

OV 88/57.14: G326/929

Message

of

Governor Myers Y. Cooper

to the

Eighty-eighth General Assembly of Ohio

STATE LIBRARY OF OHIO
65 SOUTH FRONT STREET
COLUMBUS, OHIO 43215

January 15, 1929

COLUMBUS, OHIO:
THE F. J. HEER PRINTING CO.
1929
Bound at the State Bindery.

REFERENCE

OHIO STATE LIBRARY
DOCUMENT DEPARTMENT
JUN 28 1967

MESSAGE OF GOVERNOR MYERS Y. COOPER
To the 88th General Assembly of Ohio

To the 88th General Assembly of Ohio:

Under the constitution of the State of Ohio, it is my duty as governor to communicate to the General Assembly the condition of the state and to recommend for your consideration such measures as may be deemed expedient. I, therefore, desire at this time to bring certain matters to your attention which I believe to be of the greatest importance to the people.

The history of the progress of every state is, to a large extent, the record of its legislative assemblies. We may all take just pride in the remarkable progress and development of our state. You members of the 88th General Assembly have an important responsibility in continuing this progress in government. I am confident of your ability and purpose to perform your full duty to the end that legislation may be limited to those laws which promote the common welfare.

ECONOMY

It is not my purpose to burden you with many proposals. In the main, the problem of successfully conducting the state government relates more to the proper administration of present laws than the need for the creation of a great number of new legislative acts. Only such new laws should be enacted as are absolutely necessary to meet changing social and economic conditions. The tendency to regulate by legislation should be avoided, except when absolutely necessary for the common good.

I urge upon you the imperative need for strict economy in all matters of appropriation. Industrial prosperity and the happiness and well-being of our citizens are dependent largely upon a sound business policy in dealing with the distribution of the money supplied by the people for the operation of government. If public benefits are fully proportioned to public expenditures, the burdens of taxation will not be oppressive. Such procedure

in government will place our industries on an equality with those of bordering states. Their development and growth will be encouraged; the opportunity for continuous employment at a high standard of wages will be increased; and a very real contribution will thus be made to the general welfare of all our citizens.

It is, therefore, of the utmost importance that every measure which comes before this assembly, calling for additional expenditure of public funds should be scanned with scrupulous care, and increases in appropriations should be authorized only when the needs therefor are in the interest of progress in government.

I do not advocate parsimony in government. Such an attitude is neither in the interest of economy nor favorable to progress. Constructive economy, however, is an entirely different matter. A policy of this nature extends public benefits without disproportionately increasing the cost of government.

The time has come when those entrusted with the responsibility of legislative enactments and administration of public affairs must hold rigidly to a program curtailing public expenditures, which are out of proportion to the benefits received, and to accomplish this we must endeavor, through a broad spirit of cooperation, to produce at one and the same time efficiency and economy in the public service. Such harmonious procedure is absolutely necessary in order that the constantly expanding needs of government, by reason of the growth in population and the increasing demands of our people for the extension of governmental activities, may be met without unduly increasing tax burdens.

It is to be expected that the total cost of our state government for the next two years will exceed the total cost thereof for the past two years. This has been true, with few exceptions, as to every succeeding administration since the admission of Ohio into statehood. It is informative to refresh our minds as to the cost of our state government and its relative increase during the last six years.

In the year 1923 the total cost of our state government was approximately \$41,000,000.00.

In the year 1924 the total cost of our state government was approximately \$43,000,000.00.

In the year 1925 the total cost of our state government was approximately \$48,000,000.00.

In the year 1926 the total cost of our state government was approximately \$52,000,000.00.

In the year 1927 the total cost of our state government was approximately \$54,000,000.00.

In the year 1928 the total cost of our state government was approximately \$60,000,000.00.

We thus observe continuous increases in the cost of our state government and we realize the fact, in studying these figures, that the demands upon our government within the next two years will be greater than at any previous period.

