

APPENDIX
TO
Journals of Senate and Assembly
OF THE
THIRTIETH SESSION
OF THE
LEGISLATURE OF THE STATE OF NEVADA
1921

VOLUME I



STATE PRINTING OFFICE **CARSON CITY, NEVADA** **JOB FARNSWORTH, SUPERINTENDENT**
: : : :
1921

STATE OF NEVADA
MESSAGE
OF
GOV. EMMET D. BOYLE

TO THE LEGISLATURE OF 1921

(Thirtieth Session)



CARSON CITY, NEVADA*
STATE PRINTING OFFICE : : : JOE FARNSWORTH, SUPERINTENDENT
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GOVERNOR'S MESSAGE

To the Honorable, the Senate and the Assembly:

Pursuant to the mandate of the Constitution and in conformity with custom, I have the honor to address you on the condition of the State and to transmit to you such recommendations for legislative action as to me appear proper.

It has not been my good fortune to appear before any Legislature during my terms of office except in times when extraordinary events served to introduce uncertainties into our estimates of the nature and character of things likely to occur in the months to follow.

The session in 1915 fell in the early days of the European War when domestic business was paralyzed because of the disarrangement of our foreign trade. The session of 1917 came just before our own entrance in the great struggle. The session of 1919 came just as we entered upon the difficult period of post-war readjustment. Looking backward, it is significant that the common estimates of effects likely in each period ushered in by successive steps in the great drama were far from accurate. In 1915 we were on the threshold of a period of exceptional business prosperity, but extreme pessimism was felt everywhere.

In 1917, with business on all sides prosperous, the imminence of war interfered with studious appraisal of our civil problems. In 1919 the war ended, the army homeward bound, the colossal structure of war business crumbling, we—with the Nation as a whole—insured ourselves as best we could against a chaos of unemployment and general commercial disorder which never came. Again we meet when a speedy return to normal conditions appears quite certain. The first steps in the processes of deflation have been taken; we appear once more to be upon the high road to steady uninterrupted progress with many of the shocks and losses due to deflation already discounted and absorbed. It seems safe to say that we cannot predict the rate of progress toward normalcy, but that we are, in fact, on the

way with perhaps the most painful portion of the journey behind us.

An estimate of the extent to which we have already absorbed the ill effects of the after-war period may be hazarded.

Mines producing tungsten, lead, zinc, and manganese closed down in 1919 as a result of the collapse of the metal markets. The Nevada Consolidated Copper Company and the Coppermines Company of Ely alone of the important copper producers of the State continued operations in 1919-1920. The two companies named are entitled to credit for an exceptional spirit of generosity in their attempt to keep their large crews and organizations intact and employed. Both were compelled to operate on reduced schedules, and the Coppermines Company has suspended.

We have suffered everything that can in human probability happen to us in so far as this classification of metal mines is concerned.

Our gold mines suffered from increased costs of operation without increases in product price as gold mines suffered elsewhere.

Silver mining alone enjoyed a reasonable measure of prosperity.

Mining conditions, with supply costs coming down and with reductions in wages going into effect, cannot be worse than they have been during the past two years, and may be fairly estimated as likely to improve. Important new and substantial developments are, in fact, under way in many places. Protection to tungsten, some relief for gold, and the resumption of copper exports all appear as probabilities.

The land and livestock industry has suffered not only a decline in prices for its products, but from very bad market conditions, and, no less, from the effects on crops and ranges of three consecutive dry years. Yet it does appear that living prices for products are still obtainable; that relief by congressional action is in sight for the producers of wool, and that a cycle of good crop years is due and coming. The worst for this industry is perhaps behind us.

Merchants will suffer losses, doubtlessly, on stocks of goods bought at war prices, but even this discount has been, in part at least, suffered or provided against.

The banks of the State were called upon throughout 1920 for exceptional extensions of credit. They were able to do

their part, and to do it remarkably well. I am able to report with peculiar pride in our financial institutions that Nevada bids fair to emerge from the period of deflation as the only Western State whose banking system will have been 100% efficient in carrying, without a single failure, the burden imposed upon it by the times through which we are passing.

We are still, as I view it, very much alive, in reasonable health, with excellent prospects of a long and useful life, and still in need of such governmental services and institutions as white, civilized, and reasonably intelligent men and women insist on in all progressive Commonwealths.

On the other hand, we can afford no unproductive governmental frills and embellishments. The time is very ripe for an overhaul of our true capacity for public service and the true value of each individual unit in our plan of government.

TAXATION AND THE BUDGET

The 1919 session enacted an executive budget law, patterned after the laws which have been successfully employed in other States.

This Act somewhat modifies your procedure in the matter of appropriations. Summarized briefly, it provides that:

Within twenty days after the convening of the State Legislature, the Governor shall submit a budget for the two ensuing fiscal years. Said budget shall contain a complete plan of proposed expenditures and estimated revenues for the ensuing biennium. Accompanying said budget shall be a statement showing the revenues and expenditures for the two fiscal years next preceding; the current assets, liabilities, reserves, and surplus or deficit of the State; the debts and funds of the State; an estimate of the State's financial condition as of the beginning and end of the biennium covered by the budget; and any explanation the Governor may desire to make as to the important features of the budget, and any suggestion as to methods for the reduction or increase of the State's revenue.

That the "said budget shall embrace an itemized estimate of the appropriations for the State Legislature as certified to the Governor by the President of the Senate and the Speaker of the Assembly."

Neither house shall consider any other appropri-

ation, except an emergency appropriation for the immediate expense of the State Legislature, until the budget has been finally acted upon by both houses. Every appropriation in addition to that provided for in the budget shall be embodied in a separate Act and shall be limited to some single work, object, or purpose therein stated; and that the Governor shall submit, with the budget, the general appropriation bill.

It was my hope that the budget might be submitted to you with this message. It has proven a physical impossibility to complete it, as those of you who have contended with similar problems in former legislative sessions will readily guess. Budget hearings will, however, begin in my office on the 19th instant at 10 o'clock a. m., to continue from day to day, and the business of your session might be furthered were you to assign one or more members of your Ways and Means Committees to be present at these hearings.

On my part, it seems wise, even though departing from the custom prevailing in other States, that I transmit to you duplicates of department returns as rapidly as they are considered by me, in order that you may have the benefit of the information which they contain in advance of the rendition of the entire report.

Every detail of the budget, in so far as it has been compiled, is open to you and your counsel, and advice in its preparation is cordially invited.

This document is, in fact, a very comprehensive report on all general and departmental state activities. Such recommendations as I may make regarding the distribution of state revenues are in themselves the most eloquent indices to my opinion regarding the relative worth of our institutions. With these facts in mind, I feel that the customary reference to departments may be omitted here.

A fact not always taken into account by those unfamiliar with the details of state finance is that the taxes levied in one year are consumed, almost entirely, in the succeeding year. The financing, therefore, of such activities as you may authorize for 1921 is already accomplished; or, in other words, the high limits on expenditures from current revenues for this year are defined and set. Your tax levies for the years 1921 and 1922, to be made in the closing days of this session, will be, to all intents and purposes, for the financing of the State's business in 1922 and 1923. This overlapping

of income periods has, in the past, produced serious disarrangement of legislative estimates.

The rising cost of government in Nevada over the past decade, and particularly over the past six years, brings us in such times as these face to face with the necessity for a searching inquiry for remedies, if such exist; for new and better methods of apportioning the burden where curtailment of expenditures appears impossible or impracticable. The State, the counties, and the cities and towns constitute, in the aggregate, a very considerable corporation. Like private enterprise, they hire services and labor, buy merchandise, and employ transportation. The higher prices of these things over the past six years account for some, but not for all, of the increase. Yet, the cost of government here has not increased relatively in the same proportion as the cost of private enterprise is reported to have increased. Nor have costs here risen in the same proportion as they are reported to have risen in other States similarly situated. An excellent brief might be presented for the State and its political subdivisions on the matter of higher costs thus far made necessary in public operations. The real problem does not lie in a satisfactory explanation of what has occurred; it lies in the devising of means to start these costs downward again to parallel the curve of diminishing returns in the affairs of the taxpayers.

Nor does the increase in cost of government alone indicate the exact extent of the tax increases. In the period of inflation both the State and counties suffered losses of revenue, first, in the loss of the business licenses the laws providing for which were repealed in 1915; second, in the loss of liquor licenses with the coming of prohibition in 1918, and, third, in various minor losses due to the alteration of practices from which state income is derived, in particular from practices in the filing of incorporation papers.

The budget will show with precision the exact extent of these revenues. Suffice it to say, that they represented in the aggregate about \$350,000 annually, a sum transferred by tax-rate increases from individual contributors to property tax contributors. Since some 40% of our citizens pay no very substantial tax on property, there may be at once a social justification as well as an economic reason for the restoration of the business license here on some more equitable plan than the one in effect in 1914 and preceding years.

In designing a fair and equitable scheme of assessment and taxation, thought must be given to the nature of the industries of the Commonwealth which it is to serve; to the means whereby the tax on a particular industry may be shifted and spread; to the effect of public expenditure on particular industries and the population as a whole; to the predicament of those basic industries which cannot control the prices of their products and which consequently cannot shift their portion of the burden to others, even though paying directly their own taxes and, indirectly, those shifted taxes which have their incidence upon them. Both mining and agriculture—our basic industries—come within this classification.

The "uniform rule" in our constitutional provisions relating to assessment and taxes, as has been repeatedly pointed out to former sessions of your body, lies at the root of many poorly analyzed but nevertheless genuine grievances, abuses, and law violations in our tax scheme.

Modern revenue codes are based on more equitable assignment of the tax burden than are possible here, and I again request your studious consideration of a resolution providing for classified taxes in Nevada. Permit me to say that in this will be proposed no plan for the assessment of the gross proceeds of mines, nor for a tax on the body of the mine. It is to the public interest to invite mineral development and to suggest no plan of tax on mines which burdens either the prospector or the property operating under ordinary conditions and burdens, nor to avoid recognition of the right of mining risk to compensation. The State doing all of these things might still in fairness to itself and its other industries receive more from its bonanza and extremely profitable deposits than it has received in the past, and still exhibit a larger generosity to the mining industry than is shown it by our neighbors. Mine operators, I find, will oppose this plan—I hope because they are not fully advised regarding its true nature and effect. In justice to them it should be said that they are in no very happy frame of mind over their many practical and immediate problems of operation in very bad times for them. Notwithstanding, your earnest consideration of the tax amendment is urged in the full confidence that you will see both its generic merits and the manner in which the fullest measure of justice can be worked into it.

If it is your purpose to continue highway construction on anything approximating the maximum schedule set by federal aid, I desire to call to your attention:

First—The fact that automobile license fees in Nevada are lower than in other States, and should be increased in some measure, particularly on certain types of vehicles.

Second—That the financing of county highway activities may be assisted by the imposition of the gasoline-inspection tax employed successfully in other States.

It is not my purpose to emphasize questions of revenue to the exclusion of fair and serious consideration of economy. Opportunity exists for the reduction of many state costs both by the suspension of nonproductive activities, consolidations, and closer business supervision. The State, however, financially assists in very large measure many strictly local activities, including the school system; it maintains the University and penal and charitable institutions; it has many fixed accounts not subject to reduction.

The State's proportion of the total tax paid in the towns and cities ranges from 18½% to 22% and constitutes, on the average, 26% of the taxes paid in the districts outside of town and city limits.

RECLAMATION AND SETTLEMENT PLANS

Following three winters of subnormal precipitation, an acute situation developed in the summer of 1920 on those portions of the Newlands project which depend wholly upon Lake Tahoe for storage.

On the invitation of water users under the Truckee Canal, the State Engineer undertook to cooperate with the United States Reclamation Service in an effort to augment the then available storage in Lake Tahoe. For detail in this matter you are referred to the report of the State Engineer. Suffice it to say here that the conferences held between representatives of this State, the United States Reclamation Service, of the State of California, and those of her citizens interested in the preservation of the scenic and utilitarian values in Lake Tahoe, as they view them, resulted, first, in an agreement whereby a sufficient amount of water was secured from the lake in 1920 to mature the crops of the Fernley farmers, and, second, in something approaching a permanent basis of understanding between the California officials and interests and the representatives of this State and the water users directly concerned.

It appears to me, after many intimate discussions, that the views of the students of the situation on the two sides of the state line are not so far apart as to preclude the possibility of a happy termination of the entire dispute which has so militated in the past decade against the systematic development of our resources.

This subject is worthy of a special report which I trust may be submitted to you during the course of the session by an informal committee appointed to assist in the emergency negotiations of last year. This committee consists of Hon. P. A. McCarran, representing the water users of the Truckee Meadows; Hon. L. N. French, attorney for the Truckee-Carson Irrigation District; Hon. George L. Sanford, attorney for the Upper Carson Irrigation District, the State Engineer, and myself.

That your body may proceed with an independent investigation of the very intricate legal and engineering questions involved, I respectfully suggest the appointment of a standing legislative committee, to consist of a representative from Washoe County, a representative from Churchill County, and one from Douglas County.

