

INAUGURAL MESSAGE

—of—

R. L. COCHRAN,
GOVERNOR

—to the—

Members of the Fiftieth Session

—of the—

State Legislature of Nebraska

Presented January 3, 1935

INAUGURAL MESSAGE

—of—

R. L. COCHRAN,
GOVERNOR

—to the—

Members of the Fiftieth Session

—of the—

State Legislature of Nebraska

Presented January 3, 1935

MESSAGE TO THE LEGISLATURE

— BY —

Governor R. L. Cochran

LADIES AND GENTLEMEN OF THE LEGISLATURE: It is with a feeling of deep responsibility that I appear before you today as the chief executive of this state. Perhaps in the whole history of Nebraska there never has been a session confronted with more varied and complicated problems than the one on which we are embarking.

I know the spirit with which you enter upon your duties. Within all of you there is the same great desire to perform a useful service for the people of Nebraska. It is upon that foundation that democracy rests. Government must be responsive to the wishes of its citizens. The success with which practical application is given to the common needs, the mutual problems, and the crystalized thought and hope of a state is essential to democratic institutions of government. In the attainment of that common objective there needs must be the blending of a broad vision of the future, a keen understanding of the lessons of experience, a thorough appreciation of the exact factors which determine Nebraska's economic welfare, and finally, an attitude of unselfishness.

You are assembled at a time when the people of Nebraska are tried sorely as a result of a most destructive drouth, following closely on the heels of a protracted depression which made its appearance first in agricultural regions, exacted a heavy toll and imposed a great strain upon the resources of the people of this state. No commonwealth is more dependent upon the soil, upon the returns from Mother Earth, than Nebraska. Only three out of the forty-eight states annually produce as little or less mineral wealth. In the field of industry, 70 per cent of the output of the factories and mills within the state is of agricultural products, refined and processed for the ultimate consumer.

So I say to you that the temporary, immediate, and pressing problems which face us, due to the virtual loss of crops in all sections of Nebraska, can not be ignored. Foremost among them is the human one relating to food, to shelter, and to clothing for destitute people. Between now and the next harvest, that emergency gives us the greatest concern. People must be fed, must be sheltered, and must be provided with the means to keep themselves warm.

Nor does the problem end there. The question of adequate feed for livestock is of grave importance. Insofar as it is possible, there is a primary duty of maintaining the foundation herds of this state. They represent an enormous investment. From scrub stock, the dairy herds have been developed until prior to the collapse of farm commodity prices, the dairy industry was a flourishing branch of Nebraska agriculture. You recognize that live-

stock in a very large sense represents the backbone of farm income within this state.

Then there are problems of seed and of credit arising out of this drouth emergency. I know your sympathetic attitude and your full appreciation of the problems involved. It shall be my aim to co-operate to the fullest extent with the federal government in all of its efforts to alleviate distress and suffering.

Through the Roosevelt farm program, this state has received substantial financial benefits. They came at a time when most needed. The 7 millions paid to wheat growers, the 30 millions received under corn-hog agreements, the checks which came in return for the killing of hogs and the processing of cattle for which there was not adequate feed, and finally the money derived through corn loans have been of infinite assistance and value. Without it, I know conditions would be much more difficult and desperate.

And in this connection, mindful of the present emergencies, still I speak hopefully and confidently of the future. There is the spirit and courage in Nebraska to look at reality squarely. We have conquered both drouth and depression before through industry, frugality, and fortitude. We shall conquer them again.

This state, so utterly and wholly dependent upon farming, is concerned with the enrhralling spectacle of the great change which has come to an occupation which supports a third of the American people. Under the rays of a blistering sun, the final chapter was written of a definite era in American agriculture. It began unconsciously in the closing months of 1914, when the nations of Europe seized weapons of warfare. Through the next year and the next, the demand upon the farms and the farmers of this country increased and increased. Then we entered the war and the slogans of "Save Food" and of "Raise More Wheat" left their impress upon farming. Millions and millions of acres were brought under cultivation, consciously and unconsciously, through the abnormal markets created by a flaming Europe. Strangely, this continued years after the war, when we were making heavy loans to foreign countries, conditioned upon the purchase of foodstuffs and industrial products with the funds embraced in these loans.

The farm surplus was not the product of a single season, or two or three seasons. It was the accumulation of nearly twenty years, definitely set out in the history of American agriculture. The trend in the opposite direction did not start until 1930, and made no measureable progress until 1933. Then a drouth which covered the country, particularly acute in most of the great bread basket, wiped out these surpluses, with the possibility we shall be importing agricultural products before the next harvest.

As the spectacle of that 20 year stretch passes through my mind, I take hope and gain assurance. Not only is there a prospect of improved price levels for farm commodities, when and if we produce them, but there is at least a consciousness in this country of exactly what took place to threaten the farmer in his sturdy, resourceful, and inadequate existence. With moisture for a crop, with a better understanding of farming than obtained throughout the years of war and rehabilitation, and for a number of years afterward, there is reason to believe America is entering upon a new farm era, in which there will be greater economic security and stability for the agriculturist.

We know now that what we considered normal production and marketing was abnormal. As a result of the clearer view, of a temporary hardship which destroyed surpluses, a year or two hence should see vastly improved conditions within the state of Nebraska.

But at present, we face the problem of raising adequate funds to care for the state's unfortunates in the institutions which come under the supervision of the board of control, a responsibility which is a solemn obligation; and, of continuing our educational institutions; while at the same time, we must keep the burden of taxation within the range of the pocketbook of the taxpayer. Under these conditions, I am constrained to recommend to you that you refrain from passing legislation creating or establishing new departments or new tax spending agencies. Rather, we should bend our efforts toward keeping taxes within the ability of the taxpayers to pay.

Moratorium On Loans.

Two years ago, the legislature passed a bill which was approved by the governor, authorizing a two year moratorium on real estate loans. In traveling through this state, I had an opportunity to observe first hand the dire results of a withering drouth, and these observations lead me to recommend for your consideration an extension of this moratorium for a period of two years; with the hope, however, that conditions will so improve during 1935 as to make its operation unnecessary for a longer duration than twelve months.

Wherever possible, I commend most strongly the processes of conciliation in the readjustment of debt, and in the settlement of misunderstandings arising out of debt. For the past year, conciliation boards have existed in eighty-eight of the ninety-three counties of the state. Reports are available for seventy-four of those counties, showing that 651 cases of farm indebtedness were considered, 167 foreclosures averted, and extensions of loans procured in 102 more. The value of such settlement is that it gives a basis for the debtor to make his plans ahead for a considerable period of time and disposes of the troublesome questions of delinquent interest payments, and tardy payments upon principal.

Constitutional Amendments.

I construe a majority vote of our people to be a mandate which should be obeyed effectually and immediately. In the general election of the year just closed, the electorate exercised its right of suffrage on three measures. On all three, the verdict was clear and unmistakable, and as a result of that vote, the legislative and executive branches of government have the responsibility of making the mandates effective. The duty which rests upon you is the enactment of enabling legislation by your honorable body.

Liquor Control.

Eighteen years ago, as a result of the vote by the people of Nebraska, a democratic governor and a democratic legislature assembled here, and true to the traditions of the party and to our form of government, a measure was enacted which carried out the wishes of our people as expressed in the general election of 1916 on the subject of prohibition.

The legislature of 1933, in harmony with the action of the president of the United States and the congress, decided that after many years of prohibition, the issue again should be submitted to a vote of the people. The

outcome of the referendum on prohibition in the recent election demonstrated decisively that the majority of voters in this state are in favor of repeal of the prohibition amendment to the Nebraska constitution, and of the statutes enacted to make effective its provisions. I construe this to be a matter on which the people have spoken definitely, and I hope that you will give your earnest attention to legislation which will make effective the will of the voters as expressed on November 6, and, with as little delay as possible.

In considering this legislation, may I call your attention to a condition which certainly had much to do with popular sentiment. This vote is a mandate to get rid of the bootlegger, and to substitute the legal sale of liquor for illegal sale. The bootlegger is the enemy of law and order.

In a fitting spirit of candor and humility, appreciative of the magnitude of the task which confronts us, I do not anticipate that a perfect liquor law can be drawn. I know it is your earnest desire, and my own purpose, to take full advantage of the experience of other states, and the knowledge gained by those who have been confronted with this problem, to the end that the state of Nebraska shall have the best type of legislation possible. It is my judgment that the next legislative session may see fit to amend the law which is written now, changing it on the basis of lessons gained through experience, and that following legislatures will strive to improve upon the existing law.

