

Ben Sanford Paulen

Message of Governor Ben S. Paulen To the Legislature of 1927.

To the Members of the Legislature:

In view of the constructive legislative program enacted two years ago, it is indeed a pleasure and a matter of great satisfaction for me as the chief executive of this state, to appear before you again to offer my suggestions and reassure you that it is my purpose and desire to concur with this body in the enactment of such important legislation as is deemed most necessary at this time. The mutual cooperation between the legislative and executive branches two years ago was outstanding; no governor could have received greater consideration and I have no desire to burden you with minor matters. I shall confine myself only to the more pressing issues and leave them to your better judgment.

Your high personal understanding, your loyalty to your constituents and the desire, I know, to adopt practical and economical measures, will be the incentive for a business-like and conservative administration of the public's affairs.

We realize that the matter of taxation is one in which every citizen is vitally concerned, hence our aim must be to eliminate unnecessary and extravagant expenditures and hold to a policy of consistent and efficient conduct of the state's business.

Thus, as members of the law-making bodies, your responsibilities are the greater and since both the executive and judicial departments of our state government are dependent upon the wisdom and sincerity of your acts, I am confident that you will render to your constituents and the public in general such service as will be for the best interests of the people as a whole.

This legislative session affords an opportunity to provide the public with the necessary statutory adjustments as will meet the present needs and I have no hesitancy in telling you that I fully expect beneficial results from your deliberations.

Realizing to the fullest extent the public demand and having the greatest confidence in your sincerity and desire to serve, I am submitting as briefly as possible my recommendations relating to some of the more outstanding matters as I see them.

BANKS AND BANKING.

The banking board created by the last legislature has been of much benefit to the Banking Department and of great value to the public. The law should be amended so that before a charter for a bank or trust company can be submitted to the charter board, it shall have the written approval of a majority vote of the members of the banking board. The executive officers of the state banks and trust companies should be barred from borrowing money from those banks or trust companies of which they are active or on the salary list.

Safe and conservative banking should be encouraged and the reckless and speculative banker should be forced out of business. Our people have lost thousands of dollars because of the unscrupulous banker and every safeguard should be thrown around deposits in banks. Our present guaranty law, which was supposed to protect depositors, has proven inadequate and is hopelessly bankrupt, and of little value in its present condition.

The fate of our own guaranty law, and the experience of other states having similar guaranty

laws prompt me to urge upon you the importance of weighing most carefully any measures of a similar nature which may be presented to this legislature, and you should give them your best thought and judgment.

I believe that every depositor should have assurance that his money is thoroughly and amply protected, and yet I admit I know of no way this can be done, unless through the enlargement of the powers of the banking board for a more stringent regulation of banks and authority to take charge of banks when it is clearly shown that the present management is either unable or unfit to conduct its business so the depositors shall not suffer. No bank is stronger than its officers and directors, and the best guarantee for a depositor is the honesty, integrity and ability of the managing officials of the institution.

ROADS.

Unquestionably the most important subject before this legislature is the road problem. We are confronted with the absolute necessity of better means of transportation. The business of the country demands all-weather roads from one section to another. Market centers should be connected and care taken that our own people are supplied with transportation facilities. Roads should not be built for tourists alone, but where the marketing facilities are properly protected, thoroughfares of travel should be shortened as much as possible. The conditions in Kansas are varied and divergent. In some sections cement or brick roads are practical and even economical, in others gravel or clay and sand will serve most acceptably. It is not the part of wisdom to attempt to force cement or brick roads in any section where the travel does not justify such expenditures, and it is equally unwise to refuse other sections of Kansas permission to construct hard surfaces roads when experience has proven beyond question the economic saving by the construction of such roads. We should view the road situation unselfishly and from a state wide standpoint.

The legislature should in my opinion submit to the voters a proposed amendment to the constitution permitting the state to adopt, construct and maintain a state system of highways. Regardless of your individual opinion as to the advisability of adopting the proposed amendment, it certainly is of sufficient importance that your better judgment, sense of fairness and desire to abide by the will of the majority will impel you to give the people of the state an opportunity of expression and I earnestly urge that you submit such a proposal to the people for their approval or rejection at the general election in 1928.

In the meantime our present road law should be amended at this session in order to promote a more adequate connected road system than we have at present.

MOTOR-VEHICLE LAWS.

Our motor vehicles should be equipped with number plates on both front and rear, thus making easier the problem of identification.

