

Inaugural Message

.. OF ..

CHARLES W. BRYAN

Governor

Delivered to the Forty-seventh
Session of the Legislature
of Nebraska



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TO THE MEMBERS OF THE FORTY-SEVENTH
SESSION OF THE STATE LEGISLATURE
OF NEBRASKA

LADIES AND GENTLEMEN :

The convening of the state legislature and the inauguration of a chief executive is always a matter of interest to the citizens of the state. And on account of existing economic and financial conditions, it is of special interest, this year, to everyone who realizes the power a government has over the material welfare of the people in general.

It is the duty of a governor to suggest and recommend to the members of the legislature such action as seems to him necessary and beneficial for the people of the state, but in so doing it should be for the purpose of co-operating with you, as respective public servants, for the public good.

Business conditions in Nebraska are unsatisfactory and seriously affecting all classes of citizens. The farmers who create the wealth and whose incomes measure and fix the incomes or success of all other classes must be the basis for our determining whether a law, a tax, a plan or a policy is beneficial or detrimental to the general welfare of the whole people.

The especially low prices of wheat, corn, live stock, eggs, poultry and other farm products has reduced the farmer's income more than fifty per cent. This made it necessary for him to discontinue building or repairing on his property, and has curtailed his ability to patronize

other lines of business; it is also menacing the solvency of business houses and manufacturing establishments throughout the state.

FEDERAL LEGISLATION AFFECTING FARM CONDITIONS

The farmers of Nebraska cannot control the prices of their products. This depression brought upon agriculture is, in my opinion, caused largely by national legislation that was intended to give the manufacturers in the industrial east a complete monopoly of the markets of the United States by raising the tariff sufficiently high to shut out their European competitors.

I believe that the influence of this legislature should support the members of congress from the middle west and south, who are making an effort to remove the discrimination against the farmer. Nebraska farmers need relief from high taxes and unnecessary extravagances, and also relief through the national government. I recommend that the legislature urge upon the president and the congress of the United States reduction of the tariff on foreign manufactured goods, in order to permit the farmer's foreign customers to again enter the United States market for his products, and to enable our people to buy American manufactured goods at a more reasonable price.

I also feel that it would be to the interest of our Nebraska people if the legislature would petition the president and congress to enact the McNary Haugen Bill or the debenture plan, for the purpose of preventing our surplus farm products from depressing our home markets.

The bill pending in congress, having for its purpose the development and operation of Muscle Shoals by the national government, is of vital importance to the people of this state. Through government operation of Muscle Shoals, a reasonable price would be determined, and fixed, at which electric current for power and light could

be sold to the people throughout the United States. This would mean millions of dollars saved on power and light bills, and I recommend that the legislature of Nebraska memorialize the president and congress to pass the Muscle Shoals Bill before congress adjourns.

Permit me also to suggest that the legislature urge upon congress the importance of enacting, at this session, what is known as the "Lame Duck Bill" so that defeated members would not be permitted to enact legislation that might be detrimental to the interests of the people.

MUNICIPAL OWNED ELECTRIC PLANTS

The people of Nebraska are to be congratulated upon the ability they have shown in using that splendid provision in the state constitution known as the "Initiative and Referendum". The recent adoption of the initiated laws, by a direct vote of the people, relative to the extension and wider use of the municipally owned electric power plants in Nebraska, will mean additional comfort and convenience to the people in the rural communities and also the saving of hundreds of thousands of dollars to the users of electricity throughout the state. It will also open a new era in electric light and power development that has long been denied to the people through the political influence of privately owned power plants.

The rivers of Nebraska, such as the Niobrara, Cedar, Loups, Platte, Republican, Blue and others, are capable of supplying enough electric energy to light and heat every home of the state, and also operate farmers' and home owners' machinery and electric equipment at a nominal cost, as compared with what the comparatively few users of electricity are paying today. I recommend and urge the adoption of a law that will permit the ownership and development of the water power of the state by governmental units in districts of such size and character as will enable the development of such power for the benefit of the public.

IRRIGATION DISTRICTS TO DEVELOP ELECTRICITY

I recommend that legislation be enacted permitting the organization of irrigation and power districts. Existing irrigation districts ought to be permitted by law to generate and sell electric light and power. Such a law would enable the irrigation districts having water power possibilities to develop the same and by the profit on sale of the current help pay the cost of irrigation.

