

THE THIRD DAY

CARSON CITY (Wednesday), January 23, 1957.

Assembly called to order at 10:02 a. m.

Mr. Speaker in the Chair.

Roll called.

All present.

Prayer by the Chaplain, Reverend Fred A. Rinehart.

Pledge of allegiance to the flag.

Mr. Barnum moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

MESSAGES FROM THE SENATE

SENATE CHAMBER, CARSON CITY, January 22, 1957.

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day passed Senate Bills Nos. 2 and 3.

LEOLA H. WOHLFEIL,
Assistant Secretary of the Senate.

MOTIONS, RESOLUTIONS, AND NOTICES

By the Committee on Legislative Functions:

Assembly Resolution No. 4—Amending Assembly Standing Rule No. 69 relating to standing committees.

Resolved by the Assembly of the State of Nevada, That Assembly Standing Rule No. 69 be amended to read as follows:

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STANDING COMMITTEES

The standing committees of the House shall be as follows:

1. Agriculture and Irrigation, seven members.
2. Aviation, five members.
3. Banks, Banking and Corporations, seven members.
4. Building and Construction, five members.
5. Civil Defense, five members.
6. Counties and County Boundaries, five members.
7. Education, nine members.
8. Elections, five members.
9. Federal Relations, five members.
10. Fish and Game, nine members.
11. Insurance, five members.
12. Internal Improvements and Public Lands, five members.
13. Judiciary, nine members.
14. Labor, seven members.
15. Legislative Functions, seven members.
16. Livestock, seven members.
17. Military and Indian Affairs, five members.
18. Mines and Mining, nine members.
19. Public Health and Public Morals, seven members.
20. Roads and Transportation, eleven members.

IN JOINT SESSION

At 11 a. m.

President of the Senate in the Chair.

The Secretary of the Senate called the Senate roll.

All present.

The Chief Clerk of the Assembly called the Assembly roll.

All present.

The President of the Senate appointed Senator Lemaire and Assemblyman Leavitt to wait upon His Excellency, Charles H. Russell, Governor of the State of Nevada.

The President of the Senate appointed Senator Brown and Assemblyman Young to escort the Justices of the Supreme Court to their chairs.

The Sergeant-at-Arms announced that the Justices of the Supreme Court were at the bar of the Assembly.

Senator Brown and Assemblyman Young escorted the Justices of the Supreme Court to their chairs.

The Sergeant-at-Arms announced that His Excellency, Charles H. Russell, Governor of the State of Nevada, was at the bar of the Assembly.

Senator Lemaire and Assemblyman Leavitt escorted the Governor to the rostrum.

The Governor delivered his message as follows:

To the Honorable, the Senate and Assembly of the State of Nevada:

It is an honor and a privilege for me to meet with the members of the Forty-eighth Session of the Nevada State Legislature, and in doing so I congratulate you individually as having been elected to represent the people of Nevada and the people of your own counties.

You and I have a duty to perform in this legislative session, an obligation to meet the responsibility of progressive legislation which when enacted into law will not only provide the financial program for the next biennium, but will be the directives which will govern the administration of State Government.

Two years ago in my message to the Forty-seventh Session of the Nevada State Legislature, I pointed out that Nevada was the fastest growing state in population percent increase.

In 1950 the population of the State was 160,000. Today our population is estimated at 247,000 and the U. S. Bureau of Census forecasts that by 1965 the population figure will reach 325,000. This means that Nevada very likely will be the only state doubling its population in the fifteen-year period since 1950.

This rapid growth brings with it the need of additional services on the state level, as well as increased demands upon the State for those services. This is, of course, a condition that also confronts the counties and cities within the State.

The great and continuing population growth trend we are in, coupled with attempting to arrive at a comprehensive state budget on a biennial basis when a year from now we can only anticipate cost figures, shows ever more clearly a need for a yearly budget session of the Nevada State Legislature.

