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JOURNAL
OF THE
House of Representatives
OF THE
SECOND CALLED SESSION
OF THE
Forty-fifth Legislature

BEGUN AND HELD AT
THE CITY OF AUSTIN
SEPTEMBER 27, 1937



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ADDRESS BY GOVERNOR JAMES
V. ALLRED

(In Joint Session)

In accordance with the provisions of House Concurrent Resolution No. 4, Providing for a Joint Session of the House and Senate for the purpose of hearing an address by Governor James V. Allred, the Honorable Senators, at 12:50 o'clock p. m., appeared at the bar of the House and, being duly admitted, were escorted to seats along the aisle.

Lieutenant Governor Walter F. Woodul occupied a seat on the Speaker's stand.

Governor James V. Allred and party, escorted by Senators Hill, Westerfeld and Nelson, committee on the part of the Senate, and Messrs. Mauritz, Alexander, Tennyson, Hull and Carsow, committee on the part of the House, were announced at the bar of the House and, being duly admitted, occupied seats on the Speaker's stand.

Speaker Calvert called the House to order and stated that the two Houses were in Joint Session for the purpose of hearing an address by Governor James V. Allred.

Lieutenant Governor Walter F. Woodul called the Senate to order and presented Governor James V. Allred, who addressed the Joint Session, as follows:

Austin, Texas,

September 27, 1937

To the Members of the Forty-fifth
Legislature (Second Called Ses-
sion):

We are here to carry out the
"people's program".

With an ever mounting deficit in the General Fund; facing radical reduction in the rolls and in payments to our aged needy by January 1st; with a constitutional mandate from the people to adequately provide for our old people and to extend the helping hand of the State to the needy blind and to underprivileged children; solemnly obligated to contribute to a retirement fund for teachers who have devoted a lifetime of poorly compensated service in moulding the minds and character of our children—teachers from whom already the State is collecting contributions to

this fund; all this in a State rich in resources and well able to make these investments in human happiness and security—this, in my judgment, constitutes an “extraordinary occasion”, which, under the Constitution, required me to call this Session.

There is still too much misery, too much want among too many people in Texas. Many of our old folks are still in dire need. They are either not on the old age assistance rolls at all, or the payments made to them are too small adequately to sustain them. Underprivileged children in poverty-stricken homes are entitled to our help. The blind cry out for justice. Already Texas has delayed longer than most of the states in putting these features of the Social Security Program into effect. But—Texas people have made their wishes known at the ballot box. You and I must meet this challenge with action, or stand indicted for breaking faith with the people.

Let it be remembered that on every occasion when they have had an opportunity to express themselves, overwhelming approval has been given to the humanitarian social security program inaugurated and carried on during this administration. The job is not completed. It is the people's will that it shall be.

“Of course,” it costs money to pay for unemployment compensation and for old age assistance. “Of course,” it will cost money to aid the needy blind, to aid dependent children and to contribute to the retirement of our teachers. “Of course,” we are going to have to raise additional revenue to defray these newly added expenses of government. But—the people ordered this! Does anyone presume for one moment that they were ignorant of these realities when they directed these progressive reforms? Of course not! Indeed, the people were warned by those who opposed these amendments that taxes would have to be levied to support them.

Realizing as I do that we are faced with these necessities, I cannot help, indeed I do not wish to avoid taking notice of efforts being made to turn us from the path of plain and simple duty. “Beware of false prophets.”

Let me caution you against those who say there is no necessity for additional taxes, who denounce old age assistance as a dole, who make the specious argument that the social security program can be carried on at

the expense of other necessary functions of government, and who condemn as socialistic and un-American the great progressive strides that have been made under Democratic leadership.

Whether they know it or not, those who say these things are but playing into the hands of selfish interests, of haughty men who apparently think that because they have acquired great wealth they should be given special privileges. Although able to pay, they are unwilling to bear their share of the burden.

Those who say these things apparently think it would be better for the State in the long run for old people to continue in want, for the blind and the needy children to suffer, than to increase the cost of government. But they do not speak for the great masses of the people of Texas. They represent forces of reaction and futilely hope for the return of the “good old days” when someone told a destitute people, who could not even assist themselves, that it was their duty to support the government.

These people had just as well understand here and now that, so far as I am concerned, there is not going to be any turning back. The people have ordered this social security program. You and I recognized our responsibility by passing an Old Age Assistance Law, which is not yet adequately financed; by passing a law authorizing aid to the needy blind and to dependent children, but for which not one penny has, as yet, been provided; by passing a law solemnly obligating the State to contribute to the Teachers' Retirement Fund in an amount equal to the contributions of the teachers; but for which solemn contract not a single penny has been provided.

When we passed these laws we recognized our responsibility to humanity and partially carried out a mandate from the people. I insist that if Texas is to continue to march on the high road of progress, you and I must continue to be responsive to the people's wishes. Since certain reactionary forces insist that we do not need any new taxes for these purposes, I take my stand with the old folks, with the underprivileged children, with the blind, and with those who have suffered and now suffer social injustices. For them I shall continue to fight.

It's easy in an "off election" year for organized powerful groups to propagandize members of the Legislature to the effect that we do not need any new taxes; when they know, you know, I know, we do. It's easy for those who are themselves basking in luxury and ease to say that "everything's all right" and that we need no new taxes for those in want. "For there shall arise false prophets and shall show great signs and wonders, insomuch that if it were possible they shall deceive the very elect." They would have us render lip service only to the needy.

