GOVERNOR TENER'S LAST MESSAGE TO THE LEGISLATURE OF PENNSYLVANIA

TENER URGES PORT IMPROVEMENT HERE IN LAST MESSAGE

Governor Declares Betterment of Waterway Facilities at Philadelphia and Pittsburgh is a National and State as Well as Local Issue.

Discusses Legislature's Practice of Appropriating in Excess of Revenue. Urges Workmen's Compensation and Banking Law Changes.

HARRISBURG, Jan. 5.—The last message of Governor John K. Tener to the State Legislature was presented today and read in joint session of the Senate and House of Representatives.

The message follows:

Gentlemen of the Senate and the House of Representatives of the Commonwealth of Pennsylvania:

"The government is a trust and the officers of the government are trustees, and both the trust and the trustees are created for the benefit of the people." The duty of a Governor, therefore, upon his retirement from office, should be to furnish the General Assembly and the people of the Commonwealth with a statement of his trusteeship, and he might, with propriety, refrain from making many recommendations as to measures for legislative consideration, as they may well be left to his successor.

FINANCES OF THE COMMONWEALTH

General Fund

Cash balance in the State Treasury, November 30, 1914		$7,427,208.58
Less amount credited to the Sinking Fund, which under the law cannot be used for any purpose other than the payment of the public debt, and is therefore not available for appropriation	$811,733.40	
Less amount credited to the permanent State Fund—the income only may be expended	30,804.77	
Less amount credited to the motor fund, which under the provisions of the Act of July 7, 1913, is set aside for specific purposes	8,973.00	
		851,511.17
Amount in general fund November 30, 1914		$6,575,697.41
Estimated gross receipts for the fiscal year ending November 30, 1915	$29,380,861.45	
Less the following collections which merely pass through the treasury, and are not subject to appropriation: Receipts from various sources, devoted to the permanent school fund; receipts from motor licenses, devoted to the uses of the State Highway Department; receipts from the Federal Government, for the use of the State College and the Soldiers' and Sailors' Home; the State highway construction fund, received from municipalities for the use of the State Highway Department, and one-half the premiums received from foreign fire insurance companies payable to municipalities without appropriation, estimated in the aggregate at the sum of	1,832,675.35	
		$27,548,186.10
Estimated gross receipts for the fiscal year ending November 30, 1916	$30,849,904.52	
Less the following collections which merely pass through the treasury, and are not subject to appropriation: Receipts from various sources, devoted to the Permanent School Fund; receipts from Motor Licenses, devoted to the uses of the State Highway Department; receipts from the Federal Government, for the use of State College and the Soldiers and Sailors' Home: the State Highway Construction Fund, received from municipalities for the use of the State Highway Department, and one-half the premiums received from foreign fire insurance companies, payable to municipalities without appropriation, estimated in the aggregate at the sum of	1,832,675.35	
		$29,017,229.17
Estimated receipts for the period from November 30, 1916, to May 31, 1917		12,106,660.97
Total amount available and to become available June 1, 1917		$75,247,773.65
Less payments for obligations and current expenses to June 1, 1917, as indicated by the unexpended balances of existing appropriations		26,468,132.16
Net amount available and to become available for appropriations for the two fiscal years beginning June 1, 1915, and ending May 31, 1917		$48,779,641.49

Sinking Fund November 30, 1914

Sinking Fund assets—cash	$811,733.40
Total public debt	651,110.02
Net surplus in Sinking Fund	$160,623.38

In estimating the probable revenues of the Commonwealth, the tax on anthracite coal imposed under the provisions of the act of the General Assembly of June 27, 1913, has not been included, for the reason that practically all anthracite coal mining companies have appealed from the settlements made against them and have indicated their intention of carrying such appeals to the Supreme Court of the United States. In case of a decision favorable to the Commonwealth, the result will probably be that revenue from this source will not be received until after the period for which the above estimate is made.

Appropriations

Under the law the State Board of Public Charities has free access to the grounds, buildings and all books and papers relating to charitable, reformatory and correctional institutions; and all such institutions that may desire to receive State aid must give notice to the board, on or before the first day of November in each year, of the amount of any application for aid they may propose to make to the Legislature, and of the several purposes to which such aid, if granted, is to be applied; and in its report to the General Assembly the conclusions and recommendations of the board thereon are given. In acting upon appropriations to these institutions I have found these conclusions and recommendations to be carefully prepared and worthy of every consideration. The Legislature, therefore, in making appropriations to these institutions should endeavor to limit them to the amounts recommended by this board.

The chief problem in the lives of individuals, families and business enterprises is the adjustment of expenditures to the receipts, the outgo to the income. In the management of the State's fiscal affairs there should be established business-like principles. It is wrong for each session of the General Assembly to make appropriations far in excess of the revenue, imposing upon the Governor the responsibility of reducing the amounts to reasonable limits. There is no excuse for such a practice, especially when one considers that the executive and fiscal officers furnish, at the beginning of each session of the Legislature, a statement as to what revenue will be available for appropriation purposes.

I, therefore, urge the General Assembly to discontinue this method of appropriation, and thereby lighten in no little measure the duties of the Executive.

Inventory of Real and Personal Property

In order that an inventory might be made of the tangible assets of the Commonwealth, I appointed an inventory commission, consisting of the Executive Controller, the Deputy Auditor General and the Superintendent of Public Grounds and Buildings, to prepare an inventory of all the tangible assets of the Commonwealth, both real and personal, as of May 31, 1914. This work has been performed with diligence and ability, with the result that for the first time the Commonwealth is in position to determine the value of these assets. The totals in this inventory aggregate $62,742,-[illegible], divided as follows: Real estate, $[illegible]; personal property, $[illegible]; general fund and sinking fund in the State Treasury, $[illegible].

This inventory has been prepared in detail and has been [illegible] should prove of much value for comparative purposes in all future inventories.

Health

The Department of Health has rendered invaluable services to the people of the Commonwealth—in fact, it enjoys an enviable international reputation. The work performed at Austin, after that municipality was washed away, and at Gettysburg in looking after the sanitary and hospital conditions at the time of the Reunion of the Blues and the Grays, is especially worthy of notice.

In its tuberculosis work the department makes its biological products after its own formula; its sanatoria buildings have been planned so as to furnish the greatest possible amount of air and sunlight; and from its 115 dispensaries have not only come the patients for these sanatoria, the capacity of which has been trebled in the last four years, but their nurses enter the homes of our people and help them to protect themselves against the spread of disease. Thousands of patients have been discharged from the sanatoria apparently cured, or with their disease arrested.

By establishing and maintaining quarantine in rural districts; supervising and assisting in the suppression of epidemics at the request of local authorities; cleaning up the premises and purifying the water supplies, the danger to the people from epidemics of contagious disease has been greatly reduced. Trained inspectors have policed watersheds and diverted many thousands of pollutions from streams. Sewage-disposal plants have been constructed to care for municipal sewage. Filtration plants are now furnishing filtered water to more than one-half of the population of the State.

The records of the Bureau of Vital Statistics show a decrease of almost 70 per cent. in the death rate from typhoid fever since the establishing of the Department of Health, and a decrease in the general death rate of nearly 14 per cent.

Under the provisions of the board of health act of June 12, 1913, boards of health have been secured or reorganized in nearly every borough and first-class township. These boards are constantly advised and assisted by the department.

By constant use of sane and practical methods, though at very considerable expense, owing to the lack of compulsory vaccination law, epidemics of smallpox have been prevented during a period when infection was persistently being carried into our State from outside sources.

Diphtheria antitoxin furnished free to the poor has saved more than 10,000 lives that would have been lost if this wonderful remedy could not have been readily obtained.

School inspection in fourth-class districts, under the provisions of the school code, has been a success. In 1911 two-thirds of the districts rejected this inspection. During the present year it has been accepted by 90 per cent. of the same districts. Follow-up work for three years shows 75,000 cases where defects found by inspectors have been remedied by the parents after notice received from the Department of Health.

Through its educational features—exhibits, lectures and publications—the department has given the general public a better understanding of health laws and the value of fresh air, of sunlight and sanitary surroundings, and has greatly improved housing conditions. Private and public corporations have instituted improved methods recommended by the department. Great industrial interests realize that money and effort expended for keeping their employes well is a good business investment.

Liberal appropriations should be continued for this laudable work. The department's general fund should be sufficiently increased to provide for the Bureau of Housing, and increased appropriations should be made for medical inspections of schools.

Pure Food

Pennsylvania's pure food laws are probably the best in this country. They are enforced vigorously and efficiently. It is the duty of a State to see to it that measures are enacted for securing and maintaining a pure and wholesome food supply, to facilitate its distribution, to safeguard its quality, and to prohibit absolutely any and every adulteration in food and drink.

During this administration many pure food laws have been enacted. The law fixing standards of composition of milk and cream has resulted in a marked improvement in the quality of these important foods; the law requiring the denaturing of spoiled eggs has protected the consumer from the use in bakers' wares of these deleterious ingredients; and the cold storage law, which was intended to correct a serious abuse, has proven beneficial.

Public Schools

Since the passage of the school code in 1911 the State Board of Education and the Bureau of Vocational Education have been organized. The former has special charge of the erection of school buildings and the dissemination of educational information. It employs an architect to criticise plans of new school buildings, to suggest necessary changes and to harmonize new buildings with the requirements of the law. It is charged with the duty of acquiring by purchase the property of the State Normal Schools. The schools at West Chester, Edinboro, California, and Lock Haven have thus far been bought and are now entirely under the control of the State. The act of 1913 makes the board responsible also for the care and education of blind babies, and a beginning has been made along this line of beneficence.

The Bureau of Vocational Education has in 28 counties organized and established schools with agricultural and vocational departments, introduced courses in domestic science and the household arts in many of the school districts, and supervised the establishment of schools for the education of miners, many of whom are not conversant with the English language. As soon as the workmen learn to read, write and understand English, and acquire some knowledge of ventilation and other mining problems, the number of accidents is diminished.

Worthy of mention are several private benefactions to school districts. On October 13, 1914, Mr. M. S. Hershey presented to Derry township, Dauphin County, a school building costing $120,000. The rooms are supplied with all the modern improvements. Mr. Charles Lytle Lamberton, born and educated in Carlisle, though a resident of New York at the time of his death, bequeathed over $200,000 for the establishment and maintenance in Carlisle of a public school for the education of pupils in "the industrial, mechanical, technical and scientific arts." William Harris Boyer, also of New York city, gave $30,000 for the purchase of grounds and the erection of a school building in the borough of Halifax.

In the growing centres of population the directors have difficulty in erecting school buildings rapidly enough to accommodate the school children. The system of public instruction is growing in efficiency and is attaining colossal proportions. School buildings with a valuation of more than $100,000,000, with 39,596 teachers in active service, and with 1,401,325 pupils enrolled, constitute an organization the magnitude of which it is difficult for the imagination to conceive. Its influence upon the future of our people makes it worthy of the most liberal support and the most vigilant care and supervision.

Labor and Industry

The comprehensive law creating the Department of Labor and Industry enacted at the last session of the General Assembly has been enforced fearlessly and honestly. It is the duty of this department to endeavor in every way to establish friendly relations between capital and labor, in order that industrial disturbances may be prevented. The educational campaign for the dissemination of knowledge concerning "safety first" methods has been vigorously conducted, as probably 60 per cent. of industrial accidents are caused through lack of knowledge of safety appliances. Numerous industrial conferences have been held over the State, including two State-wide conferences in Harrisburg, which have already resulted in materially reducing the number of such accidents.

Mines

Pennsylvania is the greatest coal producing territory in the world, producing in 1913 264,592,623 tons. The State has enacted comprehensive legislation for the protection of those employed in this great industry. These laws are rigidly enforced and violators of their provisions are promptly punished. The bituminous mining code, enacted at the session of 1911, has already proved its worth in conserving the health of employes and by reducing the number of accidents in and about such mines. The number of inspectors in the bituminous region has been increased to 28 and in the anthracite region to 21.

In order that the greatest possible safety may be thrown about mining operations the department has recommended the establishment of first aid corps and rescue corps at the various mines. The primary object of the first aid and rescue work is to render quick service in times of emergency, and the effectiveness of the work has frequently been demonstrated. In the anthracite region there are now approximately 500 first aid teams, comprising 3000 men, and the number instructed in the work up to the present time is about 6000. The number of rescue corps is over 100, comprising more than 700 men, and in this work about 300 men have received instructions. In the bituminous region there are more than 400 first aid teams, comprising 2000 men, and the number instructed in the work at the present time is about 3000. The number of rescue corps is about 60, comprising 300 men, and in this work about 700 men have received instruction.

In all the mining districts encouragement is given to the various methods of education, such as night schools, mining institutes and vocational schools.

Workmen's Compensation

In my last message to the General Assembly, concerning the subject of a workmen's compensation law, referred to in the report of the Industrial Accidents Commission, I said:

It is important in every civilized community, but is of peculiar importance in Pennsylvania, because of the pre-eminent position of our State in the industrial work of the world. The report deserves especial attention because of the fact that it comes from a commission made up of men who represent diverse interests, who have all given the subject thought and study before their appointment, and who, after many months of work, are unanimous in their conclusions. This unanimity in men of their character and standing speaks eloquently for the sincerity of their efforts and the fairness of their work. Furthermore, the constant publicity which the commission gave to its work, and the frequent hearings which it gave to all interests, show that it has been in close touch with the general sentiment of the people of the State.

In the appointment of the commissioners I did not consider, and in some cases did not know, the political views of the men appointed. It is my earnest hope that the matter will be dealt with by the Legislature in the same non-partisan spirit.

I strongly urge the enactment of the workmen's compensation bill, and the other related bills included in the report of the commission, ..., and without delay, especially the bill regulating the employment of women and children.

I most emphatically reiterate what was then said and urge the prompt enactment of this legislation. One-half of the States of the Union now have laws of this kind upon their statute books; and in my opinion Pennsylvania, the greatest industrial State of them all, should no longer hesitate, more particularly as every State surrounding and contiguous to Pennsylvania, with the exception of Delaware, has acted favorably upon this important subject. The General Assembly, having the experience of 24 States to draw from, is in a position to pass a bill that would be acceptable to employer and employe alike.

Recommendations and Comments of Governor Tener's Last Message

*"The improvement of Philadelphia's and Pittsburgh's water terminals is not a local matter. The whole State is interested. The vast improvements needed * * * are matters of State, city and Federal co-operation."*

*"Immediate improvement of the port of Philadelphia should be accompanied by a careful study of the possibility of transporting by water * * * ores to the very doors of the Lehigh and Susquehanna steel plants."*

"It is wrong for each session of the General Assembly to make appropriations far in excess of the revenue, imposing upon the Governor the responsibility of reducing the amounts to reasonable limits."

"The Department of Health has rendered invaluable services to the people of the Commonwealth—in fact, it enjoys an enviable international reputation."

"Pennsylvania's pure food laws are probably the best in this country."

"The system of public instruction is growing in efficiency and is attaining colossal proportions."

*"The comprehensive law creating the Department of Labor and Industry * * * has been enforced fearlessly and honestly."*

*"I most emphatically * * * urge the prompt enactment of this [workmen's compensation] legislation."*

"'Shall the helpless be cared for?' is no longer a debatable question—it must be done."

"The great mining and manufacturing interests of this State have brought to the door of the Pennsylvania farmer a market unsurpassed for everything produced upon the farm."

*"Pennsylvania should * * * be able to export rather than import animals and their valuable and necessary products."*

*"The work done has been limited to appropriations and funds totally inadequate to properly repair and keep up the extensive highway system. * * * Broad, well-crowned, smooth dirt roads have, however, been substituted, as far as possible, for the old-time, ill-kept paths of travel * * *."*

"The State would suffer if this work [inventory of water resources] were to be abandoned."

"Considerations of public welfare dictate that the State shall assume more direct control of the economic development of its resources."

"Worthy of mention is the gift to the State of Childs Park, in Pike County, by Mrs. Emma B. Childs, in honor of her late husband, Mr. George W. Childs, of Philadelphia."

*"The supply of heat of a borough was turned off as winter approached. The hearing before the [Public Service] Commission was ended at 8 p. m. * * * and at 10 a. m. the next morning an order was issued requiring the supply to be restored."*

"Legislation should be enacted requiring all individuals engaged in private banking to take out a license, and the provision in the present law, exempting certain private bankers, should be repealed."

*"The necessity for an increase in the number of * * * [State police] is proven."*

*"I recommend that this resolution [for woman suffrage amendment] * * * receive such attention as will enable the subject to be submitted to the voters."*

Charities

During the past few years there has been throughout the country a marked awakening along all lines pertaining to the care and welfare of the dependent, defective and penal classes. To this call Pennsylvania has responded in a manner that should arouse the pride of every citizen.

During the past four years she has placed upon her statute books legislation looking to the betterment of undesirable conditions. Proposed drafts of statutes are being considered for submission to the General Assembly, covering practically every phase of the care, detention and reformation of the weak, defective, unfortunate and erring.

During this period increased accommodations for the insane have been provided at Fairview and Rittersville; and additional buildings have been erected at Polk and Spring City for the care of the weak-minded. In addition to the erection of buildings to care for the constantly increasing number of these two classes of unfortunates, large sums of money have been appropriated for the purpose of making them comfortable. The last session of the General Assembly provided for the erection of a home for inebriates, a women's reformatory, and a home for feeble-minded women.

The Juvenile Court Act has been extended, in order to make this already useful legislation more effective; and the powers of the Board of Public Charities have been so increased as to enable it to give better and closer direction and supervision over the important matters coming under its jurisdiction.

Many of the laws governing the care of the dependent, delinquent, and penal classes were passed years ago, when conditions were entirely different from those existing today. Amendments were made from time to time as necessity seemed to require, until now, taking them together, there are hundreds of statutes relating to these different subjects. In my message to the General Assembly of 1913 it was recommended that, in order to correct this condition, a commission be created to examine into these subjects and to report a comprehensive plan for their improvement. Accordingly, the commission was appointed, and will report the results of its deliberations and conclusions at an early date.

"Shall the helpless be cared for?" is no longer a debatable question—it must be done. Pennsylvania never hesitated a moment in answering this question, and she has answered it with a liberality which no other State can rival. During the last four years Pennsylvania has given $11,000,000 for the sick, indigent and helpless in private hospitals and homes; $1,169,000 to those in semi-State institutions, which includes the blind and deaf; and $15,600,000 to State hospitals for the care and maintenance of the indigent, insane, weak-minded and sick. This does not include more than $5,000,000 given to the Department of Health for the care of those suffering from tuberculosis, and $5,500,000 for buildings to shelter them.

Agriculture

The great mining and manufacturing interests of this State have brought to the door of the Pennsylvania farmer a market unsurpassed for everything produced upon the farm.

Pennsylvania's Department of Agriculture compares favorably with like departments in other States. This department exercises close supervision over the agricultural interests—by extending agricultural knowledge, by educational work, and by protecting farmers and other citizens of the Commonwealth from possible fraud on the part of manufacturers and dealers in commercial fertilizers, commercial feeding stuffs, linseed oil and farm seeds. The Division of Farmers' Institutes carries its work into every county of the State by holding Movable Schools of Agriculture and Farmers' Institutes, delivering lectures and giving object lessons and systematic instruction upon all subjects relating to successful farming, domestic science and the improvement of rural conditions generally. The number of persons receiving instruction in these Movable Schools and Farmers' Institutes has been increasing, reaching last year more than 208,000, the largest attendance in any year since the beginning of the work. Special instructors and demonstrators have gone through the State giving practical demonstrations in soil improvement, dairy and animal industry, poultry production, drainage, water supply, vegetable and fruit growing, home sanitation, household economics, etc.

Livestock

Notwithstanding the fact that the livestock of the State is valued at $180,000,000, we are compelled to depend upon the markets of other States for horses to do our work, and for cattle, sheep, swine and poultry for our food supply. Pennsylvania should furnish a surplus in this line and be able to export rather than import animals and their valuable and necessary products; and, to that end, its institutions of learning and the various branches of the State Government are encouraging greater efforts in breeding and raising animals.

The wisdom of providing hygienic measures for controlling the transmissible diseases of animals has been demonstrated. Practically, without warning, aphthous fever, one of the most dreaded animal plagues of the old world, has been forced upon us. From the Chicago Stockyards this disease was spread to 16 States within a period of two weeks. The disease was introduced in its incubation stage to practically 500 herds in 25 counties in Pennsylvania. In many cases the herds were located and quarantined by State agents before the first symptoms of the disease had appeared. Our livestock interests have been disturbed extensively. Regulations, restrictions, and losses have fallen heavily on many. For the public good it has appeared necessary to destroy many valuable animals and much personal property. The Federal and State officers have promised to reimburse those that have been unfortunate in this respect, in so far as the laws and finances will permit. The expenses have necessarily been heavy and the funds provided by the last Legislature have been exhausted.

I therefore recommend that the General Assembly make prompt provision for the payment of bills already contracted and for the payment of expenses necessary to continue the work of exterminating the disease.

Economic Zoology

The division of economic zoology, to which has been assigned all special work concerning fruit production, is well organized, and the gratifying results accomplished by it have more than demonstrated its usefulness.

Original investigations are made for the purpose of discovering successful means for suppressing diseases and destroying insect pests to which fruit trees and fruit producing plants are subject. Some of the results obtained by reason of these studies are now being used, not only in this State, but by zoologists in other States and countries. Demonstration orchards have been established in every county in the State, making it possible for any citizen who is interested in fruit growing to reach a model demonstration orchard in less than one-half day's travel from his home.

Good Roads

Your attention is called to the fact that on June 1, 1912, the State took over from the counties and townships of the Commonwealth certain existing public roads connecting county seats, principal cities and towns, relieved the said townships and counties of authority over said roads, and assumed to improve, maintain and repair the same as State highway routes, solely at the expense of the Commonwealth. These routes approximated 9000 miles in length.

