

State Affairs

(Continued)

said is rapidly spreading.

Oil Money. The State owns all oil rights on the tidelands of its coast. When its leases these tideland oil rights to private interests it extracts a percentage of the profits derived from the oil. Possibility is that the State may receive \$1,000,000 a year in royalties from oil wells developed in tidelands in Southern California. Director of Finance Heron told the Council. His reason: A prospect well of 4900 barrels a day recently was brought in on a tideland near Elwood, Santa Barbara County. Should a suit now pending in the Superior Court of Santa Barbara County be granted to condemn land for a right of way to give access through private lands to the Elwood tidelands, more oil could be produced; the more oil produced the greater would be the State's royalties.

Finance Director Heron also told the Council that he had secured the co-operation of interested Federal agencies in the establishment of the new State Bureau of Commerce, created by the last Legislature to supplant the market promotion work of the State Department of Agriculture. (News Review, Sept. 16-22). The market research service and the crop reporting work of the Department of Agriculture, Heron said, will not be abandoned, as formerly announced, but will be continued, expanded.

Unruly Children. Six districts of California—Fresno, San Francisco, San Diego, Oakland, Los Angeles and Long Beach—are planning the establishment of 24-hour schools for "problem" or unruly children as provided by a 1929 legislative act (sponsored by Assemblywoman Miller, Pasadena), Vierling Kersey, Superintendent of Public Instruction, told the Council. To discuss the terms of admission of pupils to the 24-hour schools, and other contingent problems, the State Board of Education will meet next month at a special session, Councilman Kersey said.

Governor Young told Councilman Kersey to instruct the Board of Education to proceed carefully in its activities relative to the 24-hour schools. Also did he emphasize the need for selection of a type of teacher in these schools which will be devoted to the interests of the children.

Crime Study. A three-fold plan for enlarging the scope of the State Division of Criminal Investigation to curb the activities of criminals in California was outlined, explained by Councilman James A. Johnston, Director of Penology.

Johnston's three-fold plan, what it contemplates:

1. The appointment of criminal investigators to assist small counties in apprehending criminals and solving crimes.
2. The establishment of a bureau of statistics, so that a complete crime record in California may be maintained, preserved.
3. The organization of training schools at the University of California and the University of Southern California for peace officers.

Veterans' Home. California's State home for veterans at Yountville is in "terrible" condition. This was the story told to the Council by Director of Military and Veterans Affairs John R. Quinn, who asked that the State rush construction of a \$340,000 barracks building, funds for which were appropriated by the 1929 Legislature, but construction of which has been delayed by other State building.

Finance Director Heron assured Councilman Quinn that bids for the new structure would be called for soon. He added, however, that eight years will be needed to complete the proposed building program at the home, thus increasing its capacity from 1475 to 1600.

Insurance Quacks. Charging that he found "deplorable conditions" upon assuming office, E. Forrest Mitchell, newly-named State Insurance Commissioner, and told that the Department of Insurance, Director of Investment Relations, announced to the Council that his department was undergoing a thorough shake-up, preparatory to a State-wide campaign against quack insurance agents and questionable insurance practices.

To weed out dishonest and unreliable agents and brokers, Councilman Mitchell said State inspectors would shortly be sent into Southern California, every other section of the State, bent on a round up of insurance agents

whose licenses should be revoked.

Said Mitchell: "Upon assuming the duties of office I found the work of the license bureau in deplorable condition, but with readjustment and changes in the personnel and heads...the licensing bureau is now functioning in a much more satisfactory manner."

Finance Director Heron assured Councilman Mitchell, other Council members, that the Department of Finance would try to set aside a reasonable sum from its budget to allow the Division of Insurance to appoint inspectors whose duty it should be to field inspect and report on the qualifications of questionable agents.

Intra-State Banking. Of prime importance to banking interests in the State was the report of State Superintendent of Banks Will C. Wood, presented to the Council by Councilman Mitchell, Director of Investment Relations.

Councilman Mitchell, reading from a report Superintendent Wood's prepared statement, said that should Congress accept recommendations of Comptroller of the Currency Pole, in charge of national banks, for the extension of branch bank facilities in the national insurance company having its head office in one State may operate in other States. In case Congress enacts into law the suggestion by the Comptroller of Currency, I shall give serious consideration to the preparation of a recommendation that California State banks be authorized to engage in intra-state branch banking.

Said Superintendent Wood: "It is understood that the Comptroller contemplates legislation which would authorize national banks in one State to maintain branches in other States within the same Federal Reserve district. If such legislation is enacted by Congress, State banks will undoubtedly seek the privilege of maintaining branches in other States."

"This can be done," Wood further stated, "through reciprocity between States in the same way that the insurance company having its head office in one State may operate in other States. In case Congress enacts into law the suggestion by the Comptroller of Currency, I shall give serious consideration to the preparation of a recommendation that California State banks be authorized to engage in intra-state branch banking."

Mental Vaccination. Delusions of the disordered mind can be prevented, particularly in adolescence, just as surely as many of the physical diseases can be forestalled. The scourge of insanity if it cannot be entirely wiped out, can at least be cut down to an "irreducible minimum" by a scientific program of school guidance along the work of mental hygiene clinics.

These and other statements were made by Mrs. Anna L. Saylor, chief of the State Department of Social Welfare, in a report to the Council on the preliminary findings of a state-wide "mental hygiene survey," now underway in California. She also advised Governor Young that the foundation for mental health must be laid, in youth.

In many cases the illusions of youth, Councilwoman Saylor said, become the delusions of later life, but twisted minds can be mended by preventive medicine with the aid of specialists in mental disorders, school guidance, mental hygiene clinics.

It is considered probable that the State Commission will recommend regular mental examinations for youth, she said, just as today the general public is urged to have annual physical examinations.

"The Department of Social Welfare is informed," said Mrs. Saylor, "that there are 2,000,000 school children in the United States who are destined for insane asylums, many of whom can be saved under proper care."

Apathetic Justices. Of all the reports presented at the Council meeting, the report of Natural Resources Director Stevenot was most provoking to Governor Young.

In reporting on the present wave of incendiarism which has swept the State, Director Stevenot cited a case in Tuolumne County in which only a \$250 fine was imposed by the local justice. Then the Governor and his Council were told that in many instances rural justices of the peace did not look harshly upon brush burning because stockmen and growers favored it. Consequently, judges would not impose fines, or light sums if at all.

"Well, then," said the Governor, "it seems to me some of the judges should be put on trial. Public attention should be aroused against the setting of fires in our fields and forests, entailing heavy losses to individuals and the State."

The Government

Bread Upon Waters

Philanthropic to the State of California. Expressing benevolent concern for the welfare of all and particularly of its dependents, it is casting its bread upon the waters without hope of return. Not only is the biblical prophecy of manna not being commended, but the outlay for charitable purposes approximates a sum nearly seven times receipts, a check completed last week of financial transactions of the State's fifty-eight counties revealed.

State Controller Riley, while making a survey of State and county finances, found that the State at large through its county agencies is paying out \$14,000,000 annually for its charities and corrections. Income of the counties from State and other sources for care of the mentally deficient, children and the helpless old is only approximately \$1,900,000, Controller Riley discovered.

Even more marked will be the disparity between income and outlay for charitable purposes when the old age pension law comes into general use. Controller Riley's report points out that some 5000 persons are expected to receive State aid during the next twelve months. Under the pension law, the qualified aged will receive as much as \$30 monthly from State and county.

While the State in the last fiscal year, as checked by Controller Riley, collected through county channels \$660,000 for a county hospital inmates, \$357,100 for care and examination of the insane, \$64,462 for care of minors, \$30,000 for care of reform school and home for the feeble-minded, and more than \$1,000,000 from other similar sources, it has disbursed nearly \$8,000,000 for expenses of county physicians, maintenance of hospitals and almshouses, more than \$3,800,000 for care of indigents outside of poor houses, and \$2,000,000 for care of children, and more than \$600,000 for probation officers and juvenile courts.