Your committee cooperating with the Lake Tahoe committee hereinbefore referred to may be able to propose to the California Legislature during its session a final plan of adjustment at once fair to all of the interests involved and calculated to crystallize the policy of the Government in further development of interstate streams heading in California.

Linked up with the settlement of the Tahoe matter is the establishment of a soldiers' settlement unit within this State. It has been the policy of the Government, following each war in which it has engaged, to endow its ex-service men with some sort of a grant of land. The evil effects of lieu scrip issued to the soldiers of the Civil War are found in the history of the land policies in nearly all of the Western States. Nevada, the earliest of the intermountain States to cut loose from the leading strings of the Government, suffered peculiarly as a result of the necessity for revenues from her grants of lands at times when soldiers' scrip was on sale at exceedingly low prices, which prices determined, in a competitive market, the policy of the State in the sale of its own gifts from the Government.

Following the great war, nearly all of the English-speaking countries proposed a more practical and genuinely helpful plan of assistance to those of its former soldiers who desired to make homes for themselves on the land.

Honorable Franklin K. Lane, following practices established in British colonies where the plan has been tried and has proven itself worthy, urged substantial appropriations by Congress for soldiers' settlement. Nevada, in 1919, prepared to meet federal action in this respect by authorizing a bond issue of one million dollars for cooperative soldiers' settlement work, and steps have been taken to establish the first soldiers' settlement unit within the Newlands project, this being the only source on which a satisfactory water supply can be insured at the present time. In my budget recommendations will appear the item of \$100,000 which will be required to finance this project. Your very serious consideration of this item in the budget is hereby requested.

During the past several years, movements have been inaugurated to conserve the waters of the Colorado River, which touches the boundaries of the State of Nevada.

The State Engineer calls attention to the fact that this stream is the third largest in the United States; that it touches our borders for a distance of more than one hundred miles; that its average annual discharge is nearly fifteen million acre-feet of water, hardly a drop of which is beneficially used in this State. Further, that one of the best undeveloped power sites in America lies at Boulder Canyon in Clark County on this stream. This particular power site has attracted the attention of many private interests. It can be developed to produce 200,000 horsepower at a probable cost of less than \$50,000,000. The rapid crystallization of plans originating in other States for the development of the Colorado River impelled the State Engineer, during the biennium just ended, to make critical inquiries into the whole matter. As a result, an informal committee of Nevada citizens was appointed by me to safeguard the interests of Nevada in all of the extensive negotiations under way and imminent, looking to the utilization of this stream. This committee consists of Hon. E. W. Griffith, Hon. Ed. Clark, Hon. Levi Syphus, Hon. Charles P. Squires, Hon. Harley Harmon, Hon. O. T. Johnson, and Hon. R. W. Martin (all of Clark County), and the State Engineer.

You attention is called to the report submitted by this committee. It is recommended that a commission to continue the work undertaken by these gentlemen be created by your body and that a suitable appropriation be made to cover its expense for the ensuing two years.

It seems unnecessary to reiterate here the self-evident fact that, until the nature and extent of rights on our streams are determined, conservation plans on these streams cannot be successfully undertaken.

After many years of litigation calculated to determine the power of the State in supplying facilities for simple and equitable adjudication of water rights, we appear to be fairly on the road of the solution of this problem of first importance in our agricultural development.

Your attention is again called to recommendations in the report of the State Engineer looking to certain amendments to the existing law, modifying it to meet immediate needs.

Certain practical and necessary amendments will be proposed to the Irrigation District Act. While engaged in the consideration of this important legislation, I respectfully suggest the introduction and adoption of a resolution proposing a constitutional amendment permitting the investment of state trust funds after a proper scrutiny of the security in the bonds of the Nevada irrigation districts. Our practice will then follow that of California, where this plan has been tried and has proven successful.

THE HIGHWAY PROGRAM

The State Department of Highways was created in 1917 to permit Nevada to avail herself of the benefits of the Federal Aid Road Act.

Practically no road work, aside from preliminary organization and surveys, was done in either 1917 or 1918, because the Government insisted that no such work be done during the period of the war.

In 1919, Congress, anticipating a critical period of unemployment to follow demobilization and the break-up of the war industries, appropriated a very large sum of money for road work, and the States were urged to make appropriations at least equal to the amounts of their respective allotments. Nevada provided then for a continuance of the 10-cent state highway tax and the 10-cent county-state highway tax levied first in 1918; and authorized a million-

dollar state bond issue and county bond issues aggregating \$1,470,000.

