

Norris, Nuerenberger, O'Gara, Olesen, O'Malley, Ough, Overbeck, Owens, Peck, Porter, Price, Putnam, Putney, Raasch, Randall, Reece, Reed, Regan, Rohlf, Schlentz, Sheldon, Slaymaker, Smallwood, Smith, Sorenson, Spence, Sprick, Steele, Steuteville, Story, Stringfellow, Tesar, Turner, Valder, Van Fleet, Waldron, Warrington, Wells, Whited, Woodruff, Mr. Speaker.—97.

Those voting in the negative were:

None.

Absent and not voting:

Senators—None.

Representatives Cone, Frahm, Hansen.—3.

A constitutional majority having voted in the affirmative the motion prevailed and the President declared the appointment of George B. Hastings as a member of the Game, Forestation and Parks Commission confirmed.

### MOTION—To Notify Governor

MR. PRESIDENT:

I move that a committee of five be appointed to notify the Governor that the Senate and House are in Joint Session and are ready to receive his Budget Message.—COOPER.

The motion prevailed and the Chair appointed as such Committee Senators Cooper and Neumann, Representatives Burke, Davis and Regan.

The committee retired and subsequently returned with Governor Arthur J. Weaver who delivered the following Budget Message:

### BUDGET MESSAGE OF GOVERNOR ARTHUR J. WEAVER

To the Members of the Forty-seventh Session of the Legislature of Nebraska:

Pursuant to law I herewith submit for your consideration a budget for the biennium beginning July 1, 1931, and ending June 30, 1933.

In submitting my first budget (1929-1931) I divided the budget into two sections. Section 1 included only those items to be paid by tax levies on property. Section 2 included those items only to be paid by miscellaneous receipts such as fees, gasoline taxes, Federal Aid, etc. This was the first time in the history of the state that the budget was divided into two distinct budget parts.

I make the same division in this budget for the purpose of simplification and differentiation as to the funds to be raised by property tax and those received from other sources. The citizen who pays taxes in Nebraska is entitled to this information as well as a tax receipt which will show in a separate column the amount of his state tax. Now the state tax is combined with the county tax. This should be changed as recommended by me two years ago.

When a tax receipt shows separately every item of the whole tax and when the people understand that only a small part of the total state appropriations is paid by property taxes, we will end biennial sham battles as to the small amount we pay in property taxes for the legitimate maintenance and capital investment needs of a growing state.

Then also we will restore the peace of mind of thousands of taxpayers who actually believe that any increase in the amount of state appropriations means an added cost of government as measured by property taxes.

Without the clear explanation that practically two-thirds of all appropriations now made are from gasoline taxes, Federal Aid and miscellaneous receipts, none of which come from property taxes, many citizens are deceived as to the actual amount of state taxes.

I sincerely trust that a perusal of this Budget Message, as well as my Farewell Message to the Legislature, will be illuminating to those who want to know the truth about their state government and its cost.

## 1929-1931 BUDGET RECOMMENDATIONS

### Sections 1 and 2—Final Appropriations

In 1929 I recommended from property taxes, for the present biennium, a budget (which includes \$1,375,376.00 for construction of State Capitol) to the amount of.....\$13,999,911.80

In 1929 I recommended a budget, from sources other than property taxes (Gasoline Tax, Federal Aid, etc.) to the amount of..... 17,200,927.66

Total amounts recommended for 1929-1931 under Sections One and Two..... 31,200,839.46

The Legislature by practically a unanimous vote, increased Property Tax, Section I, Budget (includes emergency appropriations increase, but deducts estimated unappropriated receipts) to the amount of ..... 16,147,171.67

The Legislature increased Budget Section 2 on account of 4c Gasoline tax to the amount of.....	23,687,078.26
Legislature increased Governor's Budget, Sections One and Two, to the amount of.....	39,834,249.93
Total increase of Governor's Property Tax Budget...	2,147,259.87

Even after \$470,500 was vetoed, the Supreme Court held that the preponderant vote of the Legislature made the veto of the Governor unavailing. Without doubt many of the new and increased items were the result of log-rolling and hasty consideration. It could not have been otherwise when several of these increases as well as new items originated from the conference committee and the only record vote taken on these additions was when the Legislature voted on the bill as a whole. The remedy for such a discredited and indefensible system of appropriating public monies rests in the adoption by each legislative branch of rules requiring all appropriation items to be considered separately and determined by a roll call.