When the results of the referendum on prohibition were available, I requested the attorney general-elect to visit states which have legalized the sale of liquor, to investigate the methods in force, and to make a careful analysis of the conclusions to be drawn from such an investigation. The attorney general-elect visited seven states in the middle west. It is my understanding that he has drawn a bill embodying what he considers to be the best method of liquor control from the standpoint of law enforcement, of temperance, and of public welfare. It is my understanding that this measure will be presented to you for your most earnest consideration and study.

In Washington, I had an opportunity to discuss the question of legalizing the sale of liquor with Commissioner Choate, of the United States bureau of alcohol. I present his conclusions to you, because of the opportunity he has had for observation in all sections of the United States. They are:

First: A state-owned or a state-operated store has proved unsatisfactory, because of its inability to make legal liquor easily available. That is one of the first requirements if the bootlegger is to be driven out of business. In those states which set up systems of state-owned stores, bootlegging has continued.

Second: It is desirable to keep the tax at a very low figure, if any tax is to be imposed, in order to keep the price down. Where the bootlegger has been able to continue his operations, invariably the tax or license has been high. To combat the bootlegger, the two requirements of service, or availability, and price must be met.

As a result of the investigation carried on by the attorney general-elect, and of the conclusions reached by the federal commissioner of alcohol, I have come to the opinion that a plan for state-owned or state-operated stores in

Nebraska is not desirable. The task devolving upon us as a result of the mandate given in the last election is to eliminate the bootlegger by taking the profits out of his business, and the only way to get rid of him is to make it possible for legal sales to compete with him, by making legal liquor as available as illegal, and by equaling the prices of the bootlegger. I am also convinced that the most satisfactory system of control confers full authority in granting and revoking liquor licenses on a state commission.

It is my belief that any legislation enacted should provide for local option, leaving to each community or municipality the right of determination as to whether it desires to have either sales of liquor by drink or by package, or whether it wishes to continue the prohibition against such sales.

Unicameral Legislature.

The senior senator from Nebraska, the Hon. George W. Norris, advocated, and the people by their vote approved, a plan for concentrating all legislative authority and power in a legislature of one house with a membership of not more than fifty, and not less than thirty.

The specific problems before you in connection with this mandate are first, to decide on the number that shall constitute the legislative body; second, to redistrict the state of Nebraska on the basis of the 1930 census; and third, to recodify all existing statutes in conflict with the spirit and the letter of the newly approved legislative proposal. I know that you will recognize the overwhelming majority given this proposal by the people of Nebraska, and will proceed to carry out the program outlined in the initiative petition in accordance with the wishes of the voters.

Pari-Mutuel Betting.

The people voted at the last election on an initiative petition to legalize pari-mutuel betting on horse racing in Nebraska. The decision was that such a law should be passed. May I also urge on you and pledge you my co-operation in carrying out the will of the people of this measure as well as on the others.

Joint Committee Action.

I suggest early action on all constitutional amendments. For the purpose of expediting legislation, I recommend that a joint committee of the house and senate be appointed to consider bills having to do with legalizing the sale of liquor, and I likewise suggest a joint committee of the house and senate to consider legislation dealing with the unicameral proposal. The advantage of such action is manifest. It would leave each committee unburdened with other legislative proposals to give sole study and thought to these most important subjects.

Taxation.

I construe it to be the desire of the people that those charged with handling public business adopt a reasonable position with reference to state obligations, keeping in mind that appropriations and expenditures must be based upon the ability of the taxpayers to pay. We should avoid any new agencies, the creation of which will increase taxes.

In this connection, may I direct your attention to one of the planks which the democratic party in state convention assembled approved:

"In the administration of the affairs of our state, we demand a government severely frugal in keeping with the limited means of our people. We are opposed to any new form of taxation. Such taxation eventually results in an additional burden being placed upon the already overburdened taxpayer."

That is a covenant which the democratic party made with the people. I believe party platforms are made for the purpose of being fulfilled insofar as it is possible humanly, and I pledge you my faith to preserve this vital pledge made in advance and throughout the campaign. When the temptation comes, as it will come, to consider new forms of taxation as a means of lightening the burden which now exists, I beg of you to consider the vision projected in this sincere pledge given by the democratic party.