Total allotments to Nevada under the Federal Aid Road Act and supplementary Acts and amendments aggregated \$3,527,276.18.

Thus far the State has contracted with the Government for \$1,340,966.27 of this amount. An additional allotment of \$909,965.48 must be contracted for, in whole or in part, on or before July 1, 1921, and thereafter an allotment of \$1,276,344.43, or such part thereof as may be decided upon as matchable by the State, on or before July 1, 1922.

Of the amount already contracted for, the State actually received on account of construction up to December 31, 1920, the sum of \$626,834.92, on which date there was still due from the Government on approved vouchers and retents the additional sum of \$183,883.56, making the Government's contribution to the first of the year, in paid and due accounts, \$810,718.48.

To fully absorb all of the moneys available from the Government, the State must be authorized by your acts to provide ways and means to meet dollar for dollar on construction, apart from certain nonparticipating funds, additional federal allotments, and unexpended balances on allotments already secured in the sum of \$2,716,577.70.

If this be expended ratably over the period from date to January 1, 1925, an average annual expenditure of \$679,139 on actual construction must be made by the State and the counties combined for each of the years within the period of the life of the Federal Aid Road Act.

The so-called McArthur Bill (H. R. 14905), if enacted, will reduce in a great amount the sums of money needed from the public-land States to meet federal allotments. It has not yet been acted upon and may not be until after adjournment of your session. For the purposes of these notes it is disregarded. It is interesting to note the demands to be made on state and county treasuries if your body decided on a policy of absorbing all of the federal aid now in sight.

The entire cost of maintenance of roads, already constructed and to be constructed under our present Act, falls upon the State, and this cost is not participated in by either the counties or the Government. As roads are completed, maintenance charges will increase and may in time become a very heavy charge against the State.

Before federal aid can be applied for, surveys must be completed and plans and specifications prepared. These, made to conform to the requirements of the Federal Government, cost approximately \$150 a mile. Neither the counties nor the Government participates in this expense, nor can the State avoid any of it if it seeks federal aid.

The State makes all progress payments for road construction and recovers from the Federal Government and from the counties after these payments are made. On December 21, 1920, the Government owed the State \$188,883.56. The counties owed the State \$148,521.03. There was owing from contractors for truck rentals and various services the sum of \$48,204.69, the aggregate of these advances by the State being \$387,229.28.

After deducting the various nonparticipating costs which must be borne by the State in 1920 and 1921, it appears that there will be available on the existing plan of financing, for expenditure on actual road construction on a dollar-for-dollar basis with the Government in 1921, the sum of \$318,800 and in 1922 \$215,000.

To match in each of these years the average maximum of \$679,139 of federal moneys available will require from the counties in 1921 the sum of \$360,339, and in 1922 the sum of \$464,139, permitting the construction in each year of the ensuing biennium of \$1,358,278 worth of roads.

It will be observed that the State has (1) provided a revolving fund of more than \$330,000 to carry on this work (this revolving fund will be necessary as long as operations are conducted on the existing schedule under existing law); and (2) that the State is expending, and must continue to expend, in surveys, maintenance, and services required of it, if we are to participate to the maximum in federal allotments, approximately \$200,000 per year.

The foregoing rough sketch of the situation precedes specific detailed figures which are to appear in the budget and is given that some view of the whole road problem in perspective may be gained by you at once.

It may be said that an earnest effort has been made to maintain the Highway Department in as high a state of efficiency as it appeared within my power to maintain it. The directors of the department were selected from among the successful business men of large affairs in this State and without reference to party politics. They, in turn, have gone

abroad for technical services when trained men for particular work were not to be found among our own citizens. The personnel of the department has been selected cold-bloodedly and without consideration of friendships, enmities, or party affiliations. The department has suffered under all of the handicaps which impeded private enterprise in the past two years and which gained for such enterprise a widespread and genuine sympathetic appreciation of its problems, yet beginning without equipment to provide needed road construction material; in a State which had developed no road contractors; handicapped by the clamor, on the one hand, of those who insisted upon the conversion of the Highway Department into a political machine, and, on the other, by the equally immoral and unjustified contentions of those who viciously assailed it because it was a part of a particular political administration, the department has largely in the last two years, completed a reconnaissance of more than 60% of the entire highway system; has completed surveys of 40% of the said system, and has let contracts covering the construction of 174 miles of improved highway and seven bridges.