### BUDGET 1931-1933

I submit herewith Section (1) for the coming biennium  
a budget from property taxes to the amount of.....\$12,702,708.50

This is less than was recommended by me two years ago,  
in the amount of ..... 1,297,203.30

This is less than the legislative appropriation two years  
ago in the amount of ..... 3,444,463.17

(Part of the reduction is due to the difference of \$692,925,—between \$1,375,376 appropriated for the new capitol for the present biennium and \$682,451 requested for the coming biennium. Also there were \$807,621.21 emergency appropriations two years ago. The balance represents economies effected through simplification of state government and reductions which can be made and explained in the message.)

I submit herewith Section (2) for the coming biennium  
from sources other than property taxes, a budget  
estimated at .....\$29,834,213.20

This is more from sources other than property taxes than  
the Legislature estimated two years ago in the  
amount of ..... 6,147,134.94

This increase comes from miscellaneous receipts and not from property taxes, and while it will increase appropriations by this amount it will not affect the amount of property tax to be raised.

**SECTION ONE—BASED ON LEGITIMATE NEEDS OF A GROWING STATE**

It is unnecessary to discuss in this message the items in Section Two for appropriations from sources other than property taxes for the reason that receipts such as the gasoline tax, Federal Aid, automobile registration fees, and other revenue of this character, accrue from the operation of the laws of the state, which represent a settled public policy as to such revenues and their expenditures.

My discussion therefore shall be limited to the requests and recommendations for specific appropriations from the General Fund (property tax) as follows:

**A—LEGISLATIVE**

Incidental expense of next regular session of Legislature is unchanged.

**E TO B4—JUDICIARY**

The following Supreme Court Budget has been submitted and approved by the Governor (the Court has made a reduction of \$39,837.50 because of elimination of Supreme Court Commission) as follows:

**“THE SUPREME COURT BUDGET”**

“In accordance with Section 8, Article V of the Constitution,

“The Supreme Court has the honor herewith to submit its budget estimating the necessary funds for the Court, the State Library, the office of the Clerk and the Supreme Court Reporter, for the biennium beginning July 1, 1931.

“The gross amount requested, exclusive of the small re-appropriation for the salaries of three Supreme Court Commissioners and their three stenographers, is over \$40,000.00 less than the appropriation made by the last Legislature.

“Part of the sum appropriated is returned to the General Fund from the sale of Supreme Court Reports by the State Library, and by the Clerk from fees of his office. It is estimated these payments will be over \$30,000.00 for the biennium; receipts last biennium, \$41,538.88.

“An appropriation of \$39,000 was made two years ago to cover the salaries of three Commissioners and three stenographers for the two years. The term of these officers does not end until September 15, 1931. The State Auditor holds that this appropriation lapses on July 1, 1931, so that it will be necessary to re-appropriate enough to cover these salaries for the space of two and one-half months; viz.: from July 1 to September 15.

The item of salaries and wages has been increased \$2,600.00 to provide \$150 a month for the wages of an additional bailiff and library assistant, whose services are actually needed. \$1,000 of the \$73,000 appropriated in 1929 for this item was for repairing and binding books in the Library. This is not requested for the biennium 1931-33. Including the increase in this item and the re-appropriation of \$4,062.50 for salaries for the Commission, the total amount requested is \$39,837.50 less than the appropriation made two years ago. There is no change in the other items except that instead of \$12,000 for "Purchase of Books," this sum is now to cover "Purchase, Binding and Repair of Books."

"THE SUPREME COURT OF NEBRASKA,  
"By Charles A. Goss,  
"Chief Justice."

**C TO C7—EXECUTIVE DEPARTMENTS (includes all elective state officers and activities under them).**

A reduction of \$79,015.00 (as compared with appropriations of the present biennium) is shown in this part of the budget.

**Reductions, Increases and Other Items in Executive Departments:**

**Executive Mansion:** Maintenance of Executive Mansion is increased by \$5,000 for the next biennium after a conference with Governor-elect Bryan, to cover contingencies because of old buildings and furnishings.

**Law Enforcement:** The request is made for the same amount appropriated for Law Enforcement for the present biennium. This fund is for enforcement of not only the prohibitory law, but for the enforcement of all laws. The record for 1929-1930 shows that the fines assessed in the entire state for the benefit of school districts, for violation of the prohibitions laws, amounted to \$570,170.08. Of this amount \$131,196.55 accrued from direct activities of the State Sheriff's office.

**Secretary of State:** An increase of \$500.00 is requested and recommended for the Secretary of State for cleaning and rearranging of attic room for storage purposes. \$4,000 is also requested for a soldiers' and sailors' roster. This is not recommended at this time because the Legislature should first authorize such a publication with proper provisions for securing a Federal census list of Nebraska soldiers and sailors. This policy should be pursued in view of the fact that the last roster was unsatisfactory and incomplete.