Ten Billions

Ten billion dollars is approximately five times as much as is possessed or controlled by one individual in the world. Tycoon Henry Ford, the world's richest man, is said to possess approximately \$2,000,000,000, either directly or indirectly. Yet only 5000 other similar sources in California disburse nearly \$8,000,000 for expenses of county physicians, maintenance of hospitals and almshouses, more than \$3,800,000 for care of indigents outside of poor houses, and \$2,000,000 for care of children, and more than \$600,000 for probation officers and juvenile courts.

From these reports the Equalization Board found that the total assessed value of all taxable property in the State is \$9,890,952,962, making an increase of 2.72 per cent over the corresponding figure of \$8,125,497,579 for 1928. In an analysis of these figures the board pointed out that this apparent gain cannot be regarded as a measure of the increase in wealth of the State, because of the changes in the basis for taxation of solvent credits (credit easily transformed into cash) and other intangibles.

Under a constitutional amendment adopted last November and in an act of the 1929 Legislature, any type of property is now required to be placed upon the county tax rolls at its actual value, subject, however, to the greatly reduced rate on each \$100 of 10 cents for the solvent credits and 20 cents for stocks and bonds of foreign (out the State) corporations. In 1928, this type of property, most of which is declared in cities, was subject to a tax rate approximately \$4 per hundred dollars of assessed valuation, according to the Equalization Board.

Thus it appears that the expansion of the tax rolls this year is largely synthetic, due to the increase in the valuation of solvent credits and securities on account of the different method employed for their taxation. The total increase of the 1929 assessment rolls over those for 1928 is \$1,764,495,283 and of this, \$1,421,763,313 is the addition of the taxable solvent credits and other intangibles, so that this value is accountable for 80.18 per cent of the total increase of 2.73 per cent.

At the rate of 10 cents per hundred dollars, the tax accruing from solvent credits will be \$4,189,050, while additional tax calculated at the 20-cent rate on the balance of the intangibles taxable under the new law will bring the total yield from this source up to \$2,622,548.45. This will be considerably less than the 1928 tax from the same source, according to the board, when approximately \$3,818,000 was collected

by county tax units on an assessed valuation of \$95,450,000. Thus, although the innovation has added to the total amount of wealth reflected on the tax rolls of the State, it has actually resulted in a decrease in the tax yield of approximately \$1,250,000.

Real property values in rural districts increased to a much greater extent than those for the cities, the board found. The value of real estate outside municipalities increased 4.24 per cent over last year; improvements increased 12.85 per cent. City values for real estate improved values decreased 19.56 per cent. This year the total assessment outside municipalities amounted to \$1,346,739,468 for real estate and \$407,147,817 for improvements; for inside municipalities the corresponding valuations were \$2,624,727,007 for real estate, \$1,278,491,280 for improvements.

County districts continue to show a decrease in their personal property assessments and for the first time in many a year this is also true of the same class of properties in cities. A comparison of 1928 with 1929 values of personal property, exclusive of money, securities and solvent credits, indicates that the total of \$264,405,625 outside municipalities marks a decrease of 2.14 per cent, while the figure of \$659,870,550 for cities shows the slight decrease of 0.05 per cent.

Leading California counties and their rates of increase: 1) Los Angeles, 23.75 per cent; 2) San Francisco, 50.13 per cent; 3) San Diego, 84.43 per cent.

Farm to City

The constant drift of the farm boy to the big city has long worried the State Department of Education. With limited capital and education, the youth from the agricultural areas has been handicapped; he has gone to the city where wages are higher, opportunities greater. Great has been the influence of this migration upon rural communities; especially great has been its influence upon rural education.

To combat the migration to the cities and the depopulation of the agricultural districts, the State Department of Education has added to the curricula of the State's high schools courses in California agricultural education. In 1928 the total expended by the State and Federal governments for the support of this special instruction totaled \$115,506.

Last week Julian A. McPhee, chief of the Bureau of Agricultural Education in the Department of Education, set about to find ways to increase the total appropriation for this instruction. Also did he compile a set of reasons, to which he attributed this move from the farm. McPhee's reasons:

1. Depreciated buying power of the farmer's dollar.
 2. Excess taxation on farm property.
 3. Increase in farm tenancy and increase in farm mortgages.
 4. Lack of educational facilities in rural communities.
- Three factors exist, said McPhee, which will improve the farmer's condition. The factors:
1. Proper distribution of farm products.
 2. Increase of production with lower costs.
 3. Improved home and social conditions.