FLOOD WATER RESERVOIRS

I recommend and express the sincere hope that the legislature petition congress to build one or more huge reservoirs in western Nebraska for the purpose of holding back flood waters which, when they reach the Mississippi River, create untold damage. Such reservoirs would provide sufficient water for irrigation purposes for the lower Platte valley and for the counties south of the Platte, particularly Gosper, Phelps, Kearney and Adams.

The state government of Nebraska has power to give widespread relief in this state if attention can be concentrated on the interest of the state as a whole. The prosperity of the state cannot be measured by the amount of money that is collected from the people of Nebraska by foreign corporations and sent out of this state to swell the fortunes of those who have already made millions in excess profits. The prosperity of a state can only be measured by the amount of money that remains within our borders and is reflected in bank deposits, in savings accounts, building and loan associations, invested in homes, farms and other savings and investments in our state.

The gasoline and oil business is an outstanding illustration of the enormous amount of money that can be drained from the state in excess profits when no effort is made to prevent it being taken out of the state nearly as fast as it can be produced.

MUNICIPAL GASOLINE STATIONS

The city of Lincoln established a municipal gasoline and oil station six years ago and is still operating that plant for the protection of the automobile owners of the city. During that time the price of gasoline in the city of Lincoln has remained from four to eight cents a gallon lower than elsewhere in the state. The Lincoln municipal gasoline station fixes a reasonable price at which gasoline and oil should be sold, and the other one hundred fifty private filling stations in Lincoln are selling at practically the same price.

The automobile owners in the state of Nebraska, outside of Lincoln, are paying about fourteen or fifteen million dollars a year in excess profits above what they would pay for gasoline if this product could be bought throughout the state at the price paid to the city of Lincoln. This sum is being collected from Nebraska annually and sent east to swell the enormous profits of the oil combine. None of this benefits any business or industry within this state. To illustrate, if our state and municipal governments were protecting their citizens, and if this vast sum could be utilized for building concrete pavements, seven hundred miles of paved road twenty feet wide could be built annually, and within a few years every main highway in the state could be paved without any gasoline or license tax of any character, or if it were used to give relief to depositors in failed banks, the entire loss could be paid out of one and one-half year savings on gasoline bills.

In order to permit all the other towns and cities in Nebraska to protect their citizens as the city of Lincoln is now doing, I suggest that a general law be enacted amending the charters of every town and city in the state to permit their city officials to establish municipal gasoline and oil stations. I also recommend that the state government, through the purchasing department, be authorized to assist municipalities in securing their supply of gasoline.

TAXATION

The subject of taxation, including possible new taxes in connection with road development, and the question of banking as it affected the depositor, were easily the outstanding issues of the recent campaign. Owing to the present financial condition, these subjects predominated almost to the exclusion of other issues.

There is no question in my mind, and I do not believe there is a question in the minds of any member of this legislature, but that the tax payers of the state are opposed to any increase in taxes for any purpose. I believe you will agree with me, also, that the people of the state, with the possible exception of those who make a profit out of the appropriations, are demanding a reduction of taxes. The tax payers have a right to complain of the constant increase in the cost of government in this state. According to the recent federal census, the population of Nebraska, during the past ten years, has increased only about six per cent while during that same period the cost of government has increased, according to the appropriations, several hundred per cent. This, during a period when the tax payers' income has been constantly declining, has brought about a condition in Nebraska of which the government must take notice.

Paraphrasing a familiar quotation, permit me to say, that the way to reduce taxes is to reduce them, and I appeal to the members of this legislature to join with me in a wholehearted, non-partisan and wholesome effort to give to the tax payers of this state every possible relief that can conscientiously be given without neglecting our obligation to the schools of learning and to the wards that are housed in our state institutions.

CIVIL ADMINISTRATIVE LAW

During the past twelve years our state government has taken on a new form which has developed an endless number of departments, bureaus and commissions, with their numerous secretaries, deputies, assistants and

inspectors, until they amount to an unnecessary load that the people of a free state should not be compelled to carry.

This question as to the present form of government cannot properly be called partisan. The two gubernatorial candidates two years ago, and both political party platforms promised the tax payers the repeal of these laws that caused the duplications in state government, in order to reduce the excessive cost of government. The retiring governor, in his inaugural address two years ago, recommended the repeal of this code and said that his nomination and election could be construed as an endorsement of his position on that question. He also quoted the republican state platform enumerating the various changes in the law which the party recommended. These recommendations were practically the same which I made in my supplementary budget message, as governor, in 1923, and also reiterated in my retiring message to the legislature in 1925.

