consists of four parts:

First, the stimulation of private enterprise for huge production of electricity at the source (the coal fields), with all the economies to be expected, including the recovery of the valuable by-products of coal before burning.

Second, the compulsory pooling of all power systems in the State.

Third, adequate regulation on the principle of the net investment rate base, and service at cost plus a fair profit, without discrimination against the small consumer.

Fourth, control of interstate transmission by the States themselves through interstate compacts.

I am convinced, however, that the almost incredible speed with which a nation wide electrical monopoly is forming through consolidation of companies and systems raises the question whether immediate Federal legislation is not required to protect the public interest before it is too late.

Upon the defeat of the Giant Power Bills in 1925, I created by executive order a Giant Power Board consisting of State officials and the former director of the Giant Power Survey "to set the Giant Power problem in a clear light before the people and to coordinate toward its partial solution all the executive and administrative authority given by existing law." This Board I dissolved by executive order on December 31, 1926. Its report, dated December 7, 1926, is submitted in a separate volume.

### ALCOHOL PERMIT BOARD

This Board was created in the Department of Welfare by the Act of February 19, 1926. The passage of this Act marked a great forward step in law enforcement in Pennsylvania.

The Board is empowered to regulate by permit the manufacture, production, denaturization, holding in bond or in storage by bailee for hire, sale at wholesale, and transportation for hire, of alcohol or alcoholic liquors by certain persons.

The Attorney General, the Secretary of Health, and the Secretary of Welfare are designated by the Act as the members of the Board. The fee for each permit issued under the Act is \$100.00, and the expenses of the Board are met out of such fees.

The Board has done, and done well, the long, laborious, and difficult task of preparing regulations under the Act, and of getting its work started. It has proved its great value, it is now a going concern, and it has even greater promise of usefulness hereafter. The State has no more powerful instrument for compelling respect for the dry laws and the Constitution.

Up to December 28, 1926, a total of 188 permits have been issued, and the permits of three breweries have been revoked for cause after public hearing.

### PUBLIC SERVICE COMMISSION

The Public Service Commission of Pennsylvania has done little to protect the rights of the people and much to insure and increase the profits of the corporations, as the man in the street well knows. The plain people would be better off with no Public Service Commission at all than with a Commission the majority of whose members, as at present, are mere speaking tubes for the public utilities.

The fact is that the Public Service Commission of Pennsylvania has been a catspaw for the corporations. By making use of it the public utilities have secured fatter profits from the people than without it they would ever have dared to take for themselves. Without the Commission, the eight-cent fare in Philadelphia would never have

been demanded and the people would never have stood for it. In this and in many other cases the Public Service Commission is the sugar coating by means of which the public utilities persuade the people to swallow their extortionate rates.

I have made an earnest and continuous effort to take the Public Service Commission of Pennsylvania out of the control of the public utilities, and make it a genuine servant of the people. I have not succeeded. This is partly because certain men whom I appointed to the Commission have, after their appointment, abandoned the principles they professed before. It is also because the Senate, at the urgent demand of important gang politicians, confirmed a man whose nomination I refused to send in by reason of his betrayal of public trust in the Philadelphia trolley fare case.

But the chief reason why the majority of the Public Service Commission is today the catspaw of the corporations is that men whom I removed on the ground that they were notoriously unfit to protect the public interest were put back by the Supreme Court of Pennsylvania, which thus took away from the Governor the same right of removal which the Supreme Court of the United States has just confirmed to the President.

But even on a Commission so constituted a fighting minority can do good work. Within the last few weeks, for the first time in its history, the minority has forced the Pennsylvania Public Service Commission to take up a case of glaring injustice to the public without a complaint, and on its own initiative.

It is obvious that either the Public Service Commissions in this and other States must cease to be servants of the corporations and become the militant protectors of the people's rights, as they ought to be, and as the minority of our own Commission (whom I am proud to have appointed) is today, or the people will ultimately be forced to take over the public utilities in self-defense.