The state should make its own license plates at the reformatory or penitentiary. Complete equipment can be purchased for less than \$30,000 with a capacity of one and one-half million plates annually. We paid nearly \$34,000 for tags in 1925 and these can be made in our penal institutions and give employment to the inmates. The making of automobile license tags will not interfere with any factory in Kansas and cannot come in competition with free labor in our own state.

Our motor-vehicle laws need modification with special reference to eliminating the heavy expenditure in the distribution of the tags. The number plates, now sent by mail from the secretary of state's office, could be shipped by freight to the various counties and delivered to the owner of the vehicle by the county treasurer, or those designated by him, when application is made for a license. It appears to me that this would be the sensible and economical method of delivering tags to owners of motor vehicles. We paid in postage alone in 1925 the sum of \$41,845 in the automobile department of the secretary of state's office.

Several states have abolished the inspection system and increased the license \$1 per month after the first month for which the license should be secured. I call your attention to the report of the secretary of state relating to the automobile department. The records show that in 1925 the inspection expense amounted to \$26,251.31. The amount paid for salaries, clerks and stenographers in this department in 1925 amounted to \$49,558.04. In other words the expense of operating this department under our present system amounted in 1925 to \$166,518.94. We owe it to the people of Kansas to materially cut down this waste of money and adopt an up-to-date system which will conserve these funds.

In this connection I wish to call your attention to the uniform motor-vehicle code, drafted and adopted by the national conference of commissioners on uniform state laws and approved by the American Bar Association. A uniform regulation of motor cars must come sooner or later, and since our state is among the first in the number of cars per capita we should adopt such regulations as will be for the best interests of the public, and as this measure appears to have been prepared with special care, I trust you will give it your serious consideration.

MOTOR CARRIERS.

The enormous increase of motor transportation both passenger and freight challenges our attention. The law passed by the last session was experimental in a way and no doubt several changes should be made. This should be approached in a fair and unbiased manner and secure legislation which will be reasonable and just. The users of the roads should be willing to pay their share of maintenance. Heavy busses and trucks, especially those equipped with hard tires, are undoubtedly very damaging to our roads and should pay a heavy toll.

Good roads are essential to the prosperity of the state and the users should not object to a reasonable tax. Provision should be made for limitation of weight, height and width of motor vehicles. Legislation should also be enacted prescribing the manner in which bus lines operating through a number of taxing districts should be assessed for taxation purposes.

INTANGIBLE TAX.

New tax laws are usually unpopular at first and considerable criticism against the money and credits laws passed by the last session is manifest.

The law is unquestionably correct in principle and I urge you to give this law a fair test before an effort is made to repeal it. Experience in other states has demonstrated that after five or more years' trial, this method of taxation has decreased the amount of taxes on tangible property. The present rate is undoubtedly too low, and in my opinion should be increased. I urge upon you the necessity of legislation which will make it possible to secure revenue from intangibles which will be fair and just. Perhaps a recording tax on municipal bonds when issued should be required and compel payment before the bonds can be registered with the auditor of state. Individuals who

have their wealth invested in intangibles should be willing to pay their share of governmental expense.

Taxation is not an evil or an unjust burden if it is uniformly and equitable levied. We Americans boast of the best government on earth and we are not loyal citizens or worthy subjects until we willingly assume our just portion of the cost of its maintenance.

WORKMAN'S COMPENSATION ACT.

Our present law is unsatisfactory and unworkable. A bill will be presented at this session which is an agreed bill and is without question, reasonable, fair and just to both employer and employee. This bill has been formulated after months of conference and study by men who are familiar with conditions. It has the approval of the administration, and I urge upon you the necessity of enacting into law this measure. Every phase has been carefully considered and if you pass this bill Kansas will have an equitable workmen's compensation act. The men who labor and those who employ labor are entitled to your help in this matter. It is one of the most important and vital questions before this session.

FLOOD CONTROL.

Many sections of the state have suffered severely by excessive floods. The state should provide funds by which a complete survey and exhaustive study can be made and methods proposed to reduce this hazard. It can not be effectively solved locally but should be considered as a district problem. A careful survey should be made of the territory included in the water shed of each stream subject to overflow and laws enacted which will permit the territory affected to act as a unit in protecting the property involved.

AGRICULTURE.

Kansas is dependent on this basic industry and every individual regardless of his profession or occupation has a vital interest in agriculture. A majority of the members of the legislature are engaged in farming and it is apparent that no Kansas legislature will enact laws detrimental to this great industry, but will gladly assist in every possible way to make this occupation dependable and remunerative.

