

APPENDIX

TO

Journals of Senate and Assembly

OF THE

THIRTY-FIFTH SESSION

OF THE

LEGISLATURE OF THE STATE OF NEVADA

1931

VOLUME I



CARSON CITY, NEVADA

STATE PRINTING OFFICE . . . JOE FARNSWORTH, SUPERINTENDENT

1931

STATE OF NEVADA

MESSAGE

OF

Gov. F. B. BALZAR

TO THE LEGISLATURE OF 1931

(Thirty-fifth Session)



CARSON CITY, NEVADA

STATE PRINTING OFFICE . . . JOE FARNSWORTH, SUPERINTENDENT

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GOVERNOR'S MESSAGE

STATE OF NEVADA,
EXECUTIVE CHAMBER,
CARSON CITY, January 20, 1931.

To the Honorable, The Senate and the Assembly:

In obedience to the provisions of the Constitution it is my pleasure as well as my duty to address you, and report the condition of the State and to recommend such measures as I deem expedient.

The existing era of economic depression and industrial unemployment obtaining throughout the Nation, and to a minor degree within our own State, are facts well known to you, and make necessary the most careful consideration of existing conditions before legislation is attempted as a possible remedy, and it will therefore be well to thoughtfully examine the reports of all the several State officers that the exact facts as to the internal condition of our State may be known.

Most fortunately the existing Nation-wide condition of financial stress is but lightly felt within our own borders, when comparisons are made with conditions prevailing in other States, and this is partly due to our solid financial standing and partly to the large Federal expenditures which have heretofore been made within the State, or those authorized to be made.

Deeply as we regret conditions prevailing elsewhere, Nevadans may rejoice that notwithstanding the tremendous decline in our mining industry, which approaches total extinction in some quarters, yet the future for the rarer metallics, as well as nonmetallics, is very good.

The expenditures proposed in connection with the Boulder Canyon project in Clark County, running into many millions of dollars during the ensuing decade, as well as those made at the Naval Ammunition Depot in Mineral County, are factors tending to lessen financial distress among our people, and these disbursements added to those authorized by Congress for additional highway construction give promise that Nevadans can face the future in a most optimistic frame of mind.

Our people, largely descendants of hardy pioneers, are not dismayed in these times of national stress, feeling that they can and will work out their own salvation and carry on until prosperity again reigns throughout the Nation, and with the bringing of electric power from the harnessed waters of the Colorado River for the development of giant industrial plants within our borders, our growth as a commonwealth will have but commenced.

The expenditures of the Federal Government at the Naval Ammunition Depot have but begun and will continue to expand so long as thought is given to preparing for the national defense by the Navy as an integral part of the armed forces of the Nation.

The moneys so expended within our borders are but a small return of the vast sums poured into the lap of the Nation from Nevada's mines and other industries during the past seventy years, amounting to at least a billion or more of dollars, and no other State of the Union has been so niggardly dealt with when expenditures of Federal funds are considered.

Today opportunity is knocking at the door of Nevada and we stand on the threshold of a great development and increasing prosperity, for we are most advantageously located. Climatic conditions are not excelled elsewhere in the Nation, situated as we are in the high plateau region of the West. We experience neither floods, cyclones nor other catastrophies of nature. Our valleys are underlaid with water which only awaits development to add to our agricultural resources. Our laborers are unexcelled in quality and capability. Our natural resources warrant and undoubtedly will bring a great industrial development with the passage of the years. Social conditions, with the absence of extreme poverty or ultra wealth, attract desirable citizens.

We cannot progress without effort or preparation, for competition between States at the present time is possibly even more keen than between rival industrial enterprises. It is imperative that we visualize the Nevada of the future years and marshal our resources to that end, looking beyond the mere material gains of today so that our sons and daughters will not face an exhausted patrimony. We want economic progress, new industries and desirable new residents.

We want to develop our material but dormant resources and renew our various mining activities. We want tourists to share with us our admiration of Nevada's scenic landscapes and rugged desert beauty. We want our farmers to raise products ample for the needs of Nevada and help feed the people of our neighboring States.

Our wants, however, in a material sense should not blind us to our spiritual needs, for no people can progress without vision, and progress consists not merely in creating wealth or reducing taxes, but in doing those things which inure to the benefit of all our people and make for the general welfare.

No State can be worth while as a place of residence that neglects the health of its citizens, the education of its children, the care of its unfortunates, or which tolerates disrespect for or disregard of its laws.

As one of the great States of our Union, even though the smallest in point of population, Nevada has a heritage of which its citizens are justly proud, and this serves to measure its character just as an individual is rated by his conduct and record, and character is neither made nor measured by wealth alone.

The motto of our State "All for Our Country" truly depicts the standard of our character, as a State, and our material and spiritual progress in the last analysis depends upon the optimistic spirit and developed patriotism of all our people.

We are at the beginning of a new era in which scientific inventions are playing an ever-increasing part in our lives, and our best constructive thoughts will be required in all matters of legislation that our present population, as well as the oncoming generations, may not find themselves handicapped by illy considered legislation, but can look forward into the future with justified confidence in our State and its institutions.

BONDED INDEBTEDNESS

The books of the Controller show that on January 1, 1931, the bonded indebtedness of the State was \$980,000, which included \$300,000 in State Highway Bonds.

The par value of State owned bonds and securities was \$3,232,711.35.

Investment funds available on that date amounted to \$23,704.

The income to the State during the past biennium from interest on bonds was \$277,310.76.

For the redemption and interest on State bonds there is now available in the Consolidated Bond Interest and Redemption Fund the sum of \$62,168, and with estimated receipts to July 1, 1931, of \$55,000, the total amount for such redemption and interest will total \$117,168.

With an annual interest requirement of \$26,700 there will remain the sum of \$90,468 for bond redemption for the ensuing year, which does not include \$150,000 of State Highway Bonds that are redeemed by fees collected from the sale of automobile licenses.

For the year 1931 the bond redemption and interest requirements are \$114,700, which amount is now on hand.

The present plan for redemption of bonds for the year 1932 is \$105,600, which amount includes interest charges of \$29,600, and for the year 1933 it is proposed to cancel \$102,800 in bond and interest obligations.

The Controller reports that with the increase in the tax rate allowed by the Legislature of 1929 for bond interest and redemption, the bond payments that had previously been allