

# APPENDIX

TO

# Journals of Senate and Assembly

OF THE

TWENTY-FIFTH SESSION

OF THE

LEGISLATURE OF THE STATE OF NEVADA

1911

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VOLUME I



CARSON CITY, NEVADA

STATE PRINTING OFFICE : : : JOE FARNSWORTH, SUPERINTENDENT  
1911

**STATE OF NEVADA**

**INAUGURAL MESSAGE**

OF

**GOV. TASKER L. ODDIE**

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**TO THE LEGISLATURE OF 1911**  
**(Twenty-fifth Session)**

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**CARSON CITY, NEVADA**

**STATE PRINTING OFFICE : : : JOE FARNSWORTH, SUPERINTENDENT**

**1911**

# GOVERNOR'S MESSAGE

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STATE OF NEVADA,  
EXECUTIVE DEPARTMENT,  
CARSON CITY, January 16, 1911.

*To the Honorable the Senate and the Assembly:*

I have the honor, under the Constitution, to submit to your honorable bodies the condition of the State and certain recommendations which seem to me to be expedient for legislative action.

At the beginning of a new administration, it may be proper to outline in a general way the views of the Executive on certain general propositions which essentially have a direct bearing on his administrative acts. There is come about in recent years an insistent demand on the part of the public for good government. The sentiment is widespread that public officials must give first allegiance to the service of the State, and that where party interests and public duty conflict, the latter must control. As a citizen I so believe and as Governor of the State I shall try to carry out that policy. I am convinced that the members of your honorable bodies are actuated by a like purpose, and that during the present session of the Legislature, irrespective of party differences, the Legislative and Executive Departments can meet on the common ground of sincere cooperation of labor and effort to accomplish practical results for the welfare, good government and constructive upbuilding of the State.

There will be up for consideration before your honorable bodies perhaps the most important legislation which has been before any session since the organization of the State Government. Many state problems demand solution, both with reference to

the conduct and betterment of existing institutions, and with reference to stimulating the industrial development of the State. I believe in the largest degree of economy in the conduct of the State Government consistent with the highest degree of administrative efficiency. Public expenditures should be governed by the rule of whether or no the Commonwealth will derive benefits therefrom in excess of the cost. There are a number of instances where unnecessary expenses can be curtailed and useless expenditures abolished, resulting in a substantial saving to the State. On the other hand, certain new expenditures may be found expedient and be justified by the rule stated.

There is a general complaint that the burden of taxation is oppressive. This may be relieved to a greater extent than is generally realized by a more just and uniform system of taxation than that now in force; by the stimulating of the agricultural and industrial development of the State, thus increasing the amount of taxable property, and by a pruning of all useless expenditures both in the state and the county governments. While it is within the power and duty of the Legislature to effect economical reforms in the several county and municipal governments, this is not often done for the reason that taxpayers, as a rule, are negligent about investigating and informing themselves concerning local administrative affairs. The Legislature, as the result, has little information to go on relative to what is needed and demanded. Yet I am convinced that extravagances in these cases are quite as burdensome on the taxpayer as those which arise under the State Government. It is a matter of common knowledge in certain counties that the salaries and fees of certain officials amount to an exorbitant income for the services rendered, the excess of which, over a reasonable compensation, essentially comes out of the taxpayer's pocket. And there are other economies which might be effected in county and municipal affairs if the citizens thereof after investigation presented concrete demands for legislative action. I believe that if grand juries, as a part of their regular duties, were required to report, and file with the

Secretary of State for presentation to the Legislature at its next succeeding session, the requirements of the counties and municipalities for legislative action, it would result in such juries becoming important civic examiners of county and municipal affairs and their findings afford a basis for highly beneficial action by the Legislature in its work of perfecting our system of government.

#### **REDUCTION OF STATE EXPENSES**

I recommend that a joint committee of the two houses be appointed to investigate the ways and means of reducing state expenditures and to report by bill all reductions which can be effected without impairment to the public service.

#### **STATE FINANCES**

The financial condition of the State, from the standpoint of the various sources of public revenue, is better than at any previous time in our history. The report of the State Controller shows an increase for the last fiscal year of nearly \$8,000,000 in the valuation of property subject to assessment. At the present rate of taxation on the same, together with the State's other miscellaneous sources of revenue, the receipts of the State Government are, in round numbers, about \$1,000,000 per annum. Nevada has no outstanding indebtedness other than to itself, while the General Government and other States pay into our treasury interest upon more than one and one-half millions of dollars loaned by the State. We can look into the future with the assurance of a steady increase in property valuations and in new sources from which the State can derive its support. The expenditures of the State Government for the fiscal year 1910, aggregated \$1,048,132.26, of which \$160,000 was for the purchase and redemption of Nevada State bonds. At the beginning of the present fiscal year there was a net balance in the State Treasury of \$590,035.97, after deducting all outstanding warrants. As compared with previous years the net balance on January 1, 1909, was \$749,645.77, and on January 1, 1910, \$534,542.11.

**MINES AND MINING**

The production of precious and valuable metals in Nevada discloses the satisfactory fact that in the last three years there has been an increase of over 100 per cent in the value of the refined product. In 1908 the gross value was under \$15,000,000; for the year 1909 approximately \$25,000,000, and for the year 1910 about \$30,000,000. The public revenue derived from the taxation of the net proceeds of the mines has increased from about \$100,000, in 1908, to over \$225,000, in 1910. The continued development of mining properties and the erection of new quartz-mills, reduction works and smelters, indicates that the maximum production of our mines has in no wise been reached, but that, for some years to come at least, there will be a steady increase in the production of gold, silver, copper and lead. The sensational features of the mining boom days have disappeared and the industry at the present time is on a firm, substantial and legitimate basis. There seems to be a disposition on the part of some mining concerns to evade, or attempt to evade, the payment of the bullion tax exacted by the State, and I recommend that the Legislature give its earnest consideration to the enactment of some measure that will render impossible any evasion of the State's just tax upon the extraction of the wealth from her natural treasuries.

**NEVADA RAILROAD COMMISSION**

At the beginning of this year went into effect, by a decision of the Interstate Commerce Commission, dated June 6, 1910, a reduction in class rates on freight shipments originating from eastern points (west of the Buffalo-Pittsburg line) and terminating in Nevada, which leaves the same lower than the rates applying to California terminals, the effect of such reductions being to eliminate the "back-haul charge." A similar relative reduction on commodity rates, it is anticipated, will be ordered during the present year. The gathering of the data and the prosecution of this case before the Interstate Commerce Commission was by the Nevada Railroad Commission, and their able conduct of the case, as well as the just grounds on which it was based, is responsible for a finding of

extraordinary importance to our industrial development and economic welfare. The saving to the people of this State by such reduced freight rates is practically equivalent to the revenue derived from taxation for the support of the State Government. It was developed in the hearing that Nevada is no longer a "bridge"—an unproductive territory across which the Central Pacific Railroad runs with practically no business between its Utah and California terminals.

It was, on the contrary, established that, of the volume of business of the Central Pacific Railroad for the fiscal year 1907, one-third of its revenue was derived from passenger and freight traffic originating or terminating in Nevada or intrastate, while on the showing of the selected month of February, 1909, 54 per cent of the revenue derived from the west-bound transcontinental freight business on the Central Pacific Railroad was from such Nevada business, and but 46 per cent was on freight which passed through the State. Moreover, of the volume of passenger business, for such selected month, 32 per cent originated or terminated in Nevada or was intrastate, as against 68 per cent which passed through the State. These findings caused Commissioner Lane to remark "that while Nevada traffic may at one time have been negligible, such is no longer the case." It is to be understood, however, that these figures are not general for the entire business of the Central Pacific system, but the comparison is made with the relative portion of the through freight and passenger service which is properly applicable to Nevada.

The work of the Nevada Commission has been extremely beneficial in adjusting freight and passenger rates on other lines in the State and their investigations and records have served as the basis for a rational determination of the valuation of the various roads for assessment purposes.

#### **STATE TAX COMMISSION**

The Legislature has not been successful, to date, in providing a measure to carry that provision of our Constitution into effect which declares that there shall be "a uniform and equal rate

of assessment and taxation" and "a just valuation of all property, real, personal and possessory."

The State Board of Assessors Act has not solved the problem. Few citizens of the State can be persuaded that the present system of taxation and of determining property valuations results in any uniformity in the appraisal of similar kinds of property in different counties or in any relative uniformity between different classes and kinds of property. The burden of taxation is unequally distributed, falling proportionally heaviest upon the small freeholder, whose property is obvious, and least upon certain kinds of property the existence or valuation of which is not so obvious.

This subject is one of the most important to which the Legislature can address its attention. I am convinced that were the requirements of the Constitution met by a practical measure, it will result in a marked relative increase in the value of our taxable property as a whole and thus permit a substantial reduction of tax rates, state and county. Moreover, by equalizing the burden of taxation, those who under the existing system of appraisal pay an undue proportion of the cost of maintaining government will be afforded relief.

I urgently recommend the repeal of the Act creating the State Board of Assessors and of the Act creating the office of State License and Bullion Tax Agent, and that a bill be passed of the following general nature:

First—Providing for a State Tax Commission, and bringing the State's entire revenue system within the control, examination and review of such commission. Making the Governor, the Lieutenant-Governor, the State Controller, the Attorney-General and the three members of the Nevada Railroad Commission, *ex officio*, members thereof, with the Governor as chairman; and providing for the appointment of a State Fiscal Agent, who shall be secretary of the commission and perform such duties as the commission directs.

Second—Empowering said commission, by majority vote, at stated sittings, to fix the valuation on certain classes of prop-

erty, such as now fixed by the State Board of Assessors. Also empowering said commission to raise or lower the assessment valuation of any class or kind of property in any county or the valuation on any particular piece of property, in whole or in part, in any county, in order to effect a uniform, equal and just property valuation throughout the State.

Third—Granting said commission initiatory and appellate jurisdiction over the acts of County Boards of Equalization, to approve, modify or set aside their findings.

Fourth—Granting said commission the power to prescribe general and uniform rules and regulations governing the assessment of property by the Assessors of the various counties, not in conflict with law, and of prescribing the blank forms of property returns by property owners.

Fifth—Requiring the three members of the Nevada Railroad Commission, at times not conflicting with their duties as Railroad Commissioners, and also said State Fiscal Agent, by direction of the commission, to act as Special Examiners, with all needful inquisitorial authority and powers to investigate and require evidence touching the true valuation of any property they may be, severally or collectively, directed to investigate; and to report such evidence to the commission.

Sixth—Prescribing a new statutory rule for the determination of property valuations, and prescribing what uniform per cent of the appraised actual valuation shall property be returned for assessment purposes, and requiring all property valuations in the State, as soon as practicable, to be adjusted to such uniform per cent.

Seventh—Providing statutory regulations for establishing the valuation of all property which, by its nature, may not be taxed (with relative justice and uniformity to other property) by the assessment of its purely physical and tangible assets; and in all other cases where special regulations, for any reason, seem requisite.

Eighth—Abolishing the mortgage tax.

Ninth—Empowering said commission, within a maximum

and minimum tax rate prescribed by the Legislature, to declare the state tax rate for each fiscal year.

Tenth—Providing that a taxpayer who has appealed to the courts for remedy and redress from an increased assessment valuation of his property and whose cause is pending, may pay his taxes in such a manner that there will be two separate payments, one of which representing the taxes on such increased assessment valuation, and which shall be receipted for as a special deposit by the County Treasurer and held by him in a special fund in the county treasury, undisbursed, until the court by its findings shall award it; and in which case such taxpayer shall not be liable for any penalty under the delinquent tax law.

#### INVESTMENT OF SCHOOL FUNDS

The State of Nevada has \$1,510,000 of the moneys belonging to its school and university funds invested in Government bonds and the bonds of other States, about one-half of which draws but 3 per cent interest, and the remainder  $3\frac{1}{2}$  and 4 per cent. There is no good reason why our Constitution should not be amended to permit such funds to be invested in approved county and municipal bonds, both of this and other States, which pay a higher rate of interest. If this sum were reinvested at 6 per cent it would increase the interest revenue \$40,000 per year over the present income from these bonds—an item which is well worth the consideration of the people of this State. The State of Oregon goes even farther and loans its school fund at 7 per cent upon approved farm security, and, after many years' trial, without any impairment of the principal. It is indefensible that the State should loan its money to the Government and to other States at a low rate of interest while our counties and municipalities are compelled to borrow money at 6 and 7 per cent. The last Legislature passed a proposed constitutional amendment, amending Section 3 of Article XI of our Constitution, permitting the investing of such school funds in the bonds of any county in the State of Nevada.

I do not believe that this proposed amendment reaches the

situation by supplying a sufficiently broad and safeguarded field for investment of our school moneys. The total bonded indebtedness of the various counties of the State aggregates \$1,461,520, which is about \$50,000 less than the amount to be invested. As these county bonds are already in the hands of private purchasers the State would be compelled to enter the market for them or to take up such additional bonds as the counties might issue, and which, even on the assumption that they might be approved as safe security for such investment, would afford little advantage over the present method by reason of their relatively limited value as compared with the amount to be invested. Moreover, I believe any such constitutional amendment should provide a safeguard in respect to prohibiting the investment of school funds in the securities of any county in an amount, which, added to the outstanding indebtedness, exceeds a prescribed per cent of the assessed valuation of its permanent property. With such a safeguarding provision, the State's school funds might be invested in the county and municipal bonds of States other than Nevada, as well as in our own, which would then afford a sufficiently broad field of investment to enable the entire amount to be reinvested in 6 per cent bonds of unquestionable security. In my view, therefore, the proposed amendment of the last Legislature should be disagreed to and a new amendment, embodying the features suggested herein, be proposed.

#### **INTERCHANGE OF PRODUCTS AND EXCESS SUPPLIES BETWEEN STATE DEPARTMENTS**

The Legislature should provide for the interchange of products and surplus supplies between the various state departments in order that, where conditions permit, the products or unnecessary supplies of one state institution may be transferred to, and used by, another, with the proper credits, without unnecessary red tape. Many thousand dollars annually can be saved the State by such a measure. Under the existing law one state institution is required to buy in the public

markets products and supplies which another institution may have in excess and has no means for disposal except through advertisement for a stated period and sale to the highest bidder.

#### NEVADA STATE POLICE

At the present time the State Police force is composed of ten men, viz: a Superintendent, Inspector, four Sergeants and four privates. Additional men have been employed for longer or shorter periods at different times during the past two years. The Act establishing the State Police carried a special appropriation of \$150,000, which was supplemented by an appropriation of \$50,000 by the last Legislature. From this total has been expended during the three years the Act has been in force the sum of \$93,045.13, leaving a balance unexpended of \$106,945.87. The total expense for maintaining the force in 1910 was \$23,662.19. The principal work of the State Police the last two years has been the installation of the Bertillon system. All the convicts in the State Prison have been measured and identified by it, and a number of counties have installed the system. There are three important advantages derived from such installation, as follows: First, the accurate identification of any person charged with crime to determine whether or not he has a previous prison record; second, it affords valuable data to govern the action of the State Board of Pardons in determining whether an applicant for pardon or parole is properly entitled to receive clemency, and, third, the public knowledge of the fact that such a system is in use in in this State deters dangerous criminals from coming here, owing to the ease and certainty of their identification should they be arrested and charged with commission of any crime.

I am persuaded that it is advisable to continue the State Police system for the present. The force should ordinarily be kept at a minimum and the members thereof subject to detail by the Governor to any line of duty of advantage to the State, even though outside the special duties prescribed by the Act.

Should the State construct a new prison with convict labor, the State Police force might be properly used in guarding the prisoners, and should the State undertake the construction of public highways, as I have in another part of this message recommended, the State Police might be used in this service. I recommend that the Legislature provide that the Governor may assign any member of the State Police to such, or any other, public service, at times when they are not actually needed in the line of duty for which the organization was created.

#### **THE PAROLE SYSTEM**

Recent years have witnessed a change in enlightened public opinion with respect to the causes of crime, its prevention, and the treatment of criminals and malefactors. One of the most humane and benevolent laws on our statute books is that in reference to paroling convicted persons who may be more properly classed as "law breakers" than actual criminals, and in the opinion of the Board of Pardons have been sufficiently punished for the crimes for which they were severally committed; whose records in the prison have been good and whose characters appear to the board to be such that, if liberated, they will try to rehabilitate themselves and become useful members of society. The results of the operation of the parole system in this State have been to a high degree promising. During the two years it has been in force thirty-seven convicts have been paroled previous to the last session of the board. Of this number, only four have been returned to the prison for breaking the conditions of parole; the remainder seem to be generally making good. While it is to be expected that occasionally a paroled person may abuse the clemency awarded him, yet so long as the general results are so excellent and seem to be founded on such humane principles, no intelligent person, at all familiar with the workings of the parole system, can doubt its justice and beneficence. Prisoners are rarely paroled unless employment is already provided them. The crucial time is the first few weeks after release, and the public and police departments of the various counties

and municipalities should aid, rather than make more difficult, any honest efforts of these unfortunates to make a new start in life.

A revised criminal code, which will be submitted by the Supreme Court in its revision of the statutes, provides for the indeterminate sentence and the suspended sentence, and, in my opinion, these are a necessary part of any enlightened system of criminal jurisprudence.

Judging from the number of crimes which have been committed as the direct result of gambling, I am convinced that one of the fruits of the abolition of gambling in this State, on October 1, 1910, will be a substantial decrease in certain classes of crime, such as forgery and embezzlement. The reports of the police departments of several of our larger towns and cities already show a marked falling off in the number of arrests for such offenses.

The last Legislature passed an Act very similar to that of Colorado in relation to juvenile offenders. It is working well in the several counties which have put it in force. But there is urgent need for the establishment by the State of a juvenile reformatory, where incorrigible youths of both sexes may be sent, and, under humane and proper treatment, an effort be made to effect their reformation.

#### STATE PRISON

The conduct and management of the State Prison during the past two years has been worthy of special commendation, both from the standpoint of practical economy and the introduction, so far as possible, of just and humane methods in the treatment of the convicts. The per diem cost of maintenance of prisoners has been reduced from \$1.03 each, for the years 1907 and 1908, to 91½ cents for the last two years. The last Legislature appropriated \$175,745 for the maintenance of the prison for the succeeding two years, and of this sum an unexpended balance of \$57,945.02 reverted to the general fund at the beginning of the present year. The average number of prisoners during the year 1910 was 187.

The present penitentiary building is old, overcrowded,

unsanitary and unadapted to any classification of convicts according to modern prison methods. While the Warden has managed to separate certain of the most vicious prisoners from the others, it is impossible to prevent the contamination of young lawbreakers by their depraved associates and to protect the healthy from those afflicted with tuberculosis and other infectious diseases.

The last Legislature appropriated \$205,000 for the construction of a new prison and \$50,000 for the purchase of machinery to establish some form of industrial work for the prisoners. The latter appropriation is still intact in the treasury. From the former, \$31,439.55 has actually been disbursed, which includes the purchase of the Schulz farm in Ormsby County for \$25,000. The farm contains 1,140 acres. It has been put in good repair in respect to buildings and fences and is operated by convicts. Last season about 400 tons of hay were harvested. Additional water for its irrigation is being developed and possibly in a few years the larger part of the entire tract can be brought under cultivation. The farm is designed ultimately to produce most of the food consumed by the convicts, and for other state institutions.

The balance remaining in the appropriation for the new prison is subject to a certain contract (unless the same is annulled) executed by the former Prison Board on December 28th last, immediately preceding the expiration of their terms of office, in the sum of \$147,570 for the iron and steel work for 240 cells. There is, therefore, a net balance left in this fund of but \$25,990.45 applicable to building, construction, etc.

The tentative estimate of the State Engineer places the approximate cost of the new prison, completed, at the prison farm, using convict labor so far as practicable in its construction, at about \$205,000 over and above the amount of the contract mentioned, or a total of about \$355,000, in round numbers, as the final cost thereof. The time required for its construction would be about eighteen months from date of beginning.

Alleged irregularities in the awarding of the contract for

cells have been the subject of public comment, and my attention has been called to matters connected therewith which require more investigation than I have yet been able to devote to it. I therefore withhold, at the present time, any recommendations with respect to the matter of the new prison, and will make the same the subject of a future special message to your honorable bodies.

### ROADS AND HIGHWAYS

Good roads are no longer to be considered a luxury, but as a necessity, by any progressive community. Nevada has an unenviable reputation for possessing bad roads, and as a result we are losing a large source of business revenue derivable from automobile tourist travel. The conditions in this State are such, as a general rule, that good highways can be constructed and maintained at a minimum cost and expense. California is expending millions of dollars in perfecting a system of highways throughout the State. Nevada, as a business proposition, aside from the ordinary benefits derived from good roads, can gain a portion of this business by the building of a suitable highway having a terminal connection with the California road at Lake Tahoe. There is being worked out a great national highway system, one of the main arteries of which will be between the Atlantic and Pacific Coasts and traversing Nevada. The work of its construction will devolve upon the States, and we should as rapidly as we may complete our portion between Utah and California, with branches traversing all sections of the State. Such a system should be laid out by the State Engineer and the cost of its construction devolve upon the several counties, except as state aid may be required where the conditions are extraordinary.

In many of the States convicts from the penitentiary are utilized in highway construction with the most satisfactory results, both from the standpoint of economy and the benefit derived from wholesome out-of-door exercise by the prisoners. The system, which originated in New Mexico, of employing convicts in road work, is being adopted, one after another, by

the northern States. Under this system the detail of a convict to road work is regarded as a privilege. It is in no sense compulsory, and only the better class of prisoners are assigned to it. The convicts are required to do a reasonable day's work, to obey the rules and regulations of the road-building camps, and the only punishment for disobedience or infraction of the rules is return to confinement in the prison. They are only nominally guarded, and are in charge of an overseer who directs their work. The history of the system in the various States which have adopted it shows very few attempts by convicts to escape. Their work in no wise can be said to be competitive with free labor, since, as a general rule, the construction of highways by convicts has stimulated more road building by free labor than was ordinarily done previous to the inauguration of such system, and the general effect incident to the construction of good roads has been the stimulating of many industries and avocations, affording employment for additional labor, which had previously been dormant.

In the Nevada State Prison are about 190 convicts, possibly over 100 of whom could be used in road building. In ordinary seasons they could be so employed from eight to nine months in each year, and in the course of time the splendid highways which such a body of men would construct would be of immeasurable benefit to the State. The cost of their maintenance in this work would be very little greater than keeping them, as now, in unwholesome and brooding idleness within prison walls. Statistics, moreover, are obtainable, to show that discharged prisoners from the road camps are in a far better physical, moral and mental condition to rehabilitate themselves as useful members of society than those directly discharged from prison, which is an argument not secondary to any other in favor of the system. I urgently recommend legislative action in conformity with these views.

#### **STATE ENGINEER**

The office of the State Engineer, owing to the nature of the duties and powers prescribed by statute, is second to none other

in the State in importance, by reason of its administrative and quasi-judicial functions with respect to the determination and adjudication of property involved in possessory water rights. When the office was created the work was simple as compared with the complexity to which it has since grown. The work is now highly systematized, and each year is becoming of greater value and service to the State. Two years ago the Legislature appropriated \$25,000 for its maintenance. This has practically been expended, but as an offset the sum of \$10,169.70 has been turned over to the General Fund from fees received, which reduces the net cost the past two years to about \$15,000. The State Engineer in his report recommends certain changes in the matter of fees, to be exacted in all cases on the basis of the benefits derived by applicants for water rights and for special examinations and reports. By providing for such changes in the fee system it is believed that the office can be made entirely self-sustaining.

#### **COMMISSION OF INDUSTRY, AGRICULTURE AND IRRIGATION**

Our State is apparently at the dawn of a general awakening in all branches of industry.

Mining and stock-raising are on a strong and progressive basis. The securing of just freight rates on our interstate railroads promises a stimulating effect on all local enterprises and to create opportunities for new industries and avocations.

But the ultimate foundation of the State's prosperity and increase of population must lie in the solution of the problem of the reclamation of our arid wastes. We have not, hitherto, given this subject the attention its importance deserves, or attempted to aid private enterprises or to cooperate with the National Government in its solution. Where water was easily available in our rivers and streams private enterprise has diverted it to irrigation, and ever since been abundantly rewarded. The Government's initial Truckee-Carson Reclamation Project is achieving slow but certain success after conquering retarding difficulties and conditions, and the ultimate

practical triumph of this great irrigation enterprise is no longer in doubt. As a State, however, since the passage of the National Reclamation Act, we have been content to shift the entire burden of reclaiming our arid lands upon the Government, and comfortably await its slow action, without concurrent efforts of our own. A review of our status, resulting from such policy, as compared with the advance of States pursuing a more energetic and self-helpful course, is convincing that it is not a profitable one for us to continue. While it is true that several new reclamation enterprises, financed by private capital, are under way, particularly at Lovelock and near Wells, it is also true that many important opportunities remain unexploited where the flood waters of our streams could be conserved to bring under cultivation extensive tracts of rich land.

The Carey Act, passed by Congress, was designed to enable private enterprise to undertake the construction of reclamation works and systems and to afford a procedure whereby the capital for the same might be secured from the sale of irrigation bonds. I believe that the State, without loaning its money or its credit in aid thereof, can be of material assistance in promoting such enterprises, by authorizing a state commission to pass upon the merits of all such private reclamation projects and to supervise the strict carrying out of the terms and stipulations of all covenants with investors in their stocks and bonds. The market for irrigation bonds depends largely on the safeguards the State throws about the investment, to prevent fraudulent practices and to determine by its independent investigation the practical merits of the enterprise.

At Las Vegas, a great desert is beginning to be reclaimed by water derived from artesian sources. Many who have given the subject study believe that the subsurface waters of certain of our valleys offer the most practical hope for their ultimate reclamation. It is pointed out that the most fertile acreage of Southern California is irrigated by water pumped from beneath the surface. Most of the citrus-fruit belt of that State is irri-

gated by pumping plants; and the pump and not the impounding dam is what has made a desert of twenty years ago, today, the garden spot of the world. Pumping water for irrigation necessitates small farms, intensive farming, and the growing of high-grade crops. Moreover, the experience of California has been that large pumping plants over an established subsurface water channel, supplying water for a considerable acreage, and owned by the farmers cooperatively, brings the water cost within reasonable limits.

Nevada possesses a widely diversified climate, approaching the semi-tropical in the extreme southern part of the State, where cotton, figs and fruits requiring a warm climate are grown, and temperate in the middle and northern part, where alfalfa, grain, potatoes, apples, peaches, pears, small fruits and vegetables thrive on the irrigated lands. Our agriculturists have paid little attention until recently to crops other than alfalfa and grain. The day, however, of the small and intensively cultivated farm is close at hand.

The introduction of the beet-sugar industry in Nevada, by the large plant now in process of erection at Fallon, representing an initial investment of about \$600,000, may lead, on the practical demonstration of its success, to the extension of the industry to other suitable localities in the State. This is an industry which is capable of great expansion, and, if successful at Fallon, it would seem that many other sections of Nevada would be equally adapted to its introduction.

Poultry, eggs, pork products, apples, and fruits and vegetables of many kinds are imported for local consumption in enormous quantities, which could be produced here and the money retained in the State. With several successful creameries the number is inadequate to supply the local demand for butter, and we likewise buy the larger part of our consumption of this staple from the outside. With just freight rates operating to give us equality of opportunity with other States, it is probable that certain kinds of manufacturing could be profitably introduced here, especially those which transform into commercial products the raw materials which we produce.

The concrete demand of the State is for new and diversified industries, for more crop-growing acreage, and for more population. The last will solve itself as a sequence to the solution of the first two.

There is, throughout the country, a great social migration from the cities back to the farm. The people are land hungry. There is a tremendous demand for farm acreage on which the home-seeker can discover a reasonable certainty of making a living for himself and family. It is of no advantage to invite people to Nevada to inspect our arid wastes before the ways and means of their irrigation is settled. That problem is for us to try to solve cooperatively with the National Reclamation Service.

Where a reclamation project is feasible the State should give its moral aid and encouragement to bring it to a practical consummation. I have already pointed out the way in which I believe this may be done. In conjunction with this stimulus, the State should at its own expense, within a reasonable latitude of exploration and experiment, assume the hazard of determining the practicability of irrigation by utilizing the subsurface waters in some of our valleys, where the conditions are most promising of success. Successful experiments of this kind could be so conducted, by prior arrangements with communities and land owners benefited thereby, to reimburse the State a part of, or the entire, expense. Once irrigation by such means were proved economically practicable in any given district, private enterprise may be relied upon to do the rest.

Four years ago the Legislature passed an Act creating a State Industrial and Publicity Commission, designed primarily to exploit the resources of the State at industrial expositions and through magazine and newspaper publicity. The commission has cost the State a substantial sum, without results to justify its continuance, and I recommend the repeal of the Act. What Nevada needs at this time to stimulate its upbuilding is not publicity, but the actual demonstration of tangible and concrete opportunity, within the reach of the average man, in our latent resources.

There is work in Nevada, in my belief, of the most valuable and useful character for a properly constituted Industrial, Agricultural and Irrigation Commission. Such commission should have certain prescribed functions, as follows: (1) To study and investigate the resources of the State and to gather and prepare accurate data on all subjects pertinent to our industrial, agricultural, irrigation and reclamation progress and development; (2) to conduct a bureau of information on all subjects within the scope of its inquiries; to publish bulletins from time to time regarding industrial, agricultural, irrigation or reclamation opportunities, and to render its advice, encouragement and aid in support of any legitimate enterprise of a practical nature beneficial to the State; (3) to pass upon the merits and oversee the conduct of industrial and reclamation enterprises the securities of which are offered for public subscription; (4) to conduct reasonable and practical explorations and experiments to determine the feasibility of reclaiming favorable portions of the State by utilizing the subsurface waters for irrigation, and (5) to protect and conserve the rights and interests of the public in all applications to appropriate power sites on the rivers and streams of the State.

I therefore recommend that the Legislature create and establish a Nevada Bureau of Industry, Agriculture and Irrigation. That it be in charge of a State Commission consisting of the Governor, the Surveyor-General and the State Engineer, as ex officio members, and two additional members to be appointed by the Governor to be called the Commissioner and Associate Commissioner of Industry, Agriculture and Irrigation, who shall devote their entire time to the work of the commission and have their offices in said bureau. That said Commissioner and Associate Commissioner be allowed adequate salaries, corresponding to the importance of their duties, in order to secure men of the highest qualifications. I further recommend that the sum of \$25,000 be appropriated to carry out the purposes of the Act, with the proviso that no disbursement from such fund may be made unless it be

agreed to by a majority vote of said commission at a regular or special meeting and the minutes thereof entered of record.

Such a commission, so constituted, devoting its combined ability, energy and wisdom to the problem of State upbuilding, within a reasonable time, in my opinion, will show results which will more than justify its creation, and directly and indirectly return to the people of the State benefits of far greater value than the cost of its maintenance.

#### **PANAMA CANAL EXPOSITION**

The completion of the Panama Canal in 1915 is to be commemorated by the holding of a World's Exposition to signalize the triumph of the greatest engineering feat in human history as well as the accomplishment of an enterprise of incomprehensible moment to the economic development of the Pacific Coast and the Nation at large. The City of San Francisco is entitled, by virtue of all conditions and circumstances, to be designated by Congress as the place for holding such exposition. I urge immediate action by your honorable bodies in respect to memorializing Congress to so designate San Francisco, and to pledge the moral and material aid and encouragement of the State of Nevada to assist in making such exposition at the City of the Golden Gate the most beneficial and successful ever held in America.

#### **REVISION AND COMPILATION OF THE STATUTES**

The last Legislature passed an Act constituting the Justices of the Supreme Court a commission to compile and annotate the Statutes of Nevada and to present to this session of the Legislature recommendations for the revision and amendments of our code. This commission has been engaged on the work for the past two years and will present for the consideration of your honorable bodies certain important changes in our code, designed to simplify and modernize it, and to eliminate various obsolete and ambiguous features. It has been twelve years since the statutes were last revised, but no previous revision authorized has been so thorough and exhaustive as the present. The statutes enacted by this Legislature

are to be incorporated in this compilation when published. It will be necessary for this Legislature to make provision for its publication. It is believed that the proceeds from the sale of the compilation will approximate the expense connected therewith.

#### STATE UNIVERSITY

The University has closed the last two fiscal years without any deficiency. The record of the institution in fulfilling the functions for which it was created has been one of steady progress and the State can feel just pride in what has been accomplished, both in the physical development of the property (the construction and equipment of excellent buildings and the beautifying of the grounds) and in the comparatively high standard attained in the various educational departments. The University has been the beneficiary of several munificent gifts from Mr. and Mrs. Clarence Mackay and Mrs. John W. Mackay, which include the splendid building of the Mackay School of Mines, the Athletic Field and Training Quarters and the beautifying and laying out of the Quadrangle as a part of a general scheme of landscape effect. The institution is one of immeasurable value to the Commonwealth and deserves the most generous support that the State can economically afford. The Board of Regents urge an appropriation for the erection of a Biological Building, somewhat larger than was asked for two years ago, but which is now to include the State Hygienic Laboratory, the Laboratory of Bacteriology and Veterinary Science and a Laboratory for Psychology. The work in these departments is very important, both from the educational standpoint and by reason of special useful work carried on for the public benefit. It is desired also to add to the University departments a School of Electrical Engineering, as there is a growing demand among students for such a course. The University is also desirous of building up its School of Agriculture, believing that this is become at the present time one of its most important educational branches. To do so will require the purchase of a State Agricultural Farm, where students may be taught all forms and kinds of practical farm-

ing, including horticulture, and stock breeding and raising. This should be situated as near the University as practicable. The estimated appropriations to cover these improvements, together with the running expenses for the University for the next two years, aggregate approximately \$400,000, or about \$130,000 in excess of the appropriation made at the last session. There seems little question of the practical need and urgency of these improvements, but I am not, at this time, convinced that the State is financially able to grant the entire request of the Board of Regents. It is a matter which should be given the earnest consideration of the Legislature, however, and in so far as the finances of the State permit, I would feel that a reasonable compliance with the requests of the Board of Regents, with respect to the improvements asked, would be in keeping with the desire of the people of Nevada to give their children the best educational advantages within their power.

#### **THE GAMBLING ACT**

On the 1st day of October of last year the Act prohibiting gambling in Nevada went into effect, and its strict enforcement by the peace officers of the various counties and municipalities is a matter of just pride. It is possible that "blind" gambling places may now be conducted, or that attempts to establish and conduct such may be made in the future. I am persuaded that public policy demands the strict enforcement of the law, and should information reach the Executive that the ordinary peace officers of any county or municipality are delinquent, I shall not hesitate to use the State Police directly in its enforcement.

I believe that the terms of the Act are unnecessarily stringent in respect to making no distinction between card playing, and other games for recreation, and actual gambling, and I recommend that the Act be amended in this particular, without in anywise lessening its prohibition of gambling.

#### **THE DIRECT PRIMARY**

The one objection which can be presented with any force against the direct primary in this State is founded in the

expense the present law entails upon the counties and the candidates. The conviction that the system is meritorious is so firmly entrenched in the public mind that no argument in support of it is necessary. It is imperative, however, that changes be made in the existing law which will lessen the cost to the taxpayer of its operation, as well as to enable a candidate for a state office to conduct his campaign before the people at a reasonable personal expense. There is a further demand that the ballot be made secret in respect to modifying the present provision requiring a voter to declare his party affiliation at the time of voting.

#### **STATE BANKING LAW**

I do not believe that any radical changes are called for in the state banking law. It is generally well understood by the banks; and with certain amendments which experience has shown to be desirable, it can be perfected into a satisfactory working measure. The chief changes demanded are in respect to receiverships for temporarily impaired or insolvent banks. The appointment, control and fixing of the compensation of such receivers should be placed within the power of the State Banking Board.

#### **STATE BOARD OF SHEEP COMMISSIONERS**

The State Board of Sheep Commissioners was created by Act of the Legislature in 1907 to meet a serious situation due to the prevalence at that time of certain contagious diseases among the sheep of the State; the purpose of the Act being to take measures to eradicate, with the aid of the Bureau of Animal Industry of the Department of Agriculture, such diseases; to provide a method of quarantining the sheep of other States affected with disease from entry here, and by freeing our own sheep from infection, to remove the quarantine established by the Government against us. The commission appointed has performed its duties efficiently and resolutely, and has, with the assistance of such Federal Inspectors, succeeded in reducing the number of sheep affected with scabbies, the principal disorder, from a maximum of over 70 per cent of the flocks of the

State in 1907, to less than 4 per cent at the close of the year 1910. According to the last report of the commission, there are 361 owners of sheep in the State, who control a total of 1,357,075 sheep, and which shear approximately 8,000,000 pounds of wool per annum. The annual revenue derived from the sheep industry is approximately \$2,500,000, making it one of the principal industries of the State. The Government quarantine has been removed from the Counties of Nye, Lincoln and Clark, and if the work is continued, will probably be lifted from the entire State within a reasonable period.

While there is opposition in some quarters to the continuance of the State Board of Sheep Commissioners, as the burden of its maintenance falls upon the sheep owners as a special tax, such opposition is due largely to ignorance of the fact that without the State's active cooperation with the Bureau of Animal Industry, which maintains a considerable force of inspectors in Nevada to assist the work of the State Commission, such Federal aid would be immediately withdrawn in accordance with the practice of the Department of Agriculture, and the State subjected to a rigorous quarantine until we resumed our proper share of the burden. Funds have been advanced by legislative appropriation from the State Treasury to carry on the work of the Commission, to be paid back from the proceeds of a special tax authorized to be levied by the commission against the sheep of the State. Certain counties have been delinquent in levying and collecting this tax and are in arrears, which works a hardship on the sheep owners of the counties where such tax is levied. The provision of the Act relative to the manner of levying and collecting the tax seems defective, and I recommend that it be amended to correct the defect. The discrepancy between the number of sheep returned for taxation and the actual number found by the Sheep Commission and reported, indicates that not only would the balance due the State be quickly liquidated, and a working fund of its own be established, but the public revenues be substantially increased by a more careful inquiry by Assessors of the actual number of sheep in the State.

**STATE VETERINARIAN**

The Act establishing the office of State Veterinarian, in my judgment, may properly be repealed, and the Professor of Bacteriology and Veterinary Science of the State University be made, ex officio, the State Veterinarian, with a provision for a reasonable compensation for his services while actually engaged in such duties. In many States the work of the State Veterinarian is a part of the duties of the Professor of Veterinary Science of its university, and the plan has proved of much practical merit.

**STATE AUDITOR**

I recommend the repeal of the Act creating the office of State Auditor for the reason that no substantial benefit to the State that I can discover has resulted from the office.

**STATE INDUSTRIAL AND PUBLICITY COMMISSION**

I recommend the repeal of the Act establishing the State Industrial and Publicity Commission, to take effect immediately on the expiration of the term of office of the present chairman of said commission.

**ORPHANS' HOME AND HOSPITAL FOR MENTAL DISEASES**

The biennial report of the Directors and Superintendent of the State Orphans' Home not having as yet been received by me, I reserve any possible recommendations with respect to the same for a future special message to your honorable bodies, and the same will apply to the Hospital for Mental Diseases.

**COMPENSATION TO INJURED WORKMEN**

The legal doctrine that one for an injury to his person has a sure, speedy and adequate remedy in the courts, is not sustained by the statistics of workmen's injuries in this country. Compensation to injured employees has been anything but speedy, and in all but the exceptional case, when carried into the courts, has resulted in no actual recovery by the plaintiff. The principle of sure compensation to an injured workman, regardless of questions of negligence, has obtained for years in every country of continental Europe. It has there given complete satisfaction and proved beneficial to employer and

employee alike, and has removed one of the chief causes of friction and ill-feeling between employer and employee. The continual cases of flagrant injustice to maimed employees and to the dependents of workmen killed in the discharge of their duties has aroused public sentiment and sympathy, with the result that in the past few years various commissions have been appointed by the States, and several of national character, which have sought to provide a just and adequate remedy therefor. These commissions have all arrived at a common conclusion, in substance as follows: That compensation for death and injury to workmen should be withdrawn from the domain of private controversy and the jurisdiction of the courts; that funds shall be established out of which every workmen injured, and the family of every workman killed in the course of industrial employment shall receive a just measure of compensation, regardless of the question of who is to blame for the accident; and that such shall be the workman's sole remedy, and the contribution which the employer makes to such fund shall be the employer's sole financial responsibility.

The plan which has met with the most favor provides for the classification of industries according to similarity of hazard and the levying of a special tax upon all property in such class sufficient to meet the annual cost of compensating injured employees and the dependents of employees who are killed in such aggregate industries, according to a statutory schedule of recompense, varying with the nature of the injury and the wage earnings of the injured. The extent to which the subject has received attention may be estimated when it is stated that in addition to the National Civic Federation, which has been investigating the matter for a number of years, seven States have appointed official commissions that are now working on compensation laws. The State of New York has already passed a measure somewhat on this line, while the Legislature of Washington is considering a bill reported by a commission appointed by Governor Hay last year. It is shown by the

of the industrial disputes and strikes in this country, lies in the almost universal defeat of justice in the matter of compensating the victims of industrial accidents and fatalities.

The National Civic Federation has drafted a bill providing for such direct compensation, which it has recommended for uniform adoption by the various States, with such changes therein as may be required to harmonize it with the several State Constitutions. Copies of the digested measure, in a short time, will be available for the examination of your honorable bodies, and I recommend that you give it your most earnest consideration.

### CONCLUSION

From time to time during the session I shall communicate by special message with your honorable bodies on any subjects which seem to require your consideration apart from those mentioned in this message. It is my sincere wish and trust that the most cordial relations be maintained between your honorable bodies, and all the members thereof, and myself. I shall try at all times to be at your service for advice and consultation upon any matter of legislation, and likewise I think I may so speak with respect to all the other departments of the State Government. Your duties are grave and responsible, involving the high trust which the people of the State have reposed in you, by delegating to you the authority and power to represent them in the making and modifying of the laws by which the State is governed, and I am persuaded in advance of the high wisdom and fidelity with which you will discharge the trust.

TASKER L. ODDIE,

*Governor.*