Army & Navy

Decommissioned Ships

Officers and men of four U. S. Navy destroyers last week were busy becoming accustomed to new ships and new quarters. Last night at the San Diego base, orders came through to decommission thirty-four destroyers and to put back into commission thirty-four other destroyers to take their place. Consequently, procedure has been in motion to transfer 1800 officers and men to new ships. In the transferring, a novel plan has been formulated by Navy officials. The newly commissioned destroyers are being towed alongside the destroyers they are to replace. Then equipment and men are taken from one to the other. Last week four transfers were made. Three months will be taken in decommissioning and recommissioning the entire sixty-eight destroyers. When the change has been made, the decommissioned ships will be taken to Mare Island and pending plans for their disposal.

Political Notes

G. O. P. Unity

In conference in San Diego last week for the announced purpose of effecting unity in the ranks of Southern California Republicanism, Republican county committee chairman directors, Congressional reapportionment. (See News Review, Sept. 23-29).

Los Angeles County Chairman William E. Fowler led the discussion, presenting maps of proposed new districts based on the 1930 Federal census. Districts now served by three congressmen will be served by twelve, according to Chairman Fowler's proposal.

Recapitulation of district formation:

San Luis Obispo, Santa Barbara, Ventura and Kern counties comprise the Eleventh District; Los Angeles County to consist of districts Twelve to Nineteen; the Twentieth District is to be made up of Mono, Inyo, San Bernardino counties; the Twenty-First of Orange, Riverside, Imperial counties, the two eastern Assembly districts of Los Angeles County; San Diego County to be the Twenty-second district.

Santa Barbara County Chairman Fred Shaner labelled the San Diego convention of Southland Republican leaders as "epochal," related other instances, unsuccessful, of attempts at unity.

Labor

Workers' Confab

Proponents of labor unionism, the California State Federation of Labor met last week at Long Beach. From all over California the laborites assembled, almost 600 of them to discuss immigration acts, labor laws, labor unions, and many another subject of importance to workers.

Proposed recommendations by speakers at the convention included the establishment of a quota for Mexican immigrants and exclusion of Filipinos by act of Congress. Proposed legislation included a provision for a 40-hour week, an old age pension law, and a law compelling contractors to give preference, on public jobs, to residents of the district where the work is being done. Also made was a resolution to give postal employees a Saturday half-holiday with increased pay.

Later, efforts were put forth by the labor men to establish a boycott against theatres which use "canned" music in accompaniment to talking pictures instead of orchestras. These efforts failed.

Ordered finally by the Federation was a resolution protesting the dismissal of J. P. McLaughlin, Collector of Internal Revenue at San Francisco. Copies of the resolution were ordered sent to California Senators. The resolution asserted that McLaughlin's resignation had been demanded because he was affiliated with labor.

Most gigantic of all the conventional proposals was that forward to call a general strike to demand the release of Thomas Mooney, assertedly sentenced to life imprisonment for a deed he did not do. The convention rejected this proposal.

President William P. Stanton of San Francisco was re-elected president of the Federation; the delegates decided on Marysville (Yorba) for the next convention.

Cotton Labor

A Socialistic axiom is that labor creates wealth. Whether the assertion is true or not is for the economist to decide. Nonetheless California cotton growers have this and other problems before them.

At present in California and vicinity there is a huge crop of cotton ready to be harvested, but Mexican workers are scarce. Shortage of Mexican labor is attributed to rigid enforcement of the immigration laws affecting Mexican labor. During recent months, hundreds of deportations have been made by Federal officers. Thus growers, with crops ready to harvest, can find no pickers.

Only 400 bales of cotton have been ginned, less than 3 per cent of the total crop. Nor do California growers see any ray of light on the gloomy horizon. For, recently, Federal officials denied Yuma Valley growers permission to bring 500 workers across the line for their cotton harvest. California people expect similar treatment