That such a task was stupendous is apparent. Many of these roads were not much more than wagon paths, having no drainage system, but marked by "water-breakers" and encroached upon by grass and shrubs.

In order that money might be provided in sufficient amount for the early completion of this comprehensive road improvement, an amendment to the Constitution of the Commonwealth was proposed, and the question of authorizing the State to issue bonds to the amount of $50,000,000 for the improvement and rebuilding of the highways of Pennsylvania was submitted to the electors and failed of approval.

The work done has been limited to appropriations and funds totally inadequate to properly repair and keep up the extensive highway system adopted by the Commonwealth. Broad, well-crowned, smooth dirt roads have, however, been substituted, as far as possible, for the old-time, ill-kept paths of travel, and smooth, water-bound macadam roads have taken the place of some of the old, rough, stony turnpikes.

At the close of the season of 1914 there had been shaped and rebuilt approximately 6300 miles of dirt roads, and there were reconstructed approximately 500 miles of macadam. Also, at the close of the current season's work, there were approximately 481 miles of new State highway construction work finished, divided into three classes: State highway routes, State-aid roads and national roads. This mileage, in addition to the mileage of stone roads reconstructed by the Highway Department, shows a completed mileage equal to the entire State highway system of Massachusetts.

There is not a contracted piece of new State road that has been finally accepted and the bond released thereon which is not in first-class condition, and for which the cost of all overhead expenses, including engineering, inspection, administration, and the auditing of accounts, has exceeded 7 per cent. of the cost of the work. Considering the area of the territory covered, the wide range of activities and attendant expenses, this overhead cost compares favorably with similar work elsewhere. In fact, the unit cost of any type of work performed by the State Highway Department, either by contract or by force account, will appear to the advantage of Pennsylvania when compared with almost any municipal or other State Government work.

The distinguishing feature of the department's work during the past four years has been its comprehensive survey of the State highways. On June 1, 1911, when the department was reorganized, there was found a complete absence of maps and surveys adequate for its purpose. The commissioner was required, by law, to cause to be made a survey of all the roads in Pennsylvania; to compile statistics and collect information relative to the mileage, character and condition of the roads; to make and keep for the department a general highway plan of the State; and to publish and keep on sale, at cost, complete road surveys of each county in Pennsylvania. By June 1, 1912, the surveys and plans showing crossroads, towns, villages, turnpikes, toll-roads and bridges, grades, culverts and other important points, and data to complete the record of existing conditions, for practically every mile of all the State highway routes, aggregating 9000 miles, had been made.

This was, without doubt, one of the most extensive continuous surveys ever undertaken and performed in a short time. The plans have been kept up to date, and, together with the other statistics collected and made by the department, comprise a store of information necessary and adequate for future operations. No following administration need be handicapped for lack of this fundamental data.

Inventory of Water Resources

Subsequent to my message of two years ago, calling attention to the expediency of taking an inventory of the water resources of the Commonwealth, in order that legislation might be enacted to provide for their conservation and utilization under proper State control in a manner which will best promote the interests of all the people of the State, the General Assembly directed the Water Supply Commission of Pennsylvania to make a complete inventory of all the water resources of the Commonwealth; to collect all pertinent information in connection therewith, and to classify, tabulate, record and preserve the same; and, upon the basis thereof, to determine the points at which reservoirs may be constructed for the purpose of minimizing floods, of storing and conserving water for power and other utilization and distribution of water power, of increasing the low water flow of rivers and streams for the purpose of navigation, and, generally, to devise all possible ways and means to conserve and develop the water supply and water resources of the Commonwealth for the use of the people thereof. To this end the said commission was directed to study and determine upon a public policy with regard to the marketing and equitable distribution of the water of the State; to the restoration, development and improvement of transportation by water; to the supply of water for domestic and industrial use, and to the conservation of water resources by the aid of forestation.

The sum of $150,000 was appropriated for the purpose, but because of insufficient State revenue I was compelled to reduce the sum to $50,000. In consequence, the commission will submit a partial report to the General Assembly of 1915. It will contain data concerning the conditions and utilization of the streams. The inventory deals with water supplies, water power, lakes and ponds, descriptions of all named streams, floods, navigation, culm in the streams of the anthracite coal field, a study of the methods of flood relief in Turtle Creek Valley, purity, forestation and fish.

The State would suffer if this work were to be abandoned. Better, by far, continue the work until a definite and comprehensive plan of State control and development of this remaining great resource is worked out.

Pymatuning Reservoir

The Pymatuning reservoir should be completed at an early date. It is a conspicuous example of the highest form of conservation and utilization of stream flow. There was appropriated to the Water Supply Commission the sum of $400,000, for the purchase of land and to build an extensive storage reservoir in Crawford County, on the headwaters of the Shenango River, to prevent flood damage and to afford ample water supply for municipal and industrial use in communities where shortage of water retards development. I was compelled to reduce the appropriation to $100,000.

State Policy of Conservation and Development

Considerations of public welfare dictate that the State shall assume more direct control of the economic development of its resources.

Industrial development is intimately connected with the abundance of fuel and cheap power; and while steam power used by manufacturing establishments has increased by leaps and bounds, yet the use of water power has declined.

Of all States in the Union, Pennsylvania ranks first in the production of coal, coke, iron and steel, cement, glass and leather, railroad cars and some manufactured articles. It holds second place in various products, including textiles and electrical machinery, and in tobacco manufacturing. To long maintain supremacy in these lines our natural resources must be conserved.

In no way is the waste of natural resources better illustrated than by coke manufacture in beehive ovens. Pennsylvania, in the year 1912, had 43,347 active beehive ovens, which produced but 587 short tons of coke per oven. For every 100 tons of bituminous coal used these ovens produced only 66 tons of coke. They destroyed 34 tons of every 100 tons. On the other hand, by-product ovens yield 73.8 tons of coke from 100 tons of coal, and they do more. They produce gas, tar and ammonia as by-products. In the year 1912 the 1442 by-product ovens in Pennsylvania produced 1369 tons of coke per oven. Moreover, and this is the point of the matter, these 1442 ovens produced approximately $3,300,000 worth of by-products in addition to 1,974,619 short tons of coke. The value of by-products was about four-tenths of the value of the by-product coke. If the coke made in beehive ovens in the year 1912 had been made in by-product ovens 4,077,-765 tons of coal and about $37,500,000 worth of by-products would have been saved.

The effect of forest depletion upon the lumber industry is well known. Fortunately, timber is different from coal. Enough timber can be grown to meet the State's needs; but coal once burned is gone forever. Pennsylvania's investments in forest lands total a large sum of money.

Inasmuch as the total value of iron and steel produced annually in Pennsylvania is enormous, the State Government and all persons concerned with economic development should be interested in the delivery of iron ore to the great steel centres at the lowest possible cost. The railroad systems are excellent, but must expand to keep pace with the State's progress. The most important point where the transportation system needs strengthening is that between Lake Erie and the Ohio River, where approximately 50,000,000 tons of iron ore, coal, and coke move annually between the Lake and the Pittsburgh and Mahoning Valley districts. Pittsburgh's supremacy in the iron and steel trade is to be maintained only by cheap ore.

The act approved June 27, 1913, provides for the construction, operation and maintenance by the Commonwealth of a canal or waterway between Lake Erie and the Ohio River. The sum of $150,000 was appropriated to defray the expenses of the Canal Board in making the surveys and plans and preparing for construction. The 3 mills per ton-mile rate, including tolls, as estimated for this proposed waterway, looks attractive as compared with an existing rate of about 3 mills per ton-mile over railroads from Lake Erie to Pittsburgh.

If the proposed Erie and Ohio River Canal should be found desirable by the investigation now ordered, it should receive support from Pennsylvania. Improvements in water terminal facilities in the Pittsburgh district, including better connections with the railroads, would be necessitated by the canal.

In the value of exports and imports of merchandise, Philadelphia, during the year 1913, ranked fifth among Atlantic and Gulf ports; but it ranked second in tonnage. Customs' duties in the year 1890 amounted to $18,875,000; in 1913, to $21,0[illegible]. Contrast with this the total expenditures by the Federal, State and city governments in improving and maintaining the harbor of Philadelphia, from 1890 to 1913, amounting to only $17,293,000. This sum does not include the cost of improving the Delaware River from Philadelphia to the sea, which, from 1836 to 1913, amounted to $17,523,000.

The improvement of Philadelphia and Pittsburgh's water terminals is not a local matter. The whole State is interested. The vast improvements needed at these cities are matters of State, city and Federal co-operation.

Hand in hand with the physical improvements at the water terminals in Philadelphia and Pittsburgh should go co-operation between railroads, shipping interests and municipalities. Pro-rating through bills of lading by water and rail, reasonable terminal charges, physical connections between railroads, wharves and warehouses, are all items of great importance coming under State regulation.