Reduction of Departments.

In the early history of Nebraska, ample reason existed for creating and maintaining the office of public lands and buildings. Under the original statutes, the occupant of that office served on several state boards, which now are non-existent. The functions of the office have been reduced to such an extent as to justify its abolition in my mind. I recommend to your honorable body the enactment of legislation necessary to submit to the voters of Nebraska a constitutional amendment designed to eliminate the commissioner of public lands and buildings, and the assumption of the duties now performed by that official by other existing state officers.

Labor.

Compensation cases and claims within the labor department have increased to such an extent as to justify the creation of a compensation court or compensation commission. I recommend that such a court or commission, consisting of three members, be created. I recommend also that the expense of this department be borne out of fees collected from the insurance companies and individuals carrying insurance compensation for companies and individuals within this state, instead of through tax monies as at present. As a basis for determining what these fees should be, I suggest that the amount of insurance of this character in force for any one year be taken in order to determine what the charge shall be.

Highways.

Nebraska has pursued a wise program in its highway development by utilizing the current gas tax revenue, together with available federal aid, for highway construction, and in this fashion, avoiding indebtedness of any kind. I recommend a continuation of this policy, using that part of the present gas tax which goes to the state for maintenance and for matching federal aid funds, in order that Nebraska may proceed with a modest highway program, taking advantage of federal aid, both as to employment and the improvement itself. During the past two years, federal aid funds have been made available for some feeder highways in the secondary road systems, which are not a part of the federal state highway system. The state does not have the legal authority to maintain these roads; that burden rests upon the county. I recommend legislation making it a responsibility of the state to maintain all roads constructed with federal funds, whether such highways are or are not a part of the federal state system.

Irrigation.

For fifty years, development through irrigation has been taking place in Nebraska, and while the progress has been slow, it has gone ahead steadily until now approximately three-quarter million acres of land, for the most part in the North Platte and Platte river basins, are under irrigation. Many of the vested water rights acquired by Nebraska farmers by long periods of use and development now are threatened by the attitude of the state of Wyoming which has diverted water illegally for junior rights in Wyoming, to the loss of senior rights in Nebraska. In addition, the state of Wyoming has set and is endeavoring to establish a priority date of 1904 on the Casper-Alcova project, construction on which started within the last twelve months.

An appropriation of \$5,000.00 was made by the 1933 legislature for the purpose of protecting Nebraska's rights. A suit has been filed in the United States Supreme court by the attorney general of Nebraska to preserve Nebraska claims. The collection of the necessary data and preparation of the record in the prosecution of this suit will require an appropriation. I recommend an adequate provision be made for this purpose. And in recommending such action, I need not remind you that Nebraska's stake in the successful termination of this law suit runs into the hundreds of million of dollars.

Relief.

During the last eighteen months, approximately 15 millions of dollars of federal funds have been spent in this state in the emergency relief program, in the CWA activities, in the CCC camps, and in various other undertakings, all with the common objective of alleviating misery and suffering and of stimulating recovery. This does not include the amounts spent through local agencies or by the counties. Seventy-seven of the 93 counties in the state have levied a tax of 1.93 mills on the assessed valuation in order to meet the requirements of the federal relief administration, which attached that action as a condition precedent to receiving federal relief.

The federal relief administration has indicated that for the coming year, and perhaps for the next two years, it will be necessary for each of the forty-eight states to raise substantial amounts of money, or to shoulder a part of the burden of relief. At the request of the federal relief administrator, I went to Washington for a conference with him in regard to the affairs of relief in this state. I found, however, he was unable to discuss definite plans at this time, because he could not anticipate what action might be taken by congress, which assembles this week. Since my return, the recent press dispatches indicate that the national administration's program will provide for work relief projects, but the care of the "unworkables" will not be assumed by the national government. The exact definition of the term "unworkable", has not been disclosed in the press dispatches, but presumably refers to the permanent type of relief case, in which, through circumstances of either advancing years or physical condition, one is unable to perform labor. Heretofore, until the last year, these permanent cases of relief have been handled by the counties, and it is my recommendation they shall be returned to the counties.