For these and for other reasons I do not recommend the abolition of the Public Service Commission. The time may come when the Commission will genuinely represent and courageously defend the people. In the meantime I suggest that the people of Pennsylvania should watch the Commission with unwavering attention, and refuse to stand in future for such betrayal of the public interest as the attempt to give the railroads a practical monopoly of bus lines through the State, and others that have been committed in the recent and remoter past. I have refused to approve charters from the Public Service Commission which would permit two large railroad companies to operate bus lines over the roads of fifty-five counties, thereby assuring them such a monopoly.

## TRUCKS AND BUSESSES

Pennsylvania has spent hundreds of millions of dollars for good roads. If these roads are cut to pieces by heavy busses and motor trucks which do not contribute fairly to the cost of repairs, every owner of an automobile in the State is hurt.

An eight-ton truck of the type that operates in freight caravans between our large cities now pays a maximum fee of \$70 per year. The same truck in Maryland, making a daily trip between Baltimore and Frederick, pays a fee of one-third of a cent per ton mile, or \$970.67.

A 20-passenger bus in Pennsylvania pays a fee of \$62.50. The same bus in Maryland traveling daily from Baltimore to Frederick and return pays one-eighteenth of a cent per passenger mile, or \$440.45.

The Maryland rates at least approach a fair return for the damage done to the roads by trucks and busses. The fact that they pay these rates and still operate successfully in Maryland is proof enough that the present rates in Pennsylvania are wholly inadequate.

## SANITARY WATER BOARD

For the first time in the history of Pennsylvania the streams of the State have been scientifically classified as to contamination by the work of the Sanitary Water Board, a new organization created by the Administrative Code. The Board has made definite working agreements with tanneries, paper mills, laundries, and other industries for experimentation at their expense which will lead to permanent improvement in the condition of many important streams.

Agreements have also been made with the States of New Jersey, New York, Ohio, West Virginia, and Kentucky for the prevention of stream pollution. More progress has been made toward the purification of our streams during these four years than during the entire previous history of the State.

## SESQUI-CENTENNIAL COMMISSION

This Commission, at first under the Chairmanship of Major R. Y. Stuart, later under that of Doctor Clyde L. King, both of whom undertook its duties in addition to official obligations already heavy, has done great work. It supervised the design and erection in record time of the Pennsylvania State Building, generally acknowledged to be the finest building on the grounds, and filled it with an exhibit which set forth the progress of Pennsylvania during the last one hundred and fifty years, and put the activities of the Commonwealth before its citizens more clearly and vividly than had ever been done before.

The Commission made use of the State Building also for extensive conferences and official entertainments, and the Legislature of Pennsylvania held a session there on July 5, 1926.

So far as practicable the exhibits collected in the Pennsylvania Building, and the motion pictures prepared to illustrate the activities of the State Government, will be preserved and used in illustrating and advancing the work of the several Departments.

### ART COMMISSION

During this Administration for the first time the Art Commission has taken its proper place as an essential part of the State Government, and has abundantly justified its existence not only by the amount of work it has done, but by its notable contributions in bringing about more fitting and more beautiful construction by the State. Its members, who serve without compensation, have rendered a most important service to the Commonwealth.

### SOME HIGH POINTS

These are some of the things this Administration has done or tried to do. To sum up in a few words, this Administration among other things:

Has cleaned up the mess; paid off the \$32,000,000 debt; established a complete budget system; and put the finances of Pennsylvania back on a pay-as-you-go basis, with plenty of money in the bank.

Has reorganized the whole State Government, except the elective departments; and made it from a haphazard unworkable jumble into an economical and effective business machine capable of real service to the people.

Has driven politics and political deadheads out of the State service and put appointments and promotions on a basis of merit instead of pull, thus getting a dollar's worth of service for every dollar spent.