**Auditor of Public Accounts:** \$500.00 is requested and recommended for additional maintenance. The total request, however, shows a reduction of \$750.00 for this office.

With Omaha as the second largest live stock market in the world, equipped with the most modern stock yards facilities, as well as great packing plants, Nebraska should encourage an annual live stock show like the Ak-Sar-Ben by providing adequate premiums in aid of producing more fat cattle, hogs and sheep, and the highest type of these animals also for feeding purposes. There is every reason to believe that with a proper interest on the part of our citizens and the state, the Ak-Sar-Ben Live Stock Show will soon take its place alongside such famous shows as the American Royal of Kansas City and the International at Chicago. The Ak-Sar-Ben Show is no experiment. For three successive years Omaha has successfully sponsored a great exposition and the annual premiums now being paid for all purposes amount to more than \$60,000.

#### E-11. State Historical Society:

Expending agency requests.....	\$38,000
Two years ago there was appropriated.....	27,000
I recommend .....	29,000

This increase is justified by the need of \$2,500 for publishing historical volumes and for binding, and \$2,500 additional for expense in moving offices to the State Capitol. Provision for purchase two years ago of an Indian collection at a cost of \$3,000 and not necessary now explains the small increase.

#### E-12. Grand Army of the Republic:

No change.

#### State Irrigation Association:

No change.

**New Statutes:** The Statutes have been compiled, printed and delivered for less than the amount of the appropriation. Approximately \$40,000 of the original cost should be returned to the state through sales.

#### G. The University of Nebraska:

The Board of Regents requests for all purposes.....	\$5,730,000
Two years ago the Legislature appropriated for the present biennium for all purposes.....	4,840,000
I recommend .....	4,785,000

Deducting requests in this budget for new capital investments of \$950,000, and which requests should be considered separately, this leaves a balance requested of \$4,780,000 for general maintenance. I have recommended \$4,325,000.

The maintenance appropriation, instead of being divided as formerly, is submitted as one item. The constitution of the state provides a separate body for management. Such an agency should assume full responsibility. Neither the Governor nor the Legislature can as definitely ascertain the different maintenance needs of the different colleges and departments. Furthermore, a separation of these items, either in budgets or in legislative appropriations, is conducive to log-rolling by separate departments. This is not only reprehensible and inefficient, but abrogates the rights of a constitutional Board of Regents.

All Nebraskans are familiar with the growth, progress and splendid service of our great University. With an increasing student population and the maintenance of adequate standards, it has been inevitable that increased appropriations have been necessary through the years.

I pointed out in my former budget message that in the last ten years the attendance had increased approximately 25% and that the maintenance up to that time had increased less than 5%. I therefore, at that time, recommended an increase in maintenance of ten per cent. The Legislative appropriation reflected not only the recommended increase, but additional maintenance, especially for the Agricultural College and the College of Medicine.

After a careful study of the needs of the institution, an inspection of its physical properties, and especially consideration of the educational standards which are sought to be maintained for the benefit of the youth of our state, I have concluded that the maintenance provided two years ago with an additional \$50,000 will be ample for the coming biennium.

The additional \$50,000 is necessary on account of additional wards about ready for occupancy at the College of Medicine Hospital.

### Requests for New Buildings

As to my views that it is the quality of instruction which is of primary importance, I quote from my former budget message:

"We had better have a good University with limited buildings than to have a large physical plant with decreased educational standards."

The Board of Regents, in addition to the general maintenance, requests \$950,000 for capital investment. While the buildings asked for would enhance the value, and without doubt the usefulness of the University, most of these improvements can be and should be deferred to a succeeding biennium when the economic conditions are more favorable. Some demands, however, should not be denied. These I have recommended in the budget as follows:

As a balance needed to supplement monies previously appropriated and for financing and equipping girls' dormitories, \$100,000 (See Chap. 199, Page 687, Session Laws, 1929).

Two years ago the University asked, for dormitories, \$500,000. I suggested financing with a small appropriation and payment of the balance through rental receipts. Accordingly, \$200,000 was appropriated for purchase of land and initial payment on a dormitory. The land has been purchased and almost \$100,000 remains to apply as initial payment of building and equipment of dormitories. \$100,000 additional is now recommended as necessary.

### College of Medicine

I have recommended the item of \$135,000 for the construction of a nurses' home and enlarged heating plant at the College of Medicine, Omaha. Both these improvements are necessary and should not be deferred. There is no debate about heating plants, in this climate, when needed. The present quarters for the nurses in training accommodate only a part of the training corps and because of wooden construction is subject to serious fire hazards. A new building which I regard as indispensable will also release space in the main hospital now occupied by nurses.

I have recommended \$150,000 of the \$175,000 requested for a domestic science hall on the agricultural college campus. The need for this building has been apparent for a long time. This is the only improvement requested at the Agricultural College, and since suitable facilities for home economics will aid in the development of the homes and the home life of Nebraska, I urge the Legislature to make this appropriation at this time. The removal of the present handicap under which this work is now conducted will enable the Agricultural College to make an added contribution not only to the youth, but the entire citizenship of our state.

The request for \$125,000 for additional land at the city campus and Agricultural College campus is granted to the amount of \$75,000. After careful consideration of this item, I deem the amount sufficient.

### The Legislative Reference Bureau

In this budget section I have allowed the same amount recommended two years ago. I quote from my message two years ago as to this subject:

"The budget provision for this bureau has been reduced. This is on the theory that the purpose of such an agency is to secure information for the use of the Legislature and to publish the Blue Book. To this extent it may be justified on a reasonable basis; bill drafting, however.

The total budget reduction as compared with the appropriation for the present biennium amounts to \$94,000.

The total reductions of the consolidated and reduced administrative Code Departments as recommended in this budget for the coming biennium amounts to \$383,800.

## SUNDRY DEPARTMENTS.

**E-1. Tax Commissioner and Budget Control:** The budget requirements from property taxes for the coming biennium for this Department, which represents a consolidation in administration of state tax matters, finance and budget, state purchasing, and the material equipment yard liquidated during this biennium, is reduced \$2,000 for salaries and wages. I have, however, added a new item of \$5,000 as a Contingency Fund for any necessary additional Tax administration.

**E-2. Military Department.** There is no change in the budget of the Military Department except a reduction of \$5,000 made possible because of an extra appropriation of \$5,000 for this biennium for the completion of the Memorial Hall at the National Guard Camp at Ashland.

**E-3. The Railway Commission.** The Commission requested a reduction of \$3,000 on traveling expenses and extra help, and an increase of \$4,800 in the regular salary and wages account. After a conference with the Chairman it was agreed that the \$3,000 reduction item stands with no increase for salaries and wages.

**E-4. Educational Lands and Funds:** The budget for Educational lands and funds is increased \$9,000, due entirely to an additional allowance of \$5,000 for Spanish War veterans and dependents, and \$4,000 for maintenance and clerical help. The facts presented to the Governor as to these needs fully justify this increase.

**E-5. Capitol Commission:** (Detailed under same heading on last page.)

**E-6. Public Library Commission:** The budget for the coming biennium is reduced \$1,500 over the appropriation for the present biennium. The amount fixed herein is the same as recommended by me two years ago. That recommendation was supported by the following statement to which I still adhere:

"This budget reduces the amount heretofore allowed for the Library Commission. This reduction is justified from the fact that one of the activities of this division is aiding the cities to establish scientific indexes for their libraries. Such expense should be borne by the community served and not by the taxpayers at large."

**E-7. Board of Vocational Education:**

Expending agency requests.....	\$270,000.00
Two years ago there was appropriated.....	201,628.76
I recommend .....	187,000.00
This represents a decrease of.....	14,628.76

In my 1929 budget message, referring to Vocational Education, I said:

“This type of expenditure is inequitable because the burden rests on the entire state and the benefits flow to special schools and special pupils within these schools. I favor education of this character, but the expenditure therefor ought to be met by the local subdivisions desiring this instruction. State subsidy tends to extravagance. We should rely on local self-government to handle these special features of education.”

In support of the statement then made, I find that only 109 of the total of 793 public high schools of the state are receiving the benefit of this aid. It must be evident, therefore, that only a small percentage of the thousands of high school students of Nebraska are receiving the benefits of this special contribution by the state. At that time I did not recommend a reduction of the amount theretofore appropriated. I did, however, say that I would discourage the practice by denying an increase. Now I not only deny a further increase requested for this purpose, but reduce the amount heretofore appropriated by \$40,000. Even though there is \$175,000 available from Federal Aid for this purpose and all of which will probably be met by schools desiring this service, this kind of state subsidy should be gradually reduced and eventually eliminated. While making a decrease of \$40,000 in the budget item for Vocational Education, I have granted the request of an increase of \$25,371.24 to the full amount of the Federal Aid of \$50,000 for industrial re-education.

This above increase is made because I regard it as both a sound policy and a public economy to rehabilitate for the benefit of society, those who have been maimed and injured. Rehabilitation of this character saves earning power which might otherwise be lost, and also saves or in any event decreases the cost which government would otherwise assume in the proper care of such unfortunates.

Otherwise the budget for vocational education remains the same as fixed by the legislative appropriation for the present biennium. These changes will show a reduction of \$14,628.76.

**E-8. Board of Pardons and Paroles:** The item of salary and wages is increased by the amount of \$2,600, and the item for maintenance to the amount of \$2,000. This increase is necessary because under a ruling

of the Attorney General the law requires hearings to be held at the State Industrial School at Kearney, and also because of increased supervision on account of the extended parole period before final discharge of prisoners.

#### E-9. Game, Forestation and Parks Commission:

(Under this subdivision of the budget, property tax support was formerly given to state parks. Under my recommendation and subsequent elimination of the fish and game bureau and the Park Board, and in lieu thereof, the creation of a bi-partisan Game, Forestation and Parks Commission, all property taxes for this purpose have been eliminated and the combined agency is supported wholly by fish and game license fees, thus effecting a saving of \$34,000 in property taxes for the biennium.—See "E" in Section Two.)

#### MISCELLANEOUS APPROPRIATIONS.

E-10. State Board of Agriculture. The expending agency requests \$359,500. The Legislative appropriation in 1929 for the present biennium was \$307,277.04. I recommend \$179,500. I have recommended an allowance for the first six items on the same basis as the legislative appropriation two years ago.

No request has been made for items 7, 8, 9 and 10 because of the completion of the work for which appropriation was made.

The requests for \$85,000 for horse barn and equipment and \$80,000 for completion of the coliseum, although meritorious, can wait until better economic conditions and especially in view of the fact that two years ago there was provided a boys' and girls' club building at a cost of \$150,000 and now in process of construction.

The item of \$7,000 for a water stand pipe is deemed indispensable for emergency fire protection to \$1,000,000 of State Fair buildings, valuable live stock and other exhibits assembled annually at this great Fair.

I have included as a new item in this budget, which I recommend, \$20,000 as premiums at the Ak-Sar-Ben Live Stock Show in the fat and feeder cattle, hog and sheep divisions. I regard this item as important as any other in this Department for the reason that these classes are not exhibited at the State Fair.

Furthermore, Nebraska ranks fifth in the production of all crops and third in the production of live stock. It should therefore encourage in every practical way the conversion of our grains and grasses through the live stock which we grow, into the finished food products.

**State Treasurer:** The request of this office shows a reduction of \$3,765.00, of which \$2,040.00 represents a saving in salaries due to the transfer of the Gasoline Tax Collection Division to the State Treasurer's office.

**Attorney General:** There is no change in the budget request for this office. The budget remains the same as for the present biennium.

**Superintendent of Public Instruction:** After considering the request of this department, the amount for administration is fixed at the same amount as the present biennium. The amount of \$195,000 requested as aid to high schools for normal training courses is reduced to \$100,000. State aid for such or similar purposes can only be justified as emergency measures such as a shortage of teachers for the common schools. I am reliably informed that there is considerable surplus of teachers at this time and in view of the fact that the state is supporting four Normal Schools and the State Teachers College as a part of the University, this aid should be gradually reduced and eventually eliminated if a surplus of teachers continues. The amount recommended for the next biennium is sufficient to maintain, for the time being, such training in communities where the need for such work exists. The record of the State Superintendent's office shows that there are only 182 high schools, each receiving this aid of \$500.00 annually. In the case of a shortage of teachers state aid is justified as a means of supplying a state-wide need. In the absence of such an emergency we should not permit the taxation of the property of the state as a whole for the benefit of a few communities. Under existing law there is no limitation against any high school providing normal training courses at its own expense, and such are now being maintained in several of the high schools in the state. This normal training aid was first given by the state in 1907. The highest appropriation heretofore made for this purpose was \$224,725.00.

**Commissioner of Public Lands and Buildings:** The request for administration of this office is the same as for the present biennium. However, on account of the completion of the tower section of the new Capitol and the provision for the completion and maintenance of the fourth and last section of the building before another Legislature will convene, \$25,000 additional is asked by the Land Commissioner as custodian of the Capitol. The cost of maintenance for such a large and uncompleted building can not be ascertained. It is sound therefore to provide against contingencies and I approve the request.