FINANCES

Assessed valuations, which provide ad valorem taxes as well as other state revenues, have increased during the past two years. These, with sales tax

receipts, have provided the greatest revenue in the history of the State, as will be shown in the budget report.

However, two years ago it became necessary that the Legislature completely revamp the state aid to elementary and high schools with the result that state aid, including administration, vocational and other services in that field, increased from \$11,396,817 for the 1953-1955 biennium, to \$17,244,947 for the 1955-1957 biennium, and the budget will call for \$25,606,292 for the 1957-1959 biennium.

The sales tax will bring approximately \$19,250,000 into the General Fund during the next two years, or \$6,356,000 less than the school requirements, not including the University of Nevada.

Schools, including the University of Nevada, will account for 67.9 percent of budget needs; health and welfare, 7.7 percent; and the two together, 75.6 percent.

The State, under present revenue, can, in my opinion, meet the necessary requests made to the Legislature without any new type of revenue or any increase in the existing tax structure for the next two years.

The requests for funds and my recommendations will be set forth in the budget report to your honorable bodies.

SCHOOLS

The Forty-seventh Session of the Nevada Legislature, in adopting recommendations of the statewide school committee report resulting from the George Peabody College Survey, met the emergency needs of elementary and high schools of the State. Basically, a firm foundation was laid and while some minor changes in the School Code will be recommended, Nevada has demonstrated her ability of providing an adequate, planned program for the schools.

The statewide committee of men and women which was formed to survey the school problem in Nevada gave invaluable service to the State.

As a result of the work of this committee and of the Nevada White House Conference, there has been formed a Nevada State Council on Education composed of thirty lay citizens from all parts of the State. The purpose of this Council is to sustain, promote and improve education throughout the State as well as to survey needs and to make recommendations.

To carry on the work of the Council I am asking an appropriation of \$30,000. In making this request I recognize the valuable work accomplished by the lay committee and the necessity of a continued evaluation of school problems by a committee composed of members who are connected neither with the schools nor the administration.

Since adoption of the State Constitution the Superintendent of Public Instruction has been an elective officer by constitutional provision. In the November election the voters ratified an amendment to the Constitution abolishing that office as a constitutional office.

I recommend to you that a law be enacted that the Superintendent of Public Instruction be appointed by the State Board of Education, with qualifications set by the Legislature.

UNIVERSITY OF NEVADA

The University of Nevada must meet the demand of higher education, and we have the responsibility of providing a university education for our young men and women. More than ever before, a university education is a basic requirement for specialized training.

The Legislature will receive a report of a survey instituted by and made to your own legislative committee.

I ask that you study and take positive action on that report and meet with the Regents and the President of the University of Nevada, urging that a more harmonious course be chartered for the University to the end that the criticism which has plagued the University both in-state and nationally be brought to an end.

I, personally, feel that capital investments at the University with general funds should be made only after a master plan be developed and a survey made as to present space utilization.

Expansion of present departments and creation of new departments should be carefully studied as to the ability to support now, and in the future.

I recommend, as I did two years ago, that the offices of Regents should be appointive instead of elective, which will necessitate an amendment to the Constitution of Nevada.

CAPITAL IMPROVEMENTS

The impact of Nevada's rapidly growing population is also being felt by every institution, office, and agency of State Government. Requests for urgent building construction projects required to meet increased demands has now exceeded \$20,000,000, a figure far in excess of any realistic estimate of fiscal resources.

There is, therefore, an urgent state requirement for a long range capital improvement program calculated to insure, with funds available, the timely, economical and orderly development of the state physical plant.

In my opinion, the State Planning Board has, in its recommended planning and building construction program for the 1957-1959 biennium, met this need planned on a sound and equitable basis for the allocation of limited funds among competing demands.

I am, therefore, asking your approval of that program.

I further recommend that you, acting in the best interests of over-all state development, follow the priority of planning and construction recommended by the State Planning Board and that all planning for building construction be placed under this Board.

INSTITUTIONS

Nevada's institutions are operating on a sound basis. Conditions as to personnel and care have been improved.

Each year the total of unfortunates in the institutions increases. Here, again, planning is necessary and is underway to meet future requirements.

I have recommended in my budget, funds for maximum security cells and a central heating plant at the Nevada State Prison. Both are of vital importance.

On the basis of Planning Board recommendations, my budget will contain requests for funds for master and advance planning as well as structural surveys of the institutions and buildings to insure orderly development.

HIGHWAYS

To meet the constant need for better roads in the State, to handle the upsurge in traffic measured every year, and to utilize Federal funds now available for the greatest road building program in history, we have only one alternative, to grow.

As indicated in my last biennial report, we anticipated a considerable expansion in 1955 because of the then-pending 1954 Federal-aid Bill which upped Nevada's share of construction funds by almost 50 percent over any previous Congressional grant. Results of this larger federal-aid program are reflected clearly in the construction of 151 miles of new highways and 305 miles of reconstructed roads.

During this same period, the day-to-day maintenance operations reached the greatest volume in our history, exceeding \$5 million in the last two years. Mileage on roads being maintained by this department rose to 4,027.

For Nevada, \$12 million has been allotted in Federal funds for expenditure during the first year of the program, with \$37 million to be available during the coming two-year period. As it affects us, the Interstate system embraces 544 miles of highway through Nevada on U. S. 40 and U. S. 91, these routes to be remodeled into modern, limited-access freeways.

In getting into this program, Nevada finds itself in much the same position as many other states; that is, our Highway Department is lacking in the manpower needed to complete the initial phases of the new program. Unable to obtain the necessary technicians, we have had to hire outside consultants to help us get started. Consulting engineering firms have completed aerial surveys of the Reno and Las Vegas areas to determine route locations and it is probable that other of the survey and design operations will be carried out by these or similar well-qualified companies.

Nevada should modernize its Highway Code if we are to take full advantage of Federal participation in our own program. I propose, accordingly, to submit to this Legislature a revised draft of our Highway Statutes for consideration.

Along with modernized and workable highway legislation, I recommend that this Legislature authorize the establishment of a legal division within the Highway Department.

Highway Patrol

Death toll on Nevada's highways was reduced to 139 in 1956, as compared to 174 in 1955, and 145 in 1954.

However, accidents increased last year over the previous years and, frankly, we were fortunate that fatalities were reduced.

As a further safety step I am recommending that the Uniform Vehicle Code, Chapter 11, Rules of the Road, as recommended by the National Highway Users Conference, be incorporated in its entirety in the Highway Traffic Code of Nevada.

National Guard

The National Guard has kept pace with the growth and progress of the State.

When I last reported to you, the Nevada National Guard had a strength of 861 members and was supported by \$4,721,439 in Federal funds. Today, the National Guard has a strength of 1,233 members or an increase of some 60 percent. Additionally, the Federal Government has supported us with over \$2,000,000 for salaries, and approximately \$12,000,000 for other expenditures and equipment.

Since the last session of the Legislature, construction of armories at Reno and Las Vegas has been started with funds provided for by that session.

I hope that with matching Federal funds available, the armory construction program will be continued until an armory has been constructed in those localities where National Guard units are active.

State support for the National Guard assures continued Federal expenditures and results in well-trained air and ground units to serve our Nation in time of war and the State in time of an emergency.

Civil Defense Agency

During the past two years progress has been made in the organization of effective Civil Defense programs in the various counties. Yet there still is much to be done which necessitates augmenting the present department.

The greater part of the director's time has been consumed as a result of natural disasters. Since August of 1954, a total of \$681,000 in Federal aid has been set aside for those emergencies. This includes \$194,000 for repairs to the irrigation system and school buildings as a result of the Fallon earthquake; \$102,000 to Clark County for the repair of streets and sewer systems in Las Vegas, North Las Vegas and Bunkerville; \$385,000 to Douglas, Lyon, Mineral, Ormsby, Washoe and Storey Counties for repairs to diversion dams, roads, bridges and public facilities damaged by floods.

I am recommending an assistant to the director to operate in the southern and eastern areas of the State and legislation to include Civil Defense to receive surplus property from the Federal Government. I also ask that the Ground Observer Corps be recognized as a component part of Civil Defense. Consideration should also be given to the protection of volunteers in case of injury.

Nevada Industrial Commission

The Nevada Industrial Commission is going through a period of reorganization pointed toward making the Commission an efficiently operating insurance company in order to give the best possible service to claimants at a competitive rate for employers of the State and still maintain an operating fund that is sound.

A comprehensive study has been made of the Commission with many people, both within and without the Commission, taking part. As a result, some administrative changes will be recommended to you. These are designed to simplify administration and to clarify certain provisions of the law which have caused administrative problems in the past.

I ask your approval of the recommendations which will be made by the Commission to you, as these will result, if adopted, in aiding the Commission

to do a faster and more economical job for people concerned—the employers who contribute to the fund and workmen who receive the benefits.

As a result of the reorganization of the Commission during the past year, previous difficulties have been eliminated and workability between the Commission on one hand and contributors and claimants on the other is now a reality.

COLUMBIA INTERSTATE COMPACT COMMISSION

During the 1955 Legislature, Nevada ratified the Columbia Interstate Compact. The States of Idaho and Utah also have ratified the Compact. The States of Washington, Oregon, Montana and Wyoming failed to act on the proposed Compact. Certain provisions of the proposed Compact met disapproval by some of the states and also by the Department of Justice. During the past two years, commissioners of the several states made certain changes and a new proposed compact was signed December 3, 1956 by representatives of all seven states. The proposed compact, as now signed, meets with the approval of the Department of Justice.

I suggest that Chapter 67, Nevada Statutes 1955, ratifying the Compact be repealed, and if it appears that the States of Washington, Oregon, Idaho and Montana will ratify the Compact as now agreed upon during their 1957 legislative sessions, Nevada should take similar action.

CALIFORNIA-NEVADA INTERSTATE COMPACT PROCEEDINGS

The California-Nevada Interstate Compact Commission of Nevada, authorized by the 1955 Legislature, was set up and for the past year and a half has been meeting with a similar commission of the State of California for the purpose of working out an interstate compact relative to the distribution and use of the waters of Lake Tahoe and the Truckee, Carson and Walker Rivers. Excellent progress has been made and I feel that a satisfactory compact will be arrived at within the next two years. As you know, for the compact to become effective, action will have to be taken by the Legislatures of the two states and the Congress of the United States.

ELDORADO VALLEY

As a result of engineering studies being conducted by Nevada relative to Arizona-California litigation on the waters of the Colorado River, it has been determined that Eldorado Valley, along with Las Vegas Valley, present great possibilities for the development of a large industrial area and attendant suburban developments. Such a program could only be made effective if the State could obtain title to the land, in cooperation with the people of Clark County.

To effectuate such a plan, it will be necessary for Congress to pass necessary legislation for state acquisition of lands. Such a bill was introduced in the 84th Congress and has been reintroduced in this Congress.

In cooperation with representative groups in Clark County, I have had a bill prepared which will authorize the State to purchase such lands over a period of years. The bill will provide an appropriation which is to be used for planning and engineering studies and to purchase some of the lands. Under the bill, an Advisory group will be set up to work with the State in planning for the development of the area, and provision is made for the State to be reimbursed for all moneys advanced.

I recommend your serious consideration to this matter.

CONSERVATION AND NATURAL RESOURCES

I have long felt the necessity of a Department of Conservation and Natural Resources within our framework of government. Under such a department, the various existing state departments and agencies concerned with water, land, forests, oil and gas, and perhaps others, could operate under one general department. This would lead to better coordination, operation and over-all workable State Government.

A bill setting up such a department will be presented to you for your consideration.

STATE LANDS

I again urge that the Legislature abolish the office of Surveyor General as an elective office and that the functions of the office be transferred to the

proposed Department of Conservation and Natural Resources, establishment of which I recommended elsewhere in my message.

When acquisition is sought of any state land, it should be publicly advertised and sold to the highest bidder.

DEPARTMENT OF ECONOMIC DEVELOPMENT

The Department of Economic Development, created by the 1955 Session, has put into effect programs aimed at exploiting and developing Nevada's profitable tourist business and its industrial potential.

The Department diligently has promoted Nevada's great tourist industry by means of Nevada Information Centers, tourist schools, participation in nationally known travel and vacation shows, television films, feature articles in magazines and newspapers and through the publication and distribution, by the end of the present fiscal year, of more than one million pieces of its own literature, all designed to encourage more travel to, and longer stays in Nevada.

The Department also has laid the foundation for a sound program of attracting industry to Nevada by contacting nearly 1,000 executives in major United States industries, and in that connection has lead the way in compiling statistics and information needed by industrialists who might want to expand their facilities by coming to this State.

This new agency of State Government also has succeeded, and is to be commended for, getting Nevada declared a "dispersed area" by the Federal Government. This means that the State is officially cleared as a safe site for defense installations or plants of any and all types.

The Department of Economic Development has worked closely with individual Chambers of Commerce, with local governmental boards and with various organizations with the sole purpose of enriching Nevada's economy. Such state-local cooperation can bring only benefits to Nevada.

I feel that the Department of Economic Development and its 17-member advisory board is performing a valuable service, and I strongly recommend favorable action on the expanded promotional program as outlined in the Department's budget request.

STATE PARKS

Increased funds provided for the State Park Commission two years ago have resulted in the start of a program to preserve historical and natural sites as part of the state park system. This program should be advanced progressively to the final result of preserving these parks and developing them not only as historical monuments, but also as attractions to people of the State and Nation.

An increased appropriation will be asked in the budget for this work. However, development of the work of this Commission must proceed on a progressive basis governed by the State's ability to finance such development.

PURCHASING DEPARTMENT

Since enactment of the Act establishing a central Purchasing Department, that department has negotiated transactions totaling \$6,137,321.04 as of December 31, 1956, at a saving of approximately \$800,000 to the State, over and above administrative costs.

Of the total dollar value transactions negotiated, \$2,169,410.62 were in the fiscal year 1955 and 1956.

The volume of business is increasing rapidly each year and the savings prove the need and worth of the Department. More counties, municipalities and school districts now are using the Department to effect savings.

HEALTH AND WELFARE

Public demands continue to increase for Health and Welfare services. Here again, great population gains result in the need for continued and expanding services which must be met, and I again refer you to the budget.

New services, if any are considered, must be surveyed as to critical need and the ability to pay for the same.

A study should be made during the coming biennium of the problem of the aged within this State, aimed at developing a beneficial program of aid and rehabilitation.

NEVADA STATE LIBRARY

Nevadans are making constantly increased demands upon the State Library. The growth in service is reflected in a 735 percent increase in books loaned by mail and a 175 percent increase in local circulation in the past five years. In all phases of its work the library is giving modern library service to an extent unforeseen in 1950.

A growing population, increased interest in self-education, and cultural development on the part of rural and urban citizens are factors in this growth. To meet these services an increased technical staff is needed.

Under the Federal Library Services Act which passed Congress in June of last year, Nevada will receive \$46,438 for each of the next four years if my recommended Library budget is approved by you.

FISH AND GAME

Every person in Nevada, from the sportsman to the businessman, benefits from our wildlife resources.

Crossley, S. D. Survey, Incorporated, in conducting an economic survey at the request of the Nevada Fish and Game Commission, revealed that 46,200 residents hunted and fished in 1955 and in doing so added \$7,800,000 to the State's economy. This does not include expenditures made by nonresidents.

While sportsmen support, through license sales, the program in the State, yet all benefit through a sound and wisely managed wildlife program.

Wildlife resources belong to all the people of Nevada, and should be managed for the greatest good for all, both for today and in years to come.

I urge that you devote careful study to any proposed legislation affecting our wildlife agency with the realization in mind that the best interests of all the people must be served.

GAMBLING

Nevada is the only state with statewide legalized gambling other than on-track parimutuel betting. Gambling contributes directly to the State's economy from taxes derived and has become an important segment of industry in Nevada.

It is, therefore, imperative that gambling be kept clean and on a sound level of operation.

Two years ago the Legislature created the State Gaming Control Board, composed of three members. It is essential that this Board be continued, and that budgeted funds be increased to provide for a larger investigative and auditing staff.

Gambling has continued to increase during the past two years, and only through a careful investigation of those applying for license, and a continuous surveillance of those licensed can the public and industry itself be protected.

MINING

Last year saw the greatest upswing of mining in the history of the State and when final returns are made on the net proceeds of mines the figure will be close to \$50,000,000.

A sound mining condition is predicated largely upon encouragement of that industry by the State, and I am opposed to any restrictive legislation that would curb our mining growth.

AGRICULTURE

Our agriculture and livestock industry is on a better foundation than two years ago. However, a drought condition in central and southern Nevada is causing undue hardship at this time. Nevada should continue to aid in this emergency and any other similar emergencies which might arise in the State in cooperation with disaster funds made available through the Federal Government.

CONCLUSION

I fully realize that in this message I have covered only a part of our State Government. Perhaps some of the recommendations are of a controversial nature, yet I present them to you for determination.

At all times I am willing to meet with you and discuss any problems, and the services of my staff are available to you.
State Government is a continuing, growing function, and by working together we are providing a better State.

Senator Settlemeyer moved that the Senate and the Assembly in Joint Session extend a vote of thanks to the Governor for his timely, able and constructive message.

Seconded by Senator Lovelock.

Motion carried.

Senator Lattin moved that the Joint Session be dissolved.

Seconded by Senator Seevers.

Motion carried.

ASSEMBLY IN SESSION

At 11:50 a. m.

Mr. Speaker in the Chair.

Quorum present.

MOTIONS, RESOLUTIONS, AND NOTICES

Mr. Speaker instructed the Chief Clerk to read the following communications:

CARSON CITY, NEVADA, January 22, 1957.

WILLIAM D. SWACKHAMER, *Speaker of the Assembly, State of Nevada.*

DEAR MR. SWACKHAMER: We are most pleased to ask the presence of yourself and your wife, and also the presence of all fellow members of the Assembly and their wives, and all attachés, at a complimentary dinner to be held at 7 p. m., Wednesday evening, January 23, 1957, at The Spa, Carson Hot Springs, Nevada.

We are looking forward to the privilege and pleasure of seeing you tomorrow evening.

Most sincerely yours,

THOMAS D. WYATT, M.D., *Owner.*

STATE OF NEVADA EMPLOYMENT SECURITY DEPARTMENT

January 16, 1957.

GOVERNOR CHARLES H. RUSSELL, LT. GOVERNOR REX BELL, *Presiding Officer of the Senate, SPEAKER OF THE ASSEMBLY.*

GENTLEMEN: Pursuant to Chapter 420, Statutes of Nevada 1955, the Employment Security Department, which is the State Agency designated to administer the program for the extension of Federal Old Age and Survivors Insurance coverage to employees of the State and/or its political subdivisions, submits this report to the 1957 Legislature.

No recommendation is made for amendment of the 1955 Enabling Act, Chapter 420, Statutes of Nevada 1955.

HARRY A. DEPAOLI, *Executive Director.*

Mr. Barnum moved that the Assembly recess until 2 p. m.

Motion carried.

Assembly in recess at 11:55 a. m.

ASSEMBLY IN SESSION

At 2 p. m.

Mr. Speaker in the Chair.

Quorum present.