During my former administration numerous departments and activities were discontinued and a large number of employees taken from the pay-roll. Many more were eliminated by consolidations. Since that time the departments, bureaus, etc. that we discontinued and consolidated, were revived and rejuvenated and many new ones added, until today there are more than four times as many people on the state pay-roll as there were at the beginning of 1925.

All of the activities that are now being conducted in the civil administrative departments that are duplications of similar efforts in other state agencies should be abolished. Under the present law, the governor is supreme. He is designated as the head of every department. The law states that where any of the code departments or the respective secretaries are mentioned those terms shall be construed to mean the governor; that the entire executive power rests with the governor; that he is authorized to make all appointments, to define all

duties, to create any additional officers such as deputies, assistants, etc. that he may choose; that he may consolidate any departments; that he may discontinue the service of any secretary or employee when, in his judgment, the same is no longer needed; that the governor shall fix all salaries, and has power to discharge all appointees.

The recommendations I made to the legislature eight years ago and in the bills that were introduced, consolidating many of the code activities with other departments, in no instance gave the governor new or added authority. Every such recommendation either took authority from the governor or took large groups of appointments from him, or both. The departments recommended to remain under the governor were the road department, the banking department and the insurance department which are under him now. In place of the governor alone directing the policy as well as having the power to appoint and discharge assistants and employees, I recommended the creation of an executive council, consisting of the elected state officers, to act jointly with the governor in deciding the policies that remained under the governor, who would carry out the will of the council. The governor would retain, as now, the power to appoint and discharge all employees, to enable him to carry out his constitutional responsibility of executing and enforcing the law.

The plan which I recommended was then in operation in Iowa. Minnesota has since adopted the same plan, known as the "Executive Council" plan of government. This is the same plan and practically the same form that your retiring governor recommended in his inaugural address two years ago.

In appointing those who are to assist the governor in handling the various administrative departments, they are being designated as deputy secretaries. This is done, first, to reduce salaries to a reasonable figure commensurate with the service rendered; second, because the

code law, chapter 81, paragraphs 101, 708 and 7001 designates the governor as the executive and responsible head of each department; and, third, because if they were designated as secretaries and presented to the legislature for confirmation it might raise the legal presumption that they could, in view of confirmation, hold their positions for two years, regardless of whether the legislature modified the law or not. I have no thought or desire to avoid presenting names to the senate for confirmation, but I cannot believe that the legislature will deny speedy relief in the way of repeal or readjustment of our form of civil administrative government to enable us to discontinue many unnecessary activities, and dispense with the salaries and expense of a large number of state employees.

Later the budget message will be more specific as to the eliminations, transfers, consolidations, etc. which I deem necessary to end this expensive plan of government. You may depend upon my co-operation in support of the various existing institutions and necessary state activities.

Every dollar that the state collects, through any form of taxation, when that dollar is not absolutely needed, is unjustly levied and collected.

We should be neither extravagant or parsimonious, but I shall feel it my duty to use the executive power to disapprove any appropriations that are needless, extravagant or of doubtful value. In view of the fact that the tax payers of the state do not feel that they, as individuals, can afford to engage in extending their buildings or other new development, I feel sure that the members of the legislature will not feel that they should request any branching out in the way of new buildings, extensions or new activities that would call for new tax allotment, except for the bare needs of our present institutions.

INCOME TAX

In making recommendations to the legislature eight years ago, I suggested the advisability of enacting a state income tax law. Many states have established such a law as one of the most equitable forms of taxation. Wisconsin was one of the earliest to adopt an income tax, and New York state is one of the more recent. Our neighbor state of Iowa has now in the process of enactment a state income tax. The republican candidate for governor and the state platform of Iowa last year pledged the people a state income tax law.

Real estate is now being taxed out of proportion to its value as compared with other sources of income. This tax, in view of the low price of agricultural products, is forcing thousands of farms and homes to be sold for taxes, and is depriving these citizens of Nebraska of their property and their right to earn a livelihood. It is also undermining the financial foundation of our business houses and banks and adding to the number of unemployed.

I am not in favor of a state income tax law for the purpose of finding new sources of revenue, but I do believe that it is equitable and fair to enact a reasonable income tax law for the purpose of reducing the taxes on farms and homes to the amount of the income tax collected. In other words, this income tax should be recognized as a replacement rather than an added tax.

The Wisconsin income tax law is similar to the federal law and is so operated that the federal tax schedules, I understand, can be utilized, thus reducing to a minimum the cost of levying and collecting an income tax by the state.

REPEAL THE INTANGIBLE TAX LAW

The revenue laws of the state favor one class of tax payers, while it leaves an unfair burden upon others. Although the revenue law was amended so as to increase

the tax on certain classes of intangible property, the tax on cash on hand was left at the absurdly low rate of twenty-five per cent on its valuation, while real estate and other tangible property was left under the law to be taxed one hundred per cent on its valuation. There is no fairness or equity in discriminating in favor of those citizens of our state who are possessed with large holdings of cash or securities.

I recommend that all discrimination between citizens be wiped from the statute books by the repeal of the intangible tax law, so that the citizens will be one hundred per cent American in the manner in which they pay their taxes, as well as in their patriotism.

BANKING

In attempting to discuss the question of banking as it affects the depositors and the business of the state in general, it has been the custom to cover up, or gloss over, the effect of amendments to the banking laws and not to present to the public, through the daily press, frank statements of financial conditions or analyze administrative policies, lest the public become aroused and the business of banking be disturbed.

It cannot be said that the policy that has been followed has been a success, because conditions now have become so intolerable, from the standpoint of the banks, depositors and business in general, that it becomes necessary to present the matter to the legislature in a frank business discussion of the situation.

In 1908 a law was enacted in this state, commonly known as the bank guaranty law, which had for its purpose the protection of the depositors' money entrusted to the care of state banks. That law was opposed by a group of bankers in Nebraska, through every legal channel possible, and after two years' struggle through the courts it was finally upheld in every particular by the supreme court of the United States. From the time the law took effect, in 1910 until 1925, it served its purpose

so well in maintaining the confidence of the depositing public, that not only money in Nebraska poured into the vaults of the banks, but money also came from other states.

When the business depression came on following the world war and the neighboring states had bank failures by the hundreds, Nebraska was the financial bright spot in the entire middle west and the utmost confidence prevailed in Nebraska banks.

Throughout the entire time the bank guaranty law was in force a continuous effort was made, by organized banking groups of the state, to amend or repeal it. Every amendment made was at the suggestion, and through the influence, of the banking business in the state. Every amendment weakened the law, or lowered the assessment rate on the banks, or weakened the state's control over the banks.

Up to and including the years 1923 and 1924, the depositors in failed banks were paid promptly and in full. The depositors maintained their confidence in the safety of the banks and in the purpose of the state to protect them.

The bank guarantee fund commission law, enacted in 1923, was prepared by the bankers themselves, who urged and insisted that it would strengthen the guaranty law to permit the banks, through a banker's committee, to have charge of handling the assets in failed banks, and to be permitted to assist weak banks to continue in business.

As chief executive of the state, I publicly opposed various sections of the proposed law while it was being considered by the legislature. I objected to provision after provision that were constantly being inserted into the bill that had for their purpose the weakening of the state's control over, and power to regulate, the banks. Some of the objectionable features of the bill were eliminated, and when it finally reached the governor's office I declined to sign it because of several sections that could

be construed into taking supervisory power away from the state.

The bankers' committee of the senate and house, of which a number of bankers were members, also a large delegation of prominent bankers in the state, had several hearings in the governor's room, urging that I give executive approval by signing the bill. When I pointed out the provisions that might weaken the state's control, these bankers insisted that they did not and would not construe such provisions as giving them any power to lessen the state's control. I then discovered that a joker had been slipped into the bill which reduced the amount that the banks could be assessed, as an emergency assessment each year, from one per cent to one-half of one per cent.

The friends of the bill insisted that the reduction of the assessment did not weaken the law; that the full amount of one per cent had never been needed, and they insisted that it never would be needed in order to pay any possible liability of the banks. On the urgent pleas of this delegation that they had spent nearly four months in perfecting this bill and that they could make a large saving in the expense of salvaging assets in failed banks, thus reducing the amount of their own assessments and thereby increase the depositors' security, I permitted the bill to become a law, without my signature. I was not willing to assume the responsibility for the lowering of the assessment rate which had been surreptitiously slipped into the bill, or the provision that might be construed to weaken the state's power to regulate the banks.

Commencing in 1925 the enforcement of the bank guaranty law, under the banking group, destroyed the confidence of the depositors and general public and broke down the operation of the law until it was nullified and finally repealed by the special session of the legislature a year ago.