COMMISSIONERS ON UNIFORM STATE LAWS.

I am informed that the State Bar Association will present to the legislature a bill for the creation of a commission on uniform state laws. I believe the bill should have your favorable consideration. The National Conference of Commissioners on Uniform State Laws has been doing very effective work for many years. It is composed of lawyers appointed by the governors of the several states. These delegates meet annually and prepare laws on subjects where uniformity in the laws of the several states is especially desirable.

These laws are prepared with great care by the National Conference on Uniform State Laws and are submitted to the American Bar Association for its approval. If so approved, the laws are then submitted to the various legislatures for consideration and passage, if they desire. More than thirty laws have been thus prepared by the national conference in the last forty years. Several of

these uniform laws have been passed by Kansas, the most notable of which is the negotiable instruments law. Among others are the "Family Desertion Act," "Uniform Bills of Lading" and "Uniform Warehouse Receipts." the "Motor-vehicle Act," a copy of which will be submitted to this legislature, was prepared by the national conference.

Kansas has been participating in this work by sending the delegates named by the governor without any legislative authority. These delegates serve without pay, and at their own expense. It is not intended to change this by providing any compensation for service or the expense of the commissioners, but it is desirable that the delegates from Kansas should have a legal standing in the conference. Thirty-three out of the forty-eight states have laws for the appointment of these conferees. I see no reason why Kansas should not give her representatives the legal standing desired.

FOUR-YEAR TERM FOR ELECTIVE STATE OFFICERS.

The constitution should be amended to provide for a four-year term for all elective state officers and provision made so it would be impossible for an elective state officer to succeed himself. I am certain the people of the state would approve a four-year term for state officers and trust you will submit an amendment of this kind to the voters for their consideration.

EMERGENCY APPROPRIATION.

It occurs to me that the legislature should make a special appropriation to be set aside and used only in case of absolute necessity by the Executive Council to replace state buildings destroyed by fire, tornado, cyclone or other unforeseen occurrence. Two years ago the administration building at the reformatory burned the night before the legislature convened. If this fire had occurred three months later the state would have been under a very severe handicap at that institution. This appropriation would be used only when necessary and in order to take care of an unusual disaster.

CONSERVATION.

The problem of conserving the state's wild life; its water and scenic spots, should be solved by this legislature.

Kansas' wild life industry runs fully a half million dollars annually and the recreational assets in game birds and fish can hardly be calculated in money. It is estimated by the federal government that the average expense throughout the United States of a recreational trip is \$10 per person. Much of the \$18,000,000 spent by Kansans could be kept at home by creating recreation grounds within the state.

Of extremely vital importance is the problem of conserving water in Kansas. The water area of the state is decreasing year by year. At one time it was 384 square miles. It is probably nearer 300 square miles now. Among agencies dedicated to increasing the water area of the state is the Forestry, Fish and Game Commission created in 1925, and, it has, during the last year and a half, made a fairly comprehensive survey of the state with a view of building lakes to extend fishing and refuges for waterfowl. This commission is deserving of your support in their efforts to provide for our own people places of recreation and pleasure.

ESTATE TAXES.

For several years congress has been passing acts for the purpose of levying a national tax upon estates of deceased persons. Last February, its latest enactment on this subject became effective. It provides for an estate tax upon the gross amount of each estate graduated according to the amount thereof. A graduate schedule is set out in the act, running from one to twenty per cent, according to the amount of the estate. All this tax goes into the national treasury unless and until the states adopt the act of congress as their policy respecting estate taxes. This does not necessarily mean a repeal of the state inheritance tax law which we now have. In fact, an estate tax and an inheritance tax are not the same thing, although many have confused them. I am not unmindful of the arguments urged in favor of the act. They are all arguments which will result in lodging more power in Washington at the expense of the states. I call your attention to this act of congress so that you may deal with it as you think best.

MORTGAGE REGISTRATION FEE.

The present law provides for a fee of twenty-five cents for each one hundred dollars and major fraction thereof. After the fee has been paid the mortgage or note is not subject to other tax. The law should be amended to provide for collection of a fee consistent with the terms of the mortgage.

THE BUDGET LAW.