Has established and lived up to the principle that a public official is in duty bound to do for the people everything the law permits, not merely what the law directs; and has given a character and amount of legal service to the people never before approached in Pennsylvania.

Has stood squarely behind the Eighteenth Amendment; fought for and secured the passage of dry laws with teeth in them; outlawed and broken the power of the saloon; made the State Government dry; and used its power from first to last against law breaking bootleggers, breweries, and alcohol distilleries.

Has built more miles of road in four years than were ever built in an equal time by any highway organization in the world; expended

\$262,000,000 for roads without a breath of scandal; and made the State highways of Pennsylvania better, safer, and more convenient for motorists than they ever were before.

Has substituted cooperation for compulsion in its relations with local school authorities; made it possible to pay the State's contributions to school districts on the dot for the first time in many years; defended the public school system against gang politicians; and given our children better schools than they ever had before.

Has driven politics out of the State hospitals and penitentiaries; put appropriations to State-aided hospitals on a basis of service rendered instead of political pull; and raised the standard of service in institutions everywhere.

Has originated and fought for the Giant Power policy for better and cheaper electrical service to all the people; and secured the establishment of modern water power laws for Pennsylvania in line with Federal policy and negotiated the Delaware River compact.

Has refused to play politics with the lives and health of our working people; has taken the factory inspection service out of politics; has established a bureau to study and make safe the work of women and children; and kept down industrial accidents at a time which they are increasing in other industrial Commonwealths.

Has promoted cooperation among farmers; eradicated more tuberculosis among cattle than all previous Administrations together; protected and extended the farmer's markets; and made the food supplies of our people purer and safer than ever before.

Has developed forest protection to a point where for the first time in generations new growth in the forests of Pennsylvania exceeds the loss from fires; and secured the passage of \$25,000,000 State Forest bond issue through two sessions of the Legislature.

Has taken an active part in the settlement of two anthracite coal strikes; and revolutionized the attitude of the State Government toward labor and labor problems.

Has shut nearly \$800,000,000 of fraudulent securities out of Pennsylvania under the "Blue Sky" Law; and reconstructed the Department of Insurance and brought hundreds of questionable insurance companies to book.

Finally, it has honestly tried to keep its pledges and from beginning to end has followed the rule that the public good comes first.

## TWO ANTHRACITE STRIKES

In the fall of 1923 the entire northeastern section of Pennsylvania was threatened with industrial stagnation by a strike in the anthracite field. At the same time, since four-fifths of the anthracite mined is burned outside of Pennsylvania, the great body of anthracite users, some 40,000,000 people in the United States, were in imminent danger of having to go without their customary fuel.

After efforts by members of the National Administration had failed to effect settlement of the anthracite coal strike of that year, I deemed it my duty as the Governor of Pennsylvania to use my best efforts to secure coal for consumers. Accordingly, after prolonged negotiations at Harrisburg, in which none but Pennsylvanians took any part, the strike was settled on September 19, 1923, and a supply of anthracite for the coming winter was assured.

Immediately thereafter the operators took advantage of the terms of the settlement to exact for themselves an increased profit at the cost of an increased price to the consumer. I protested, called the Governors of the anthracite using States into conference, and secured the introduction of a bill in Congress, but the operators held to the higher price.

The second anthracite strike during this Administration began on September 1, 1925. After it became evident that the National Government intended to take no action toward settling the strike, I called a meeting in Harrisburg of miners and operators (which the operators refused to attend) and there submitted terms which were substantially the same as those upon which the strike was settled a few months later.

This strike confirmed my opinion of the anthracite operators as hard-boiled monopolists, whose sole interest in the people is what can be got out of them. My relations with the miners have given me confidence in their integrity and public spirit, which was well illustrated when during the last strike they accepted my proposal to forego any increase in wages which could not be granted without entailing an increase in price to the consumer.