It's a self-evident fact that there is not enough money in the Old Age Assistance Fund to adequately provide for our needy old folks. Unless some additional money is put into this fund by January 1st, they are going to suffer even more. You and I are either for or against adequate and additional funds for these old people. I am for it! Where do you stand?

There is no dispute whatever that not a single penny has been provided for the blind, for dependent and neglected children, or for our share of the Teachers' Retirement Act. You and I are either for or against providing money for these purposes. I am for it! Where do you stand?

Security Needs

How much money do we need: we already owe \$1,626,000.00 on past due old age assistance warrants. Besides this, I think we ought to have at least Two Million Dollars more each year in the Old Age Assistance Fund. We need \$300,000.00 each year for aid to the blind. We need a Million and a Half Dollars each year for aid to dependent children. Conservatively, we need approximately \$1,500,000.00 each year for our contribution to the Teachers' Retirement Fund. Thus it will be seen that we need a total of \$6,926,000.00 for the people's Social Security Program.

General Revenue

Last January I told you that the State Auditor estimated the deficit in the General Fund would be approximately Fifteen Million Dollars on August 31st. It is actually approximately \$15,194,000.00.

The State Auditor estimates that the deficit at the end of the next fiscal year will be Twenty Million Dollars, and at the end of the biennium Twenty-four Million Dollars. In

making these estimates he has made liberal allowance for better business conditions. This deficit would have been several Million Dollars greater had it not been for my vetoes.

Thus it will be seen that for the next two years the expenditures out of General Revenue will exceed income approximately Four and a Half Million Dollars each year. This will still leave the deficit at about Fifteen Million Dollars. We need new taxes for General Revenue to take care of the increased appropriations made by this Legislature and to wipe out the deficit. I urge that the budget be balanced now; and that provision be made to retire this deficit.

How To Raise The Money

How shall we raise the money: my views are well known to this Legislature. I have tried to make my tax recommendations and messages as exhaustive as possible. They are matters of public record in the Journals of both Houses. I still think we ought to raise this money from those who are able to pay; from increased natural resource taxes, from franchise taxes, from taxes on the earnings of pipeline companies, utilities and other corporations. More than thirty states in this Union have an income tax law. I think this tax is fairer than a general sales tax. We can finance this security program and balance the budget without a general sales tax.

Members of the Forty-fifth Legislature, I submit it is your duty to levy taxes sufficient to take care of the appropriations which you yourselves increased. It is likewise unquestionably your duty to levy taxes to pay for social and relief measures voted by the people. For that purpose I have called you here in extraordinary session and have made my recommendations. I stand ready to counsel and assist you at all times, but the matter is now in your hands. I appeal to you as loyal, patriotic Texans to carry out not my program, not your program, but the "people's program", the program they ordered at the polls, a program that should be free of politics or personalities.

Respectfully submitted,

JAMES V. ALLRED,
Governor of Texas.

MESSAGE FROM THE GOVERNOR

The Speaker laid before the House, and had read the following message from the Governor:

Austin, Texas, October 19, 1937.

To the Members of the House of Representatives:

I am in receipt of the resolution passed by the House requesting the Governor to submit the subject of appropriations.

I must most respectfully decline to submit this subject.

This Legislature considered appropriation bills for more than four months during the Regular Session. At the end of that time, after presumably giving these matters careful consideration, this Legislature passed the present appropriation bills. It materially increased appropriations over the past two years, in the face of my recommendations against such increases. It ought to be evident that the Legislature cannot intelligently revise in so short a time appropriation bills which had mature consideration for four months; appropriation bills which have already been acted upon, in many cases contracts having been made by authority thereof.

You will recall that during the Regular Session I repeatedly urged this Legislature to levy taxes to meet these obligations. The House did pass tax bills, but they died in the Senate. At that time those who opposed the tax bills urged as one of their reasons that before we could intelligently pass tax bills we had to know how much the appropriations would be, and how much money would be required.

When the Legislature adjourned in June everyone knew then that it would be called back in September for the sole purpose of raising revenues by taxation to meet the obligations voted by the Legislature and by the people.

We have been here now more than three weeks for this sole purpose.

To submit appropriations would hopelessly clutter the calendar and block the passage of any adequate tax bills; and wholly nullify the purpose for which this session was called.

Under the circumstances I again respectfully, but earnestly, urge the immediate passage of revenue bills to adequately provide for our needy old people, for the blind, for underprivileged children, and for the teachers

with whom we have entered into a solemn contract.

Respectfully submitted,
JAMES V. ALLRED,
Governor of Texas.

MESSAGE FROM THE GOVERNOR

The Speaker laid before the House, and had read the following message from the Governor:

Austin, Texas

October 23, 1937

To the Members of the Forty-fifth Legislature (2nd Called Session):

I hereby submit for your consideration the matter of passing a soil conservation bill to co-ordinate with the Federal Act.

This is submitted in the hope, however, and with the recommendation that it will not interfere with the calendar on passage of adequate tax measures.

Respectfully submitted,

JAMES V. ALLRED,
Governor of Texas.

MESSAGE FROM THE GOVERNOR

The Speaker laid before the House,
and had read the following message
from the Governor:

Austin, Texas,
October 26, 1937

To the Members of the Forty-fifth
Legislature:

I hereby submit for your consid-
eration House Bill No. 133 dealing
specifically with reallocation and re-
vision of the administration of the
Rural Aid Law.

Respectfully submitted,

JAMES V. ALLRED,
Governor of Texas.