There is a relatively small unappropriated balance in the state treasury left by the outgoing administration. This administration will have fewer sources of revenue than were enjoyed by the outgoing administration. In 1926, the state was confronted with a deficit of thirteen and a quarter million dollars, which had accrued in the conduct of governmental business over a period of years. The 87th General Assembly provided for the raising of this deficit in part by the levy of a direct tax of six-tenths of a mill upon all property in the state. The revenue obtained from this direct tax amounted to \$7,723,779.42. Various other additional levies were made, which, combined with the direct property tax, were sufficient to meet the deficit.

Similar revenue will not be available for the conduct of our government for the next two years by reason of the fact that the direct levy of six-tenths of a mill will not be in force, unless re-enacted, and this I do not recommend.

It is my purpose so to conduct the business of government during the next two years that there will be no deficits. To do this, it is necessarily your obligation to maintain a balanced budget by confining appropriations within the revenues provided.

INSURANCE TAX

The increase from two and one-half per cent to three per cent in the tax upon the business of foreign insurance companies in the state, passed in the closing hours of the last general assembly, is an undue burden.

While Ohio companies are apparently exempted, the tax falls with almost double force upon our Ohio companies under retaliatory laws in other states.

This increase should be repealed and the original tax of two and one-half per cent should be restored.

PUBLIC UTILITIES

The service being rendered by public utilities is being so developed and extended as to bring them into close contact with practically all of our people. The people are entitled to adequate service at reasonable cost and at the same time the public utilities are entitled to a fair rate on capital invested.

Where there is such a vital and universal relationship as that which exists between the public utilities and the people, the department of government charged with the responsibility and duty to determine their relative rights in the matter of fixing rates and service should be so conducted as to command mutual confidence and respect, and should safeguard the interests of all concerned.

Laws dealing with these matters and the administration thereof should be scrupulously free from anything which tends to give to either side an unfair advantage.

The statute now in force, known as the Pence law, gives to public utilities the right to put into force and effect an increased rate prior to the determination by the utilities commission that such increased rate is just and reasonable. It would seem that it is as unjust to the people to permit such an increased rate to become effective before final determination by the commission as it would be unjust to the utility to compel the reduction of a rate without first having the fairness of such reduction determined. The only justification that has ever been offered for the Pence law was the claim that it was necessary because of delays in the procedure in securing a final order from the commission. Therefore, if the delays complained of are eliminated, no reason for the continuance of the Pence law remains.

In order to cure the abuses growing out of the operation of the Pence law, and to facilitate the speedy determination of all questions relating to rates, I recommend, first, the repeal of the Pence law; second, the adoption of a constructive measure creating within the commission itself a division which will speed up the presentation of facts and evidence and result in an early hearing and prompt determination, and, third, that no increase in rates shall go into effect until the need for such increase has

been determined after a hearing and finding by the commission.

It is inconsistent with the contemplated purpose of utility regulation that the utility should, in the first instance, or at any other time, fix the rates. That function belongs to the utilities commission and the law should be so modified that in the future, instead of rates being primarily fixed by the utility, rates will only be established after application, investigation, and final order of the utilities commission.

HIGHWAYS

Everyone is interested in good roads. The building of new roads and the proper maintenance of those already constructed are vital to the economic and social well-being of all our citizens.

In the year 1920, there were 643,900 motor vehicles registered in our state. In the year 1928, the number of registrations was 1,712,000, an increase of 166 per cent. This increase is indicative of an ever-widening demand for new highway construction, with the attendant maintenance, additions, and betterments. The ultimate goal in road construction is a serviceable highway for each citizen of our state, regardless of where he lives.

Previous general assemblies have deemed it wise to place the cost of road building and maintenance, in a large part, upon those who use the roads and those who benefit most therefrom. The present law requires the assessment of part of the cost of constructing new state highways upon the real property adjacent to the improvement. These highways are being used as arteries for inter-county and inter-state commerce and traffic. It is manifestly unfair that a farmer or other home owner living upon one of these routes should be assessed any part of the cost of building such highway.