### THE ELECTIVE FISCAL OFFICERS

In Pennsylvania two of the State fiscal officers (the State Treasurer and the Auditor General) are elected. One (the Budget Officer) is appointed by the Governor. Under the Federal Government the President appoints all three. Four years of practical experience at Harrisburg, and many times as long with the Federal Government at Washington, have convinced me that the Federal system serves the people very much better than ours.

One result of the Federal system is that the Administration is a unit, thus immensely facilitating the public business. Another result is that the Federal finances, because of this concentration of responsibility, have been far and away better handled than those of Pennsylvania.

The theory of our system is that the elected officials will act as checks upon the Governor. In practice they are nothing of the sort. If they were, Pennsylvania would not have been \$32,000,000.00 in

debt, nor would the public money have been wasted on political incompetents to the extent of millions of dollars a year.

During the terms of other Governors, and during most of my term, our system has resulted in a continued succession of attacks on the Administration by Auditors General and State Treasurers. During this administration these attacks have uniformly been defeated. In every important contention, such as the refusal to recognize the Attorney General as chief law officer of the State, to recognize the Administrative Code, to pay current expenses of State Hospitals, etc., the Administration has won, but not until after the groundless opposition, the needless law suits and delays have cost the taxpayers heavily in money, have wasted months of time, and have even endangered the health and well being of inmates of public institutions.

The Budget Officer, in order to keep the Governor informed, is now obliged to duplicate much work already done by the elective fiscal officials, and to do it much better. In practical fact the condition of the public funds and the probable revenues from taxation have in every case been better understood and more accurately forecast by the appointed Budget Officer than by the elective fiscal officials. There could be no better illustration of this than the estimates of revenue made by the present State Treasurer in 1923 and 1925, which were wholly useless as a basis for the Budget because of their childish inaccuracy. Actual revenues since collected abundantly support this statement.

The Governor is and ought to be responsible for the business management of the Commonwealth. Therefore he ought, like the President, to have control corresponding to his responsibility.

Pennsylvania would be better off if all the fiscal officials were appointed, thus assuring harmony and making efficiency possible. Moreover, much needless duplication of work and expense now existing between the State Treasurer and the Auditor General, such as the duplicate checking of receipts, could and would be cut out.

#### DEPARTMENT OF INTERNAL AFFAIRS

I repeat my recommendation, which I was not the first to make, that the constitutional office of Secretary of Internal Affairs be abolished. This Department performs no public service that cannot be better done elsewhere at less cost to the taxpayers. Its work is low grade and in large part entirely useless. It is in fact little more than a refuge maintained at public expense for political incompetents. Vigorous and sustained efforts to improve its service and make this Department worth its keep have failed. The only thing to do with this costly and useless excrescence on the body politic is to remove it.

## THE CONTEMPTIBLE GANGSTER

After four years in a position to learn the facts, I am going out of office with the most hearty contempt not only for the morals and the intentions, but also for the minds of the gang politicians of Pennsylvania. Doubtless in the past there have been gang politicians of power and insight. We look for them in vain today.

The gangster as I have learned to know him, depends for his success on four things: The influence of the higher-ups, the groundless fear he often inspires, money, and cheating. Take these from him and he has nothing left. In a straight game he is lost from the start. And he would be lost in any case except for the failure of the majority of the decent citizens of the State to exercise their power through the ballot box.

The gangster is no wizard. He is powerless to play any game but his own. Because it never occurs to him to tell the people the truth, it never occurs to him that anybody else will tell the truth. From the beginning the most effective thing I could do to deceive the gang was to lay all my cards on the table and say precisely what I meant. They never got used to it.

Gang control in town, county, or State is possible only because so-called good citizens lie down. First of all gang control is minority control. Next it means that the taxpayers do not get what they pay for. The gang spends money out of the taxpayers pockets freely for private and political ends. And not only are the taxpayers thus cheated and robbed, but what money actually does go to public purposes is ignorantly, stupidly, and wastefully spent. Gang control is a system under which the taxpayer is the goat at every turn in the road. And the money loss is the smallest part of it.

## CLEAN ELECTIONS

There is today no question more vividly before the people of the United States than election frauds. I can speak upon it from practical experience. The present Administration would never have come into office except for an error of judgment on the part of the Philadelphia gang as to how many votes they had to steal to win.

In the primary of 1922 the polls closed in Philadelphia at seven o'clock in the evening. In less than three hours the votes of the Vare-controlled river wards had been written up—obviously they could not have been counted—tabulated, painted on transparencies, and the transparencies were in procession around City hall.

It was a case of over-confidence. The gang believed that a comparatively small theft of votes was all that was necessary to insure my defeat. When, however, it was discovered that I had a chance

to win, the Pittsburgh machine took three days to do what had been done in Philadelphia in three hours.

But while undoubtedly many thousands of votes were stolen, and while the count in Pittsburgh reduced my apparent majority from over fifty thousand to less than nine, the hasty returns from the Philadelphia river wards prevented the theft of quite votes enough to beat me.

After the primary I notified the leaders of the machine that I would conduct my own separate campaign unless they abandoned the corrupt and contemptible custom of assessing office holders for political purposes. Thereupon they did abandon this method of making office holders buy their positions on the installment plan.

#### DISFRANCHISING HONEST VOTERS

One of the penalties we inflict on a thief is to take away his share in the government of this Commonwealth by depriving him of his vote. But when election frauds are committed it is the thief who takes away the vote of the honest citizen. Election thieves put self-respecting people on the same plane as convicted criminals so far as their votes are concerned.

Political gangsters have made Pennsylvania notorious among all the States for the disfranchisement of honest citizens by the stealing and buying of votes. Buying elections is as bad as stealing elections. Either way the people lose control of the government, and the thieves or the purchasers rule in their stead.

#### THE COMMISSION OF SEVENTY-SIX

Election frauds by the political gang, especially in the counties of Philadelphia, Allegheny, and Lackawanna, became so injurious to the Commonwealth that in 1926 I called an extra session of the Legislature for the chief purpose of dealing with them. Before this extra session I laid the recommendations of the Commission of Seventy-six, a body of men and women representative of the best in Pennsylvania. These recommendations, while not complete, covered every improvement in election laws it was thought possible to secure at that time.

But in the Legislature the same forces which had been guilty of the frauds killed the whole program. Out of the twelve bills they passed two. One of these was so changed by the gang as to make it harder instead of easier to open ballot boxes. I had to veto it. The other I signed because, although badly disfigured, it was still better than nothing.

The bills prepared by the Commission of Seventy-six would have prevented certain notorious kinds of fraud. These very frauds were

committed on an extensive scale both in the primary and in the general election of 1926, and some of the politicians who had joined in killing the bills found themselves cheated as they could not have been cheated had the bills been passed. They got precisely what they deserved.

As an appendix to this message I lay before you a second report from the Executive Committee of the Commission of Seventy-six. Its principal additional recommendations provide for:

Limiting the total amount that may lawfully be spent for all purposes by or on behalf of a candidate for any office in a primary campaign. This amount is fixed at ten cents for each vote cast by his party last time for any office in the candidate's district. It compares with \$1.28 spent by Senator Pepper, \$0.63 spent by Congressman Vare, and \$0.13 spent by me in the recent primary. Speaking generally, it would result, in the case of United States Senator, in a limit of somewhere about \$100,000.

Requiring that every candidate must appoint a financial agent to whom all contributions and through whom all expenditures in his behalf must be made, and requiring that contributions and expenditures of five dollars or over shall be made by check or other order and not in cash. Thus the amount actually received, and from whom, and the amounts actually spent, and for what, would have to be reported.

Providing that watchers at elections cannot be paid, thus cutting out one of the commonest methods of buying votes.

Most important of all, providing for the forfeiture of any nomination in the contest for which either the candidate or his authorized agent breaks the law or consents to the breaking of it by others.