This was without question the most important legislation enacted by the last session and the report by the budget director is most convincing proof of the wisdom of this law. The entire time of the budget director and his assistants, during the eighteen months this department has been in existence, has been fully occupied and the information secured enables the members to have for their guidance a most complete digest of the state's needs and expenditures. These matters have been scrutinized from every angle and the report submitted is worthy of your earnest and careful attention.

FREE TEXTBOOKS.

The subject of free textbooks, to which I referred two years ago, should receive your serious attention. By free textbooks I mean those printed by the state. The state prints all the textbooks in the elementary grades (the first eight grades) except a drawing book. The average enrollment for the five years from 1918-'19 to 1923-'24 in California in the elementary grades averaged 534,951. The number of books furnished averaged 35. The average number of books furnished during these five years amounted to 1,095,416 and the average cost per year was \$308,522.48. For the school year 1925-26 the number of elementary pupils in Kansas was 320,175 a trifle more than half that of California. The number of books printed at the state printing plant for these grades was 29, to which must be added eight writing books, which now retail to the pupil for eleven cents. From these figures it is apparent that books can be furnished the pupils of the eight elementary grades in Kansas at a nominal expense to the individual taxpayer.

The state now provides the school buildings, teachers, playgrounds, conveyances—everything except the working tools—and I urge you to give this question your careful consideration.

PARDONS AND PAROLES.

I am in harmony with the spirit of the present indeterminate sentence law and believe that paroles should be granted only in such a way as to carry out the full intent of the makers of the law. The too liberal application of the law resulting in many paroles tends to cause an increase in crime and disrespect for law and courts of justice. On the other hand, the knowledge that paroles will not be granted until the minimum part of the sentence has been served, and not even then unless the prisoner seems to have fully earned the same, serves to discourage crime and create a wholesome respect for law.

Inmates who have served as many as two previous terms should not be legally entitled to the benefits of the parole law, but should serve the full maximum time of the sentence.

Those who commit crime in this state must know that adequate punishment will be administered to all who are convicted of an offense against the laws of Kansas.

INSURANCE CODE COMMISSION.

The legislature of 1925 created a commission for the purpose of clarifying, revising and codifying the insurance laws of the state. The members of the commission were selected from among your own members and I have confidence that their report is the result of conscientious and painstaking effort on their part. I, therefore, recommend that you give this report your most careful study, believing it will justify legislative enactment on your part.

HISTORICAL PLACES.

Kansas is rich in historic lore and there are many neglected places which mark the scenes of early struggles of the first settlers, where industry, sacrifice and courage were necessary to contend with the various forces that obstruct civilization. These historical places should be preserved not only for the present generation, but for the future. We should soon take the necessary steps to secure for the state at least the more important places and preserve them for the use and benefit of our people.

BOARD OF REGENTS.

The passage of the law creating a Board of Regents, who have control of our state educational institutions, was a forward step and has demonstrated not only the advisability but the necessity that our educational institutions should be free from political alliances. With a nonpartisan, nonpaid Board of Regents, our University, Agricultural College and three Teachers Colleges are prospering as never before and the wisdom of this law is apparent to all our citizens.

WEIGHTS AND MEASURES.

A matter that must come to the attention of this body sooner or later relates to the laws governing weights and measures. Amendments to the original statute on this subject have made it

overlapping and conflicting. As these laws now stand, they are administered by no less than six agencies. The general use of the larger motor trucks in marketing farm products has, I understand, introduced a serious problem because the platform scales built for weighing wagons are not adjusted to the larger trucks and are not inspected. Farmers, I am reliably informed, are suffering heavy losses as a result of this condition.

THE PRIMARY LAW.

My recommendations two years ago apply to the situation at present.

CONCLUSION.

These suggestions relate to vital issues confronting this body; some are more or less local in that they affect only a portion of a certain district of the state. Kansas is large and the activities of its citizens so diversified that we can be prosperous in one section while suffering a depression in another. Therefore, it is your duty not to overlook those who are peculiarly situated in this respect and who must depend on you as regards their welfare.

By eliminating personal motives and partisanship in matters of public concern this legislature can render to the people benefits through legislation that will best serve their interests.

While I am proud to refer to this body as a Republican legislature, and am willing to stand on its record, at no time in your deliberations should party prevail at the expense of the public. In the past the Republican members have had the loyal support of their political opponents on the more important measures and I feel sure that this year will be no exception.

I am anxious to see the enactment of wholesome and constructive legislation, without undue expenditures.

We owe it to our people to continue to give them efficient and economical government and I know that you will conscientiously and unselfishly devote your best efforts to such a program.

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