I therefore recommend that the entire cost of building state highways be provided for without assessment upon the adjoining property owners and that sections 1214 and 1214-1 of the General Code, which provide for the assessments, to which I refer, be repealed.

The secondary roads of the state, known as the county road system, comprising over 23,000 miles of the most important highways, other than state roads, deserve all possible consideration. The county roads are the feeders to the state roads and go back into every rural section. Improvement of these roads is less

expensive than the improvement of the more heavily-traveled state roads, and our rural communities will be helped greatly by their improvement. I recommend that you appropriate funds sufficient for further development of county roads.

Section 1191 of the General Code provides that counties having a tax duplicate of real and personal property in excess of three hundred million dollars may cooperate with the state in the reconstruction of state roads. This might well be changed so as to permit such counties to cooperate with the state in new construction and widening as well as reconstruction. Such change would permit greater freedom in the meeting of local conditions of traffic in the eight most densely populated counties of Ohio and would unquestionably lead to a more rapid construction of necessary arteries of travel than will be possible under the present statute.

The federal government has served notice on the various states that after July 1, 1929, federal aid will not be allotted to highway projects, except in cases where the entire amount of money required of the state or its subdivisions, for the project, is subject to the direct control of the state. Legislation should, therefore, be enacted to comply with this requirement of the federal government.

The appropriation bill enacted by the 87th General Assembly separates the appropriation of funds for maintenance of state roads into thirteen different classifications. It is impossible to estimate two years in advance what amount of funds will be required for each class of work in order to provide properly for the necessary maintenance of 11,000 miles of state roads. In addition, the division of the appropriation into so many different classifications requires much tedious record keeping and should be discontinued, and money for the maintenance of state roads ought to be appropriated in a lump sum.

DIVISION OF SECURITIES

There is a general opinion throughout the state that the existing Blue Sky law is unworkable and fails properly to protect the investing public. Since the time of the enactment of the original Blue Sky law, we have had the World War, during which our people, in response to a patriotic duty, purchased millions of liberty bonds. In purchasing these bonds, they not only secured

the soundest investment in the world but they were also taught lessons in investment of savings that are of incalculable benefit. Since the war, we have had unprecedented prosperity and a tremendous volume of investment securities has been distributed and sold. Investment bankers and distributors of securities have their representatives in every city, large or small, in the state. It is the duty of the state to discover, prevent, and punish fraud and deception in the issuance and sale of securities. This can be done without unduly restricting the activities of honest men dealing in honest securities. Our present Blue Sky law does not meet these demands. There is a complete unanimity of opinion among purchasers of securities, dealers in securities, and all other persons who have given the matter any thought, that we need the enactment of a sound, reasonable, workable Blue Sky law that will enable the state to perform its duties in connection with the issuance and sale of securities, as I have outlined them.

I, therefore, recommend that such a law be enacted, and I commend to your careful consideration, with other proposals which may come before you, the proposed bill recommended by committees of the Ohio State Bar association, Investment Bankers Association, and Better Business Bureaus.

CORPORATION LAWS

Ohio is one of the greatest industrial states of the union and has a living and vital interest in the prosperity of its industries and mercantile establishments. It is the duty of the state to furnish its business men sound commercial laws, calculated to facilitate their transactions. So large a proportion of the business of the state is carried on by corporations that it follows that the laws of the state, providing for the creation and government of corporations, should be of a character suitable to the needs of the business men of the state.

A step in the right direction was taken two years ago, when the general assembly enacted the General Corporation act, which has been favorably received by the business men and lawyers, not only of our state, but throughout the nation. There will be presented to you for consideration and enactment a number of amendments to the General Corporation act, which have been prepared by the lawyers of the state, acting by and through a committee of the Ohio State Bar Association on corporation laws,

for the purpose of clarifying and improving that act, and I recommend that these proposed amendments be given your most careful consideration.