Since 1925 the number of state banks has shrunken from 900 to less than 600 and deposits have decreased

from about \$275,000,000 to around \$150,000,000. Deposits have shrunk about thirty per cent during the last eighteen months.

It does not help the banking situation, or the business conditions in the state in general, to issue statements that conditions are improving, that confidence is being restored, that prosperity is just around the corner, etc. It is not accurate or good business or banking policy to claim that the banks which have been failing were caused by frozen assets and a shrinkage in values. The real cause of the present condition, and the hundred or more bank failures the past twenty months, is, in my judgment, the withdrawal of bank deposits which have been going into hiding, because of the loss of confidence of the public in the state banking laws and their enforcement.

The repeal of the bank guaranty law by the last special session of the legislature and the new banking acts have not strengthened the confidence of the depositors, but have had the effect of reducing the amount of money the depositor receives from the assets of failed banks.

I believe the time has arrived for the state to again assert its authority. I believe stability can be restored in the banking business. Confidence can, no doubt, be restored among the people in the safety of banks, if they can be assured of the intention of the state government to protect their interests.

To immediately start the return to normalcy and to stimulate the banking business, the banks should withdraw their suits against paying the amounts due to depositors up to the time the bank guaranty law was repealed. The recent decision of the supreme court of the state clearly indicated that the banks could and should make these payments.

I recommend that the attorney general give to the legislature and the chief executive of the state his opinion as to what recourse at law, if any, the state has to

recover from the banks, for the benefit of the depositors, all of the amount due depositors in failed banks at the time the bank guaranty law was repealed in 1930. If the suits now pending in the courts are not withdrawn, I express the earnest hope that the attorney general will use every power at his command to have the cases advanced and a speedy determination of the suits secured, to the end that any additional banking laws that may be needed might be enacted at this session of the legislature. A re-establishment of the bank guaranty law with amendments to strengthen the banking laws would, in my judgment, restore the confidence of the depositors in the safety of banks, and would increase bank deposits at least seventy-five million dollars in six months; stabilize and stimulate business and greatly lessen the number of unemployed within our state.

Public necessity demands prompt legislative action upon this question and I recommend for your consideration, the following:

First; That the original bank guaranty law be re-enacted, or

Second; That every bank be required to put up securities to protect their depositors similar to that required of insurance companies to protect policy holders, or

Third; If deposits cannot be secured through one of the above suggestions, I recommend that state banks be established and operated by the state government in a manner similar to the postal savings conducted by the national government. The state will then become responsible for the safety of the depositors' money, and can make loans to banks which will provide suitable security, or invest the people's money in United States government bonds, or state, county or municipal securities for the benefit of the depositor.

I feel that this question is of such importance and is necessary to restore public confidence in state banks and to stabilize business, that if this legislature is unable

to agree upon the necessary legislation for the purpose of protecting bank deposits with the power of the state back of it to make it good, I will feel it my duty to recommend and assist in securing such legislation through the initiative and referendum.

The law enacted by the last legislature, that gives the state and county treasurers authority to require a separate guarantee for the safety of the state and county funds deposited in state banks should be repealed. This law is permitting bank assets, which in reality belong to the depositors, to be used to make good the loss of state deposits. The individual depositor needs protection more than does the state of Nebraska.

The law providing for the reorganization of failed banks, enacted in 1929, deprives the depositors in those banks of the benefit of the double liability of stockholders; it also deprives the depositor of participation in dividends from past, present or future bank guaranty law funds, and should for that reason, be amended so as to restore that protection to such depositors.

A law should be enacted which will require stockholders in state banks to satisfy the state banking department by property statement of their ability to pay, or by putting up securities sufficient to assure the payment of stockholders' double liability when called for.

State banks should be required to have capital and surplus in an amount equal to at least ten per cent of the total deposits. I recommend the enactment of a law to that effect.

Enact a law which provides that financial reports of banks, which are required to be published, should state the amount of assets that are pledged to secure loans or preferred depositors.

Legislation should be enacted that will prevent chain banks from absorbing state banks, or acquiring charters to state banks in Nebraska.

It is my intention to immediately make an investigation of the conditions of the banking department and

receiverships, and of the bank guarantee fund commission. Although the latter department was abolished by the last legislature, the repeal law was not put into effect with the exception of the non-partisan part as operated by the bank guarantee fund commission, thus converting the entire organization into a political department with an increased number of employees and salaries continuing an expense of nearly one million dollars a year which is being paid out of the assets of failed banks. I believe a large saving can be made in the operation of the banking department and its ramifications, and it may be necessary to make further recommendations to the legislature, as my investigation proceeds.