The highway system in its entirety includes 1,750 miles of roads. Of this amount 60% is made up of excellent natural roads which we should not attempt to improve; 15% of fair roads, and 25% of poor roads sorely needing reconstruction. Approximately 33½% of the bad stretches are now under improvement. A proper assignment of the funds which will be made available by the acceptance of all Federal Aid allotments should complete before 1925 the improvement of all the remaining bad sections in our system.

The department estimates that the roadways on the mileage contracted are 80% completed.

Before passing from this subject, it is my desire to reiterate that nothing short of the opportunity which presented itself in 1919 for the securing of a very large sum of federal money in all road-building operations would have justified the issuance of road bonds by the State and its various counties in such amounts as have been authorized.

The State has issued \$600,000 of highway bonds; has redeemed \$150,000 of said issue, and will redeem an additional \$150,000 in 1921 and 1922; \$325,000 of the state issue was required to create the fund which carries state advances on account of construction.

The counties have issued \$215,000 of the bonds authorized by the last session of your body for state highway construction, and the State has actually been paid \$120,000 of this amount.

The future will have its own burdens in the matter of road construction. It should carry no more of the burdens of this period than are necessary to fairly embark the State on such a plan of road improvement as it can, without injury to its industries, continue indefinitely.

We can never improve our highways to the extent that they have been improved in richer and more prosperous Commonwealths. We can, in my judgment, complete and maintain a system in Nevada by the improvement of the bad stretches in our main-traveled arteries which will permit travel in comfort over all of these roads, and we should be able to complete these improvements during the life of the Federal Aid Road Act. Our future rate of road building is a matter which lies in your hands. It is not my purpose to attempt to influence you regarding it. Contracts already let by the Department of Highways, which must be completed or liquidated, call for \$706,000 of county, state, and federal funds.

I am in receipt of a communication from the Department of Highways, including the State Highway Engineer, respectfully requesting on your part a searching inquiry into all of their operations. I earnestly concur in the request and with the respectful suggestion that this inquiry be made in that true spirit of impartial investigation which will permit of the rendering of a report unaffected by considerations of prejudice, politics, or ill-advised public criticism.

INDUSTRIAL RELATIONS

After passing through the period of the war without a single strike in any of our industries—a unique record when considered in connection with the disturbances which prevailed elsewhere—this State, in 1919, entered on a long and protracted period in which wage demands, resistance to these demands, and adjustments were made in nearly all of the mining camps. As vexatious and as damaging to our commerce as these strikes proved, it is interesting to note that they were uniformly unattended by violence and that they were settled in nearly every case in such a manner as to leave improved rather than impaired mutual good-will between the contesting parties. With few exceptions, these

strikes were instituted by radicals who succeeded by the ingenuity of their attack in carrying the conservative workers with them.

I do not personally anticipate serious trouble in this State in the ensuing biennium. I do recommend, however, as the most effective weapon against present radical strike methods, a law compelling a secret ballot as an antecedent to the declaration of any strike which the State will recognize as legal, and additional provisions for certain injunctive relief in cases where illegal suspension of work is attempted to be forced. A serious study, likewise, by your body of the entire subject of the composing of industrial disputes could do no harm. Thought has been given this matter in other places; and our old laws on the subject may be susceptible of improvement. I come to you with no specific recommendation for any particular plan. The Labor Commissioner's Department, while never properly valued, does appear to me a useful intermediary between the occasional discordant elements in our industrial life, and one likely to become more highly valued as time goes on.

It is probable that certain requests for labor legislation will be made, these to include the amendment of the Workmen's Compensation Act in such a manner as to make its terms compulsory on employers. My former recommendation on this point is not renewed. Our small population makes it necessary for us to preserve the monopolistic state-fund plan. Other States with compulsory laws may, without injury to the state departments administering industrial insurance Acts, permit a division of the business on a plan in which the State is in competition with private insurance concerns; we cannot wisely do this. The contributors to a monopolistic state fund might readily be deprived of rights to the redress of abuses under a compulsory Act.

The commendable objects sought by the advocates of compulsory insurance—namely, the insurance of employees of individuals and corporations without tangible property to guarantee the payment of compensation to injured workmen—might be obtained by a law requiring indemnity bonds of all those employers who remain without the provisions of the Industrial Insurance Act, not possessed of assets which if levied on would satisfy a judgment obtained against them by an injured employee. The condition of our industries, declining living costs and wage scales, and the fact that our

industrial compensation is higher here than in any other State in the Union, impels me to urge that you meddle as little as possible in this session with the existing plan of industrial compensation now outlined in our laws.

Measures calculated to prevent defrauding of workmen of their wages will deserve your favorable consideration.

Linked with the labor problem in Nevada, but of even greater moment as a social question affecting all of the Western States, is the matter of alien land ownership. A resolution proposing an amendment to the Constitution, providing for the exclusion from land ownership of those ineligible to become citizens, will be presented to you during the session, and will, I am certain, find favor at your hands.

REVENUE CODE

The commission to codify the revenue laws, created by the session of 1919, expended its small appropriation in assembling the revenue statutes, eliminating repealed and amended clauses and Acts, and in putting, in orderly grouping, these statutes in one bill.

The measure is voluminous. It has not been printed, for it is believed that many of your Acts may require further alterations of it, that may with economy be combined with the code prior to its introduction.

The typewritten copy will be transmitted to the Clerks of the two houses.

POLLUTION OF THE TRUCKEE RIVER

The Commission for the Prevention of the Pollution of Public Streams, created by the 1917 session, proceeded with the filing of an injunction suit against the Crown Willamette Paper Company of Floriston to restrain that company from discharging sulphite liquor and pulp into the Truckee River. The suit was held without prejudice, while the offending concern made further attempts to abate the nuisance. It is my belief that the results sought have been accomplished in a manner which should prove permanently satisfactory.

BLUE-SKY LAW

Unquestioned abuse, to the great public detriment, of the unregulated right to sell stock in various promotions leads me to suggest that the Secretary of State, as Corporation Commissioner, be authorized to properly license stock-sales agents, as is done in California, but making the law apply

only to the recording of the facts regarding titles, leaseholds, and options, and to the matter of agents' commissions, joint fiscal relations, and the disposition of the net proceeds from authorized stock sales. Such a law with a reasonable fee provision would carry no appropriation.

GAMBLING

My recommendation for the repeal of the laws legalizing gambling in any form is hereby renewed.

NEW DEPARTMENTS

Inauspicious as proposals for the creation of new departments may appear, I have in mind as likely to produce true economy the creation of two such:

The first of these to be an unpaid nonpolitical commission of men and women under some such title as "The Board of Charities and Corrections," to perform all or any of the following duties:

(a) To assume either advisory or directory charge of the state penal and charitable institutions as you may order;

(b) To administer, after the enactment of such a measure by you, a "Child Abandonment Law" similar to the California statute. Nevada has no such law. Its effect would be, we hope, the placing in homes of adoption, after the establishment of proper safeguards about them, many half-orphans and other abandoned children in the Orphans' Home;

(c) To administer the Mothers' Pension Act in cooperation with the county authorities; and

(d) To exercise general supervision and control of solicitors operating on behalf of organized and private charities in Nevada.

An approximate annual cost of \$2,000 would result from the creation of this board.

The second department to be suggested is a "Board of Public Works." The composition of such a board would be three elected officers, acting *ex officio*, and two citizens appointed for a term of four years without salary. The function of the board would be the establishing of some continuing element in public-building programs that building plans and schedules might be equalized and standardized over a period of years, and that the experience and thought of one administration might be suggested properly to the succeeding one. Facts are available to prove that such a

board might with no infringement of the authority and control of an incoming administration perform a valuable public service.

This department should require no appropriation.

CONCLUSION

Apart from the occasions on which I may ask to speak to you again on special matters, this will be my last formal appearance before you and my last appearance in executive capacity before a Nevada Legislature.

My determination to retire from politics has been long since announced. I have no personal aims or ambitions to promote in my dealings with you; no friends requiring rewards, and no enemies whom I desire to punish.

With nine years of departmental and executive service behind me, I find myself actuated now by no wish other than to perform the duties assigned to me to the best of my limited ability and to leave a house in order for my successor.

As a valedictorian I may trespass upon a few moments of your time in expressing my views on the general trend of thought affecting government as I have observed it, and on what appear to me as the true functions of government in these times.

The public, to which we are all answerable, is made up of an infinite variety of elements. Many voices arise from it; the shrewish voice of those who condone no compromise with evil, met by protests in Billingsgate English from the "submerged tenth" which compromises with decency only under compulsion; the voices of dreamers who insist upon a Utopia overnight, and the voices of sluggards in the march of progress who would endow us with feudalism again if they could.