## ADMINISTRATIVE DEPARTMENTS.

**D-1. Department of Agriculture:** This is one of the largest administrative departments, but most of its activities are supported by fees. Heretofore the salary of the Secretary has been paid out of property taxes. Because so much of his time is devoted to supervision of activ-

ities maintained by fees, it is only fair that half of the biennial salary should be paid out of departmental receipts. Wherefore, Section one of this Budget for administration shows only \$5,000 from property taxes.

Fifteen thousand dollars appropriated at the special session and not shown by any previous budget for enforcement of the new Grain Warehousing law and the enforcement of the farm storage commission law, is entirely eliminated for the reason that the law is inadequate to provide the grain storage desired. The law should be amended, and adequate appropriation made to meet the situation. The sum of \$3,553.85 only has been expended.

The request for appropriations from property taxes for bee inspection and eradication of insect pests is denied. These activities were authorized on a fee basis. If continued, and the present fees are inadequate, they should be increased to meet any additional cost. (See Section Two of this Budget.)

The Budget for the Bureau of Animal Industry which is for the eradication of bovine tuberculosis, glanders, scabies, swine and chicken diseases, is reduced \$50,000. Provision for all eradication except that for bovine tuberculosis remains the same as in the previous biennium. The reduction applies only to the amount required for bovine tuberculosis. The increasing amount of reimbursement from counties for money heretofore advanced by the Department will more than make up the total fund of \$300,000 deemed necessary for this biennial work.

Should the Legislature enact a state-wide bovine tuberculosis eradication law, which I recommend, the budget can be increased to meet the provisions of the new law. Although in the last six years 54 of the 93 counties of the state have been accredited, the rest of the state must be cleansed as soon as possible for the protection of our livestock industry, and thus continue acceptance of our feeder-cattle by the corn belt states which now are contemplating a quarantine of feeder cattle from un-certified areas.

**D-3 and D-4. Department of Labor and Public Welfare:** These Departments have been combined and there is now but one Secretary, the Secretary of Labor, who is ex-officio Secretary of Welfare. The Department of Labor salaries and wages are increased \$2,080 and maintenance \$1,800. These increases are necessary to carry out the provisions of the new Labor Safety Code which, if properly enforced, will improve working conditions and protect the health and lives of those in employment.

All activities under the Bureau of Health show a reduction of \$2,600 in this budget as compared with the appropriations for the present biennium. This is deemed advisable in view of the fact that Federal aid for Child Hygiene has been discontinued.

The Budget fixed for Child Welfare for the next biennium provides the same amount as appropriated for the present biennium. This is deemed sufficient under the policy of the state as measured by the last legislative appropriation. The policy of this agency and its possibilities will be discussed in my regular message.

The appropriation heretofore made for the Scottsbluff Laboratory has been discontinued, because the results did not justify the expense. This budget for Labor and Welfare shows a reduction of \$4,520.00.

**D-5. Department of Public Works:** This Department is essentially an Engineering Department. Practically all of the time and effort of the directing head, its Secretary, is devoted to highway activities. In view also of the fact that the Bureau of Irrigation, although supervised by the Secretary, operates under an Irrigation Engineer, no provision for salary of the Secretary out of property taxes is provided in this budget. It is proper, as is provided in Section Two, that his entire salary be paid out of gasoline tax receipts.

The request for the same amount of funds for special surveys as voted by the last Legislature is granted for the same reason. If Nebraska is going to present her case properly to the national government in matters of stream control, or lay the ground work for conservation and use by her own citizens of the flood and waste waters of the state, this survey must be continued and full data collected.

The \$200,000 provided for many bienniums as a state-aid bridge fund is eliminated as an item accruing from property taxes and placed as a proper one for payment by the gasoline tax in Section Two. Bridges, which have been the subject for such aid, are as much a part of the federal and state highway system as any part of the highways. Therefore the users of roads should be compelled to build them.

The property tax budget reduction in this Department for the coming biennium as fixed herein amounts to \$215,280.

**D-6. Department of Trade and Commerce:** The only changes in the budget of this Department apply to banking and insurance. In banking administration the budget provision is \$93,000 less than the appropriation for the present biennium. This is made possible by the new banking law which provides that the salaries of the Bank Commissioner and bank examiners be paid for assessments on banks for this purpose (see Section Two), and because the transfer of practically all Guaranty Fund Commission Receiverships has been accomplished.

The modest budget amount from property taxes for Insurance of \$36,000 and showing a reduction of \$1,000 for the coming biennium, is based on the expenditure of the present biennium.

could well be transferred to the Attorney General's office as the law department of the state."