GOOD ROADS

The question of good roads continues to more and more impress itself upon the minds of our people. The extension of the use of automobiles, busses and trucks into every walk of life, revolutionizing the means of transportation throughout the country, makes it necessary for Nebraska to keep abreast with the commercial needs, by providing adequate roads as rapidly as the tax payers of our state feel they can provide the financial means.

Our state is fortunate in the character of its soil. It has been found by experience that Nebraska, on account of the character of its top soil and also of its subsoil, can provide in this state all weather roads much more economically than in many other parts of the country.

The use of gravel in developing roads in Nebraska was adopted as a general policy in 1923, and by the end of 1924, four hundred seventy miles of gravel surfaced roads had been built.

When gravel was first considered as suitable material for road development in Nebraska, it could not be adopted as an economic policy on account of the price

being almost prohibitive; in view of the general use for which gravel was desired.

The chief executive of the state in 1923, publicly considered the advisability of opening a state owned gravel pit for road use. However, in view of the immediate reduction in the price of gravel, thirty-three per cent, bringing the price of gravel to \$1.11, it was not necessary for the state to undertake to supply the gravel for the use of our roads. At that time, the cost of grading roads was excessive on account of the manner of advertising and awarding road contracts. By adopting a rule at the beginning of the year 1923, and later a law, requiring in the advertising and letting of road contracts that all bids be received and opened in the presence of the bidders, the cost of road building was reduced about twenty-eight per cent.

The gradual extension of surfacing roads with gravel has been the determining feature in bringing the people of our state to realize the importance of road building as a public duty, on the part of municipal, county and state official authorities.

The increase in the weight and the load carrying capacity of trucks and busses, and the general and growing travel over the roads leading into the congested centers of the state, has made it necessary to substitute paving at such places, as well as to also give it the preference, as rapidly as funds could be provided, on those portions of the highway that are more subjected to the climatic conditions incident to freezing and thawing.

Care must be used to see that every part of the state receives the share that is due it. The ever increasing use of gasoline, and the improvement in road building machinery and development makes it possible to greatly add to the mileage of improved roads in Nebraska, without increasing the cost to each individual.

I believe a considerable sum of money can be saved in the cost of material and in the construction cost of

bridges; that additional savings can be made in the cost of maintaining the highways, and in the overhead cost of supervision, inspection, surveying, etc.

I believe also that it would be well for the state to consider a policy which has proven very beneficial, both in the durability of pavements and in the cost of same, which is in operation in some other states, viz., that the state acts as purchasing agent of the road building materials, and supply them to the contractors who do the construction work under competitive bidding. Where this policy is in use the state is enabled, on account of the large quantities which it purchases, to supply to the contractors the material at a lower price than the individual road builder could secure. By the state supplying the material, it also removes from consideration the question of quality of material or the proportions of each used in building hard surfaced roads. Every economy put into operation, in connection with our road building program, means more miles of good roads.

The state is fortunate in having a much larger sum available for road building for the coming biennium than ever before. The additional money that the federal government makes available at this time, will enable us to make even a greater increase in the miles of both paving and graveled roads than an increase of one cent in the gasoline tax would provide.

The financial burden which the producers of the state are carrying, on account of the low prices which they receive from the sale of the products from our basic industry, agriculture, and especially in view of the great increase in the amount of money by the federal government which has been made available for road building, I deem it inadvisable to add an additional tax on gasoline.

In considering the state of the public mind, and in an effort to estimate public opinion, care should be used not to misjudge the enthusiasm and desire of those en-

gaged in producing roads, as contrasted with the sentiment of the great mass of people who make up the tax producing portion of our population.

Later, in my budget message, plans outlining road development will be made more definite, and it is my sincere wish that I will be able to keep in close contact with the members of the legislature throughout the session, for the purpose of lending every aid and cooperation in giving to the people of our state legislation and plans in harmony with their desire, in furthering the welfare and development of our great state.