In addition, the Lehigh and Susquehanna valleys are vitally interested in securing ores cheaply from Cuba and Chili. Immediate improvement of the port of Philadelphia should be accompanied by a careful study of the possibility of transporting by water these ores to the very doors of the Lehigh and Susquehanna steel plants.

In certain populated districts the problems of water supply and drainage and sewage disposal call for State establishment of metropolitan districts and State control and aid in initiating the improvement; but all these things which I have enumerated, and others as important, cannot be done and be paid for out of the State's revenues, because the latter are insufficient. It would appear evident, then, that the necessities of the people will demand amendments to the Constitution of the Commonwealth for purposes of economic conservation and development, and I recommend this to your careful consideration.

Inspection of Dams

The legislation recommended by me, and enacted in 1913, provided stringent laws for the protection of life and property against insecure dams, and for the prevention of encroachments along, or obstructions in, streams. In actively enforcing this law the Water Supply Commission examined 258 existing dams, and when imperfections were found orders were issued for repairs. No new dams have been built without the approval of the plans therefor and inspection of the construction by the commission. The number of imperfections disclosed by these investigations indicates the wisdom and the necessity of State control of the design and construction of dams.

Forestry

The State owns 1,001,226 acres of forest land, purchased at an average price of $2.25 per acre, from which a revenue of $89,406.44 was derived to December 1, 1914. Six thousand miles of roads, trails and fire lines have been built; the nurseries contain over 10,000,000 trees; 200 leases for permanent camp sites have been approved; and during the current year temporary camp permits were issued to more than 4600 persons.

This department should be given sufficient appropriation to improve its forest fire-warden service and for the purchase of additional forest lands, and should be permitted to furnish trees without cost to municipalities for all kinds of municipal planting.

Worthy of mention is the gift to the State of Childs Park, in Pike County, by Mrs. Emma B. Childs, in honor of her late husband, George W. Childs, of Philadelphia.

Public Service Commission

The Public Service Commission law, created by an act of Assembly, approved July 26, 1913, is one of the utmost importance to the people of Pennsylvania and to those corporations serving the people which are defined as public utilities. This law puts the ultimate control of public service companies, with respect to services, facilities and rates, in a commission selected under the authority of the State. Up to the time of the passage of the act this control was vested in the boards of directors of these corporations, subject only to such redress upon the part of the public as could be secured by suits in the courts, and was often exercised without regard to any interests save those of the corporations which the directors represented. During the short period of a year and a half since the enactment of the law it has proven to be of great benefit to the people. Not only have they come to the commission with confidence to present their complaints concerning excessive rates, grade crossing and similar matters of importance, but the very fact that there exists such an impartial tribunal, with authority promptly and inexpensively to determine disputes, has led to care and self restraint upon the part of the corporations.

Many cases of far-reaching importance have already been disposed of by the Commission. In one instance, the supply of heat of a borough was turned off as winter approached. The hearing before the Commission was ended at 8 p. m., an opinion written during the night, and at 10 a. m. and at 10 a. m. the next day an order was issued requiring the supply to be restored. The whole system of telephone rates throughout the State is under consideration, and the rates upon the transportation of anthracite coal to Philadelphia have been materially reduced. The right of some of the industrial roads to participate in through rates was determined, although the Interstate Commerce Commission had decided otherwise.

Between January 1, 1914, and June 30, 1914, 58 grade crossings were abolished and four under grade and seven overhead crossings were established.

Three hundred and ninety-five cases were transferred to the Commission at the time of the expiration of the Pennsylvania State Railroad Commission, and most of these have since been determined. It is an indication of the usefulness of the Commission that in addition to these, between July 26, 1913, and June 30, 1914, 254 cases, some of them raising questions of gravest consequences, have been brought before the Commission. One hundred and fifty-three applications for certificates of public convenience with respect to contracts between municipalities and public utility corporations, have been filed and 98 of them have been approved.

Since the work of the Commission is rapidly enlarging both as to the number and importance of the matters brought before them for determination, and since the vast number of tariffs over which they have supervision are filed with them and require to be provided for and analyzed, additional space and facilities ought to be furnished by the Commonwealth.

Attorney General

The Attorney General's department has rendered valuable services to the Commonwealth, not only in advising the many departments of State upon questions of law concerning the powers, jurisdiction and administration of the several departments, but has carried to successful determination much important litigation in the interests of the Commonwealth.

Quite a number of acts of Assembly, involving the administration of the various departments of the State Government, were from time to time attacked as un-

Concluded on Next Page