#### H—Normal Schools and Board:

The Board requests for the coming biennium.....	\$2,082,863.00
The last Legislature appropriated for the present biennium .....	1,609,800.00
I recommend for the coming biennium.....	1,569,800.00
This represents a reduction of.....	40,000.00

The four Normal Schools of Nebraska are performing a splendid service for our people as authorized and contemplated by the constitution. This normal budget for the coming biennium was submitted for the first time by the Normal Board. Heretofore separate budgets have been submitted by each Normal President.

Two years ago I recommended an increase for Normal School maintenance. This was allowed by the Legislature and I regard the amount appropriated for maintenance as sufficient for the coming biennium.

While the requests for capital investment are meritorious, I consider that new buildings should wait until general conditions are improved.

The maintenance amount recommended is submitted in a lump sum the same as for the University and Board of Control for similar purposes. The Normal Board, the same as the Board of Regents, should assume complete management of the institutions and make distribution of necessary maintenance.

#### J-1. Board of Control:

This Board requests appropriations, for mainten- ance and new improvements.....	\$5,877,210.00
Two years ago the Legislature appropriated for all purposes .....	5,124,980.00
I recommend for the coming biennium.....	5,065,210.00
This represents a reduction of.....	59,770.00

The Board requests increased maintenance over the present biennium of \$109,000.00. The Board also requests a separate item of maintenance amounting to \$128,500 for the use of butter instead of butter substitutes. The Board requests increased public improvements amounting to \$514,730.00 over the present biennium.

I have recommended for maintenance the same amount as provided two years ago. Inasmuch as the maintenance appropriation two years ago was made sufficient to pay an accumulated deficit of \$150,000, and as the deficit has been paid out of the maintenance for the present

biennium, the amount of maintenance recommended for the coming biennium, although not an increase in amount, includes \$150,000 available for additional maintenance.

This is deemed necessary because of an increasing inmate population.

I have recommended sufficient maintenance to cover the difference of \$128,500 between butter and butter substitutes. If we are to build Nebraska and promote our prosperity we must patronize home industry. We support at great cost a College of Agriculture. We teach dairying to our youth and encourage its development throughout the state. We advertise Nebraska as a dairy state, and yet when our agriculture languishes we buy butter substitutes, made from products of foreign lands. Let us show by example as well as precept that we believe in Nebraska and are loyal to its industries whether on the farms or in the cities.

### New Improvements

I recommend \$1,180,730.00 for new improvements and do not recommend an additional \$703,000 requested.

This action is taken after a careful investigation and personal inspection of the penal and charitable institutions. The amounts recommended for the three Hospitals for the Insane and the Institute for Feeble-Minded represent imperative needs for repairs and additional space required for the safety and proper care of the unfortunate wards of the state. The requests denied represent needs which can be deferred. All structures which house men and women committed to penal institutions should be made fireproof, and the greater portion recommended in this budget for the penitentiary is for this purpose. None other than fireproof buildings are now constructed at any of our state institutions, and there should be no delay in making fireproof old buildings which are otherwise sufficient. The solution of the problem of prison administration and control is found in humane treatment, wholesome food and employment. Nebraska as a progressive and forward-looking state should continue to adhere to this policy.

### Soldiers' and Sailors' Homes

These homes should be provided with everything necessary for the comfort and welfare of those living at these institutions. If in this recommendation the Legislature finds that I have overlooked anything I am sure that without dissent the members will provide what is needed for those who have served their country in time of need and who are entitled to every consideration during their declining years.

**School for the Blind and School for the Deaf:** I have recommended the full request of the Board of Control for the school for the Blind which houses 50 students in addition to part of the faculty. I call the attention of the Legislature, however, to the fact that the building for the Blind at Nebraska City is not a fireproof structure and a fireproof building at this institution is a real need. The Legislature should provide such a building at the earliest possible time.

The School for the Deaf has an attendance of 196 students. The physical plant was established many years ago and some of it has become obsolete. This part should be replaced as rapidly as possible. An additional unit to school building, to cost \$55,000; a hospital to cost \$30,000, and new laundry to cost \$20,000, and boiler and boiler room equipment \$46,500 were requested.

The heating plant equipment must be provided for the new power plant building almost completed. The building of a laundry cannot be delayed. The building of a small hospital and an additional unit to the school can be deferred for the more pressing need of a fireproof dormitory which was not requested but which I have substituted in lieu of those things which can wait. School rooms are occupied only during the day time, but housing facilities for an inmate or student population and specially when deaf, should be free from any possible fire hazard. After I inspected this property the Board of Control has agreed that I have presented in this budget the most pressing needs of the institution at this time. A new fireproof dormitory similar to the one built some years ago will accommodate those students now housed in an old dormitory subject to grave fire hazards.