EXEMPT TRACTOR FUEL FROM GASOLINE TAX

Our more extensive grain farmers, especially in the western and northwestern part of the state, feel they are unjustly taxed on the gasoline that they use in their tractors for farming. If the theory of the advocates of a gasoline tax is correct, viz., "That those who use the roads should pay for them through a gasoline tax", the gasoline used in the farmers' tractors should not be taxed. Our tractor farmers are at a disadvantage with the extensive grain farmers of Colorado and possibly South Dakota and are unable to compete to the extent of the amount of the gasoline tax. Farmers in western Nebraska have complained that they pay an annual tax from as much as four hundred to one thousand dollars each for the gasoline used in their tractors.

In the interest of fairness, and to prevent this discrimination between the farmers who use tractors and those who use horse power, and also in fairness to our farmers who are compelled to compete with their neighbors across the state lines, I recommend that the tax on gasoline used in tractors be omitted or remitted.

WOMEN—JURY SERVICE

The women of our state have been enfranchised. Woman's influence for good has shown a wonderful increase since she has had the right to vote for public officials. She has been a living demonstration of being man's equal, if not his superior, in possessing all of the qualifications that make for good citizenship. She is entitled, as a matter of justice, to have all discrimination against her, in our statutes, removed.

I recommend that our laws be so amended that women will be eligible for jury service; and too, they should be recognized on an equality with men in employment and compensation. The health and welfare of the children of the state and care of mothers are of first importance and should be given every consideration that law and administration can offer.

Child labor in industry dwarfs the child physically and mentally and should not be permitted in any enlightened and civilized country.

LABOR

The men and women who work for wages are designated by the term labor. The word is used to designate human beings; those people who must be relied upon in all constructive progressive development that is undertaken. Both human rights and property rights must be respected, but human rights are superior and must have first consideration. An eight hour day and a living wage at American standards, with a margin for old age, is a right that a laborer is entitled to and should be supported by all good citizens. The rights of collective bargaining by labor's representatives in negotiations between capital and labor, is in the interest of humanity and should be conferred and maintained as a permanent policy.

OLD AGE PENSION

Permit me to call your attention to the growing need of a provision for the financial needs of those who have reached old age and are unable to provide the necessaries of life. The question of old age insurance, or a so-called old age pension, is absorbing the minds of many people who feel a moral obligation to give some thought to the needs of humanity. Twelve or more states of the union have made some financial provision for the care of those who have reached the age of seventy years and who have been a resident of the state from fifteen to twenty years. In some states and in some foreign countries, a provision is made through an insurance plan conducted by a state where the wage earner pays in a small percentage of his wages and where the government supplements, so that the recipient is provided a reasonably monthly allowance. In some states, the plan provides for the state and county to share the expense of taking care of the aged in their midst. I recommend that the legislature authorize an investigation by a committee made up from its membership, and make a report of its survey with recommendation.

AMEND PRIMARY ELECTION LAWS

The primary election law has been of incalculable benefit to the people of the state by enabling them to select their own candidates for public office. Prior to this law, special interests and political bosses were able, through the county and state convention system, to select candidates whom they desired in both parties, and the voters had no alternative but to choose from those who had been selected for them.

Our primary law is fundamentally sound and must be preserved and strengthened. The people of the state were humiliated by the attempts in the recent state primary to confuse the voters by filing obscure men, who bore similar names to the well known and outstand-

ing leaders of the state, for the purpose of deceiving the voter and dividing the vote between the two men of similar name and thus, perhaps, enable a third candidate to receive the nomination by a plurality vote. This political trickery was a very serious reflection upon the honesty of those who were guilty of participating in such questionable tactics, and cannot be condemned too severely.

Our direct primary law can be amended without fundamentally weakening it, making it impossible for such deceptions to be practiced again. The Colorado ballot contains not only the full name of the candidate, but gives his post office address, residence address, his office address, and permits his professional title preceding his name. I suggest omitting the professional title and substitute a provision requiring that occupation be stated. I hope that the legislature will make such amendments to our primary law as will prevent fraud or deception.

REMOVE PARTY CIRCLE FROM BALLOT

To encourage the people to give closer scrutiny to the personnel of the candidates for office, I suggest removing the party circle from the ballot. The party circle is a relic of olden days when it was thought necessary for the voters to have a picture or a sign of some kind to enable him to distinguish one political party from another. The party circle enables political bosses to herd the ignorant and floaters of the cities and deliver them through the party circle to an entire party ticket, regardless of the individual standing of the various candidates or the issues which they represent. It is a reflection on the intelligence of the people of our state to retain it. The intelligent voters of Nebraska have demonstrated time and time again that they know for whom they want to vote and know how to find names of candidates.