I think I should mention I advised Administrator Hopkins of the state's great need for continued federal assistance, owing to the losses sustained in rural communities by reason of the drouth; and also, because of the difficul-

ties of raising either county or state funds to match federal appropriations for relief, due to the problems arising out of the drouth, and to the fact that tax levies fixed now or within a few months would not become available until the year later.

Bank Receiverships.

The only people having a direct interest in the assets of a failed bank are the depositors. I recommend legislation that will give depositors of any failed bank in the future, the right by a majority vote to decide whether they want a local receivership or a receivership administered by the state. It will be necessary to harmonize that expressed desire of our people with the requirements of the national administration in banking matters.

State Capitol.

A report of the state capitol commission has been given you by Governor Bryan. I concur in the views of the state capitol commission that any funds collected under the levy made for the building and furnishing of the capitol be appropriated for mural paintings and for flood lighting the tower, in order that the building be completed in accordance with the ideas of the architect, and that any balance remaining be used in carrying out the recommendations of the capitol environs committee in co-operation with the city of Lincoln, particularly as to the plan of opening Fifteenth Street.

I recommend that the one remaining member of the capitol commission, together with the governor and the state engineer as ex-officio members, be continued as a commission to carry out the program outlined. I recommend that the custodianship and maintenance of the capitol be taken care of under the direction of the the governor and the department of roads and irrigation.

Law Enforcement.

I favor strict law enforcement, with special attention given to curbing the activities of criminal gangs engaged in robbing banks, and to the enforcement of liquor laws passed by this legislature at this session. I am in favor of strengthening the present state sheriff's office, and combining with it the present force now employed for the purpose of traffic regulation in the department of roads and irrigation. I favor correlating these agencies so that in co-operation with local police officers and sheriffs of the state there may be rigid and adequate enforcement of laws to the extent possible without directly or indirectly increasing property taxes.

As an administrative matter, I am in favor of requiring all members of the state sheriff's force to qualify for their positions by passing marksmanship tests, given by an expert from the National Guard, and to such other tests of qualifications considered essential in a good police officer.

These constitute the specific recommendations which I as governor desire to present to you at this time. I submit them for your earnest consideration, recognizing the mutuality of interest which exists between us in taking those steps which seem necessary and vital to the welfare of this commonwealth. It is my wish, and I know that likewise it is yours, that this session may conclude its labors as quickly as the imposing business before it permits.

I welcome the opportunity to consult and advise with you in solving the problems which have been entrusted to us.

I can not refrain from suggesting that representative institutions of government, the most precious of all heritages showered upon the American people, have been and are on trial in these stirring times. I am not unmindful of the strain imposed upon hundreds of thousands throughout recent years. These months that have intervened since a previous legislature gathered here have provided an enthralling spectacle. Never have people fought with greater courage, with a magnificent spirit of sacrifice, and with an amazing degree of adaptability to change and circumstances. There now is going on in this state and in other states work which I am confident will prove of infinite value to the future generations. The problem of soil erosion has been tackled with a vision and purpose which promises real dividends. The question of water conservation is receiving attention. There has been drafted for this state a program looking toward the utilization of waste and flood waters in the river valleys which is of paramount concern. Its realization means a more secure and stable agriculture. Its accomplishment would terminate in a very large degree the constant threat of such tragic experiences as befell Nebraska only as recently as last summer. Nothing which we can do to conserve and preserve the soil, and strengthen and fortify the basic industry of agriculture, is more worthy of our complete sympathy and support.

Here hope flames high in a state of more than a million and a quarter people, who not unmindful of the barriers which obstruct the trail, nevertheless refuse to surrender. We shall win this greatest of peacetime battles. Always the people of Nebraska have triumphed over adversity through sheer force of will power and of character and there is no reason to doubt but that they again will emerge from the shadows, strengthened, chastened, and regenerated by the experiences through which they have passed, fortified with habits of clean and wholesome living and of sane ideals, and blessed with a resource of natural fertile soil, which has enabled them to meet any and every challenge imposed upon them.

To this end, we proceed with our labors, in the hope and the confident belief that the next two years will record a steady, sure improvement, and will bring that most desirable goal of all—happiness and contentment—described by the peerless leader in the White House as the full life—to the towns, the cities, and the farms of Nebraska.