All of these discordant notes tend to confuse us. We can turn deaf ears to none of them, but our ears must be attuned always to the deeper, more imperious, yet less strident, note which comes from the great majority—from plain, simple, and unsophisticated folk—who are like none of the extremists contributing to the chorus; who make no impossible demands of their servants; who content themselves with reasonable and orderly progress towards the ideal; who are tolerant of the honest blunders of government and who, in turn, expect of government a broad tolerance of their own human frailties. In this group belongs the average citizen whose reflex, in a true democracy, the government must be.

You as legislators, bring to the Capitol, from time to time, fresh evidence of his trend of thought. You are in America, as a result of ancient tradition and philosophy, more intimately his confidential and trusted representatives than ever it falls to the lot of the Executive Department to be. There are more of you, drawn from all the groups, and so you constitute a better composite of the whole people than can I or my branch of the government.

The Constitution provides each of our departments with its specific duties. In legislative matters certain negative powers are imposed on me. I have ever used these powers sparingly.

It is true that traditional jealousies, suspicions and, sometimes, ill-will are to be expected in the relationships of the Legislative and the Executive Departments. It is the proper function of the Legislature to overhaul and criticize the stewardship of the executive branch. It does this always with better hindsight in the review than was possessed by that department as it met its problems day by day. The human frailties and blunders of executive officers come in for exposure, and properly so, during each legislative session. Each such session, on the other hand, gives voluminous evidence of the vulnerability of its own branch to criticism in its wholesale biennial tearing-to-pieces, substitution, and amendment of the work of all of its predecessors. These are wholesome signs since they go to prove that the government is a human, living thing, suffering from no stagnating inertia, characterized by all of the capacity for error and change which marks every human activity.

I believe, nevertheless, that an experiment forced upon us by the war has left its valuable impress on the minds both of the people and its servants. Prior to 1917, educators, statesmen, and near-statesmen emulated a European pattern of state reform and were advocating tremendous extensions in the functions of government. The drift was toward the monarchical socialism of Germany which was presumed to stand for efficiency and which well-intentioned people sought to graft upon the structure of our own organic system. The necessary usurpation of governmental power during the war has, I hope, exploded the theory that in the State lies a monopoly of the directory intelligence of the Nation.

After that experiment we enjoy a clearer vision of the true functions of the government, which is, after all, only

an agency of the people and capable of doing well only certain things. Its long arm should not reach uninvited into every conceivable phase of civic, domestic, commercial, and industrial life. Its purse should not hang on the door of the Capitol to subsidize every conceivable form of public and private experiment and activity. Its true function is the extension of education; the maintenance of the courts; the orderly adjustment of differences between its discordant elements in society; the reduction of those disagreements to a minimum; the elimination—by reason, if it can; by force, if it must—of such disagreements as imperil the peace and comfort of the people; the protection of life and property; the preservation of the rights of the average citizen to “a fair field and no favor” in commerce and the suppression of those agencies which selfishly aim to exploit him; the recognition of the work of the churches by improvement in the moral laws to make them accurately reflect the improving moral conceptions of the people, but, on the other hand, the adoption of no forms of hypocrisy aimed either to do those things for the public conscience which education and the church have failed to do, or to make that conscience appear in the written law better than it is; the doing of those things which are purely in the recognized realm of public works and the kindly care of those of its defectives and unfortunates who are, under long-established standards, public wards of the State; the laying of the burden of cost justly by tax laws designed for revenue only and not to force political and economic reforms; and the recognition of the principle that honestly acquired property has inviolable rights.

If this be our conception of the function of government, we may well meet new demands for better service year by year in old and orthodox ways.

We will not be asked, I trust, for additional measures calculated to make the State a wet nurse to a people which, under the former drift, might readily have become in a century so deprived of initiative and resourcefulness and character by governmental coddling as to be no longer capable of supporting a government.

You will note that, under this conception, executive departments are likely to be less greedy for power than they have been. If we exhibit only a fair sense of good humor, reasonable sportsmanship, and no more than a modicum of

accommodation in our mutual relations, there can be no possible grounds for disagreement between us.

I wish you a prosperous and successful session.

A handwritten signature in dark ink, reading "Ernest D. Boyle". The signature is written in a cursive style with a large, stylized initial "E".

Governor of Nevada.