The women's organizations of the state have shown a special interest in asking that the party circle be abolished, and I recommend that our statute be so amended that the party circle on the ballot will be eliminated and honest and intelligent voting will thus be made more certain.

CRIMES OF VIOLENCE—INCREASE PENALTIES

The highest duties of a citizen require him to respect and uphold the federal and state constitutions by obeying the laws of the state and nation. The increase of crime, especially crimes of violence, such as daylight bank robberies by armed forces and robberies committed on highways by armed bandits, makes it necessary that the punishment for such crimes should be made more swift, certain and severe so that our state shall not become a sanctuary for the criminal element from other states and cities whose laws are driving them to seek shelter elsewhere.

I again recommend that the indeterminate sentence law be repealed so as to make punishment for crime more certain and more adequate.

In place of the indeterminate sentence law, I would recommend that all trial judges should impose a reasonable flat sentence of such duration as will be commensurate with the crime committed.

I also recommend that the pardon and parole law be amended so as to provide that no person convicted of a crime of violence shall be pardoned or paroled without the written approval and recommendation of the trial judge who pronounced the original sentence.

At present, various crimes of violence carry inconsistent penalties. Assault with intent to murder, rape or rob; robbery from the person by violence and putting in fear; train robbery; burglary; bank robbery with explosives or fire arms; holdups on the public highways

by armed bandits; and other such major crimes are, of their nature, crimes of violence against the person, and the penalty in each instance should be heavy, with the minimum not less than twenty years in the penitentiary.

In 1929 the legislature enacted what is known as the "Habitual Criminal Law", and fixed the sentence at not less than ten years. I believe the minimum should be raised to twenty years. One who has repeatedly committed felony after felony has no place in free society. A habitual criminal should not be pardoned or paroled except on newly discovered evidence clearly proving he was not guilty of one or more of the crimes of which he was convicted.

Under the present law, several persons may together commit any crime and then demand separate trials. I believe the matter of separate trials for persons charged with a felony should be left to the sound discretion of the trial judge, and not to the criminal as a matter of right.

At the trial of both civil and criminal cases, the jury should have the benefit of the judge's experience and opinion of the evidence. I, therefore, recommend an amendment which will permit trial judges in Nebraska to discuss the evidence with the jury, as is now done by federal judges.

LAW ENFORCEMENT

The citizens of Nebraska are law abiding people. Crimes of major character seem to be on the increase throughout the country. Daylight bank robberies by armed men and the robberies and acts of violence to our citizens on the public highway, has impressed upon us the importance of increasing our efforts to provide personal safety to our people and protect their property rights.

This apparent crime wave which has spread throughout the nation is, no doubt, largely caused and aggravated by the widespread unemployment.

I have recommended increasing the penalties for major crimes committed in our state. It is my intention to assist, through the vigilant efforts of the state law enforcement department, county and municipal law enforcement officers in every way possible.

All the laws of the state must be enforced, and I call upon the citizens of the state to join us through all religious and civic organizations in an effort to create a wholesome regard for the law and through education, and example, to instill in the minds of the growing youth of Nebraska, the importance of obeying all laws of the land, as a patriotic duty.

CONCLUSION

To our distinguished governor who is retiring, whose friendship I have enjoyed and appreciated for many years, I beg to be permitted to offer my best wishes to him and his charming family for their health and future happiness.

The members of the legislature, as the law making, and the governor, as the law enforcing and administering officers for the people of the state, should keep uppermost in our thoughts, and be constantly controlled in our deliberations by the one purpose of rendering our whole service to the best interest of the public. We cannot expect perfection in all our efforts, but we can and should act as our individual conscience and best judgment directs.

Proposed laws of purely local and individual import should not be considered. But, rather, I urge that you concentrate your attention only upon questions of general importance based upon fundamental and state-wide needs.

There are, of course, many matters of interest and importance to the whole state which may properly call for desirable improvements, expansions and enlargements, which, under normal conditions, would justify

substantial expenditures and appropriations by the state but the present general business and financial condition of the tax payer does not warrant such undertakings and they should not be considered.

In appropriating public money care should be taken to see that no individual or group shall receive undeserved or unnecessary financial benefit.

With the single desire to co-operate with you in rendering service in the best interests of the whole people of Nebraska, that our efforts may be worthy of the confidence imposed in us by our constituents, I will be glad to see you at any and all times.

CHARLES W. BRYAN.