**The Nebraska Home for Dependent Children:** This institution presents a real problem which should be solved without delay. When the institution was established the law provided for a system of cottage housing as obtains in Colorado and other states. For some reason this plan was abandoned, and a large residence with acreage was purchased. In addition to the residence which is semi-fireproof, three adjacent frame houses are now in use, one of which is owned by the state. In addition the state built a frame farm residence on an acreage purchased by the state and two miles distant from the main property. At this small farm are housed the older boys. None of the buildings are fireproof or modern.

The Board requests two fireproof units to cost \$50,000 each. In case the present location is retained, one unit of fireproof cottages of the capacity of one unit, should be built and an addition made to the farm residence. I have recommended one unit or equivalent and also farm house additions. However, after a study of the dependent child problem, I have reached the conclusion that the state should make a more concerted effort than it has in the past to the placing of mentally sound

dependent children in private homes. Such a policy would give to dependent children the benefits of home care and influence. Every child is entitled to these as natural rights which cannot be secured at an institution.

The policy outlined should result in a financial saving to the state. Even if this plan would cost the state more money it should be followed in the interest of real child welfare. Money is more dross when compared with human happiness and human welfare. Furthermore, it is sound public economy to nurture and protect helpless children.

Though we extend the new policy, a fireproof unit, or cottages of equal cost, might be necessary for receiving dependent children temporarily, I have therefore made recommendations accordingly.

As an example of what can be done with a small Child Welfare Bureau consisting of a trained director and two trained assistants, and supported by an able and sympathetic Departmental Secretary, there have been placed in private homes in the year 1930 thirty-nine children and only one was sent by this Bureau to the Home for Dependent Children. In comparison I find that in 1929 before the old policy was abandoned and trained workers placed in charge, forty-nine children were placed in the State Home by this same Bureau. When we consider that it costs the state \$406.66 to annually maintain a child at the State Home, the saving justifies the policy now in vogue.

In the Legislature by its action, in whatever form action is taken, approves the present policy of the Child Welfare Bureau, the salary and maintenance account of that Bureau should be increased sufficiently to provide for at least one additional trained field worker.

#### **E-5—Capitol Commission:**

Provision having been made for the completion of the main Capitol Building by levies of the current biennium and the contract let and now partly executed for the fourth and last section of the building, a total amount of \$667,500 has been requested by the Capitol Commission as necessary for any changes during construction, landscaping grounds, retaining walls and walks, additional furniture and equipment, inspection and administration. The Commission by resolution has requested a levy of 22/100 of a mill for 1931, which will raise approximately \$682,451.00, which I recommend as to both procedure and amount. I have considered possible shrinkage in state valuations and taxes. Authorization for this levy and its expenditure must be given by special Legislative act.

**Summary—Sec. 1.**

The total recommended in Section 1 of this budget, after deducting unappropriated receipts and collections to be derived from the intangible taxes to the general fund, amounts to \$12,020,257.50. Adding the Capitol levy of \$682,451.00, makes a grand total of \$12,702,708.50 from property taxes for the coming biennium (1931-1933).

**Section 2. Appropriations for monies from gasoline tax, Federal Funds, miscellaneous cash receipts, etc. (not from property taxes).**

This section of the budget, which has no relation whatever to property taxes, discloses that the gas tax, federal aid and miscellaneous receipts for the coming biennium, 1931-1933, makes available from such sources \$29,834,213.20.

The last Legislature, in appropriating such receipts for the present biennium, estimated as available the amount of \$23,687,087.26. However, the appropriation covered all receipts together with unexpended balances on hand. The state records now show that there will be received during the present biennium (1929-1931) from such sources at least \$29,027,477.64. Consequently the budget for the coming biennium is based on actual receipts and well-substantiated estimates. Included in the amount of the present biennium is the sum of \$1,708,000.10 which is already available to Nebraska as a special federal fund to relieve unemployment and which must be expended as federal aid for roads by September 1, 1931.

All items in both Sections 1 and 2 of this budget as finally recommended are the result of thorough investigation and consideration, not only during the time of final investigation and preparation of these budget items, but on the definite information and experience gained as a result of my two years' service as Governor.

Dated Jan. 7, 1931.

Respectfully submitted,

ARTHUR J. WEAVER,

Governor.

At 12:45 p. m., Senator Reed moved adjournment of the Joint Session.

The motion prevailed.

I, George C. Snow, Secretary of the Senate, hereby certify that the foregoing is a full and complete record of the Joint Session of the