The buying and stealing of elections in Pennsylvania must be stopped. That is of the most vital consequence to every honest citizen. If these recommendations are accepted the scandalous expenditures which marked the last primary election will not occur again, and any candidate shown to have cheated will lose the nomination he cheated to get. That is a far more effective defense against fraud than any amount of fines or jail sentences.

### WILLIAM PENN ON ELECTION FRAUDS

These recommendations are neither new nor revolutionary. Under William Penn's famous frame of Government for Pennsylvania "signed and sealed by the Governor and freemen, the

fifth day of the third month, called May one thousand six hundred and eighty-two," the 21st of the Conditional Laws reads as follows:

"That all defacers or corruptors of charters, gifts, grants, bonds, bills, wills, contracts and conveyances, or that shall deface or falsify any enrolment, registry or record within this province, shall make double satisfaction for the same; half whereof shall go to the party wronged, and they shall be dismissed of all places of trust, and be publicly disgraced as false men."

### SHAMING PENNSYLVANIA

The special interests which buy votes with excessive expenditures of campaign funds, and the politicians who steal votes in elections, have combined to bring upon Pennsylvania a dishonor which will take years to live down. I refused to support Mr. Vare in the election on the sound and proper ground that his nomination was partly bought and partly stolen, and I have no doubt that he deserves to be and will be excluded from the Senate. But whether he is or not, the mere fact that a Senator-elect from Pennsylvania is in danger of losing his seat because of scandalous expenditures in the primary and notorious cheating in the election is a bitter disgrace to this Commonwealth, and is so regarded not only by good citizens of Pennsylvania but throughout the Nation.

### THE DIRECT PRIMARY

The direct primary must not be destroyed. Whatever its faults, it is the one system of nomination yet devised which gives the people a chance against the politicians. Without it the women of Pennsylvania would lose their best chance to count in public affairs.

Attacks upon the direct primary in this State come principally from the men who have had a hand in debauching it. These persons (some of them in official life), whose candidates have profited by excessive expenditures of money or the stealing of votes, now demand the elimination of the direct primary because of offences that were committed against it. It is as though a man were to throw a handful of sand into delicate machinery and then complain because it no longer ran as smoothly as it should.

The reason the politicians want the direct primary abolished is because it is less trouble for them to control nominations under the convention system. That is the best of reasons why the primary should be retained.

## THE MEN BEHIND THE BOSS

For many years the politics of this State has been run as a part of the business of certain great monied interests. These interests invest in politics as they do in mills or mines or banks, and for the same purpose—to make money. But instead of property they buy men and votes, favors and legislation.

What these interests buy is non-interference, tax exemption, extortionate rates allowed public utilities, and other special privileges for themselves at the expense of the people. They give the orders, and the men who take the orders are the political bosses whose names we see in the papers every day.

The real purpose of every regular political machine, therefore, is the advantage of the interests which maintain it, the profit of the men higher up.

To operate successfully, every machine, at least in cities, must have behind it two different kinds of people. First of all, it must have a body of politicians able and willing to deliver, for value received, the control of government, the unrighteous favors, and the unfair protection for the sake of which the magnates are in politics. Politicians able and willing to do these things must be corrupt.

Hence any such machine must include a body of the lowest politicians, such for example as the Mellon machine in Pittsburgh and the Mitten machine in Philadelphia actually do control—men who depend for their living and their power on liquor, crime, and vice. These are the men the magnates buy with valuable considerations, and from time to time protect against the revolt of honest citizens who would otherwise destroy them.

This is one wing of the city machine. The other consists of the respectable element. It is made up partly of the men who are so tied in with the business organization of the magnates that they profit from the existence of the machine; partly of business men who are held in fear because of their loans and credits; partly of the generally decent citizens (of whom there are many) who follow the magnates because they assume that if a man is rich enough he can do no wrong; partly of persons who cannot resist the craving to stand well with those in power; and partly of such of the ostensibly respectable elements of the community as are willing (in Pittsburgh, for example) to shut their eyes and make common cause with gangsters, vote thieves, dive-keepers, criminals, and harlots, because of the social and financial eminence of the Mellon name.

In city after city, county after county, and State after State, these double teams of the actual worst and the theoretical best put and keep the men behind the bosses in political power. For such reasons,

and with such support, the machines of Pittsburgh and Philadelphia, and many another, spread their black hawk-like shadows over the community, borne on the two wings of eminent respectability and organized crime. And their purpose, like that of hawks, is to prey on those who are without protection.

Against this debauchery of the public conscience and despoiling of the public rights, this Administration has set its face like flint. Not only has it taken no orders from the investors in politics who heretofore have had their orders obeyed in Pennsylvania, but it has steadily used its whole power to break down magnate-owned machine control, and to get for the average citizen what he is guaranteed by the Constitutions of Pennsylvania and of the United States, but what he has not had, and that is a square deal.

### NO MACHINE

This Administration has been much criticised by its friends for failing to build up a political machine. It could never have done its work if it had. No Governor can spend his time and use his power to build a political machine, or to run it after it is built, and still give the people the kind of government they pay for.

The Governor of Pennsylvania has great power. Therefore he need neither fear nor follow anyone but the people and his own conscience. That I have tried to do. Under this Administration the authority of the Commonwealth has been employed neither in political favoritism nor in political reprisals. It has been used in the interests of all the people.

It has frequently been pointed out that men were selected for public office by this Administration who, it was said, "controlled no vote but their own." That is true. They were not chosen to control votes, but to serve the people. Few cabinets have had so little political influence. Few or none have been so well able to serve the people and the State.

This Administration has done its best to put in office men and women who were more interested in doing a good job than they were in playing politics or in holding a good job. From first to last it has held that neither time paid for by the taxpayers nor official position under the State can properly be used for political purposes.

I do not mean that I put my enemies in office. I do mean that I required my friends to prove their competence before they could be appointed.

### STANDARDS

The most dangerous thing in the public life of this Commonwealth is the debased standards of public life and public service which have been imposed upon the people, and ingrained in the thought of the

people, by the investors in politics during generations of magnate-controlled gang rule. These standards lie behind all the spoils, all the cheating, all the political corruption, which have so deeply hurt the Commonwealth.

How widely these corrupt and corrupting standards have been accepted appeared when many of my friends and supporters, especially at the beginning of this administration, urged me to treat public appointments purely as spoils. They asked me to stoop in my conduct of the public business to the practices of the gang, which I and they had so vigorously condemned during the campaign.

From first to last I have, of course, steadily refused to do so. Thereby I have lost some friends. But thereby also I hope I have helped to make it clear that there are some things of more value than immediate political advantage, that campaign pledges can be kept, and that here is one Administration which regards the service of the people as more important than the personal or political profit of any man or any faction.

#### PURPOSE OF ADMINISTRATION

The purpose of this Administration has been service to the people, not political success. I have not tried to make political capital for myself or any other, but to show what decent government can do for the average man.

From the day I declared my candidacy in 1922 I have had one central object, and only one. That object was to show the people of this State that the standards of public life and public service fastened upon them by long years of gang rule are false, needless, dishonest, costly, and wholly unworthy of the Keystone State.

My ambition has been to demonstrate that the Government of this Commonwealth can be run more successfully by throwing these false standards overboard, and that the people are better served when that is done. I wanted to prove that the open and honest way is the better way, that clean and unbossed government is possible in Pennsylvania, and that the gang is nothing to be afraid of. I wanted to shake the hold of bad old political habits on the minds and fears and consciences of the people.

This Administration has had three separate tasks. The first and simplest was to run the government; the next was to reconstruct the government; and the third was to fight the gang. At each of these three tasks it has done its best. It has feared no one, it has made no promises but public promises, it has gone into no deals, it has traded for no votes, and it has told the truth.

Being human, it has made mistakes. But whatever it has done, and whatever it has left undone, at least it can make honest claim to an honest effort to carry out its pledge to the people—to play

fair with the rank and file. How well it has served the Commonwealth will be decided not by the politicians, not by the special interests, but by the people themselves.

### CREDIT

The chief credit for what has been accomplished during the last four years should not go to me but to the competent hard-working heads of Departments who have carried the heavy burden of producing more work for less money, and to the thousands of devoted public servants all over the State who have welcomed the opportunity to give better service to the people of this Commonwealth.

There is nothing of which I am more proud than the way the rank and file of the public servants of Pennsylvania have responded to the leadership of the new order. Without their devoted and effective service to the Commonwealth, what has been achieved would have been utterly impossible. Gladly and gratefully I pay them this well deserved tribute.

My very special thanks are due to the Governor's Secretary and the men and women in the Governor's office, whose untiring service, day and night, Sundays and holidays, has set a standard which in nearly forty years of contact with government employees I have never seen surpassed.

These servants of the State have done their work well. They are entitled to the commendation of the whole Commonwealth. Above all, they are entitled to protection in their positions without regard to politics so long as they continue to do their work well and are loyal to their superiors. The threats of wholesale dismissals which of late have been uttered so freely by small minded politicians, I, for one, cannot bring myself to believe.

### THE EXECUTIVE MANSION

An incoming Governor might hesitate to recommend the erection of a new Mansion, but there is no reason why an outgoing Governor should not do so if the recommendation is justified. The present mansion is not properly adapted to the uses for which it was intended, and it does not permit of official entertainments suited to the size and dignity of this Commonwealth.

A new mansion ought to be provided. I can think of no better place for it than the location suggested by Mrs. Pinchot—that now occupied by the unsightly pumping station on the river front at North Street. With Front Street behind it and the river in front, a mansion could there be built (without interfering in any way with the walks now open to the public) that would be worthy of this Commonwealth and well adapted for its purposes.

## THE BEST YEARS OF MY LIFE

These four years have been the best of my life. I have enjoyed them more than I can begin to say. There has been good fighting, and hard work. I have had the priceless support of loyal friends, and the almost equally welcome hostility of enemies whose opposition is a certificate of character and purpose.

Sometimes I have won. Sometimes I have been beaten. But win or lose, I have fought for what I believe to be right, I have fought for nothing that I was not willing to be beaten for if necessary, and I have made no fight that I would not be willing to make again under the same circumstances.

Altogether, these four years have been such as men seldom have the good fortune to enjoy. I am grateful for them beyond expression. As I leave the Governorship my most earnest hope will be that the good and pleasant work of serving the people, and the people only, will be continued unbroken by my successor, that something at least has been accomplished for the good of Pennsylvania during these four years, and that some contribution has been made toward bringing nearer the time when equality of opportunity will prevail in America.

The liberal movement to which Roosevelt gave point and power was checked when public attention was turned to the World War. Since the war that temporary check was continued because public attention was absorbed in the international questions which the war created. This gave the great industrial and financial interests their chance to consolidate their power. They seized it eagerly.

Nevertheless, and in spite of this interruption, the fight for the rights, dignities, and welfare of the American people will go on. In the unceasing conflict between plutocracy and sturdy democratic Americanism, the Americanism of Washington, Jefferson, Lincoln, and Roosevelt, the forces of reaction have won temporary victories. But true Americans everywhere indignantly reject the theory that it is the destiny of this Nation, or of any State within its borders, to be controlled by money.

Sure in the belief that the tide will turn, and turn decisively, toward the wiser ways of democracy to which our country was dedicated by noble and far-seeing men, millions of patriotic men and women are waiting to take up the progressive movement where it was interrupted, and carry it to its appointed and glorious conclusion.