CRIMINAL PROCEDURE

The administration of criminal justice is one of the highest functions of government and of the greatest concern to the people of the state.

In a time when serious crime is prevalent, it is well that the courts and authorities having to do with the enforcement of the criminal laws should be unhampered by antiquated procedure, in order that there may be more speedy punishment of the guilty, and equally speedy vindication of those who may be wrongfully accused.

The 87th General Assembly, by joint resolution, appointed a special committee to investigate the system of criminal jurisprudence in this and other states, and to report to you such proposed legislation as shall

“make more certain and expeditious the apprehension and punishment of wrongdoers; make more certain and clear the vindication of innocent persons wrongfully accused; simplify and expedite the conduct of criminal trials and assure that substantial justice shall be achieved.”

I recommend that you make a careful study of such legislation as may be proposed and that you enact a system of criminal procedure which will have for its object the carrying out of the purpose of the joint resolution to which I have referred.

ELECTIONS

The will of the people can be expressed in no other way than by the ballot. That ballot should be faithfully and honestly recorded and in a way that will be convenient for the people. As stated in my inaugural address, the most important safeguard of democracy is an assurance of honest elections. Let the people once realize that the expression of their will at the election is not honestly recorded and their faith in the fundamentals of government will be destroyed. The ballot box must be kept inviolate, and our election laws should be amended so as to safeguard its integrity. The will of freemen is expressed through the ballot

box and that will must and shall be correctly interpreted and recorded.

Permanent registration will reduce the opportunities for fraud, save our citizens much inconvenience and at the same time lower the cost of elections. I, therefore, recommend the adoption of a permanent registration law.

STATE LIBRARY

It was a most unhappy circumstance that denied the appropriation of funds necessary for the functioning of our state library and compelled the temporary suspension of this important service of our government. For more than one hundred and ten years the state library served a most useful purpose in our educational program. It was of the greatest value to the rural sections of our state. I recommend that proper appropriations be made, with the least possible delay, in order that the service of the state library may be restored to our citizens.

STATE OFFICE BUILDING

For a number of years, the people of Ohio have recognized the necessity for increased and improved facilities to house properly the departments of state government. Many of these departments are now scattered in various office buildings throughout the city of Columbus, where the operations of government are hampered and are unduly expensive. Far more serious than the cumbersome situation which now exists is the exposure of most necessary and valuable records to the danger of loss by fire, misplacement or theft. Records are being kept in buildings which are neither fireproof nor efficient in point of operation.

I, therefore, recommend that the assembly provide the legislation for the immediate purchase of a site and the immediate construction of an office building in a convenient location and suitable to the needs of the various departments of state government.

CONSERVATION

For a number of years, it has been evident that we have been wasting great natural resources, inherited blessings, without regard to the responsibility which we owe to succeeding generations. Our forests have been ruthlessly destroyed without any attempt at replacement. There has been stream pollution, resulting in

great destruction of fish and in menacing the health of the people. Little regard has been given to the protection and propagation of wild life. There is an utter lack of program for the development of a state park system.

The coordination of all conservation activities in one department would result in economic, as well as recreational benefits. Pending the enactment of legislation to accomplish this, much can be done by executive order, which will be given. I recommend for the consideration of the General Assembly legislation that will give to the State of Ohio a permanent and modern conservation program.

BUDGET

The law requires the submission to you of a general budget. This will be prepared and presented within the time provided by statute.

CONCLUSION

Under the provisions of the constitution, the legislative and executive branches of government share in the responsibility for legislation. The people of our state have intrusted both of these branches to one political party, thereby charging us with solemn and grave responsibility.

Success requires the closest working relationship between the Governor and the General Assembly. I pledge to you my full and sincere support and I am confident of your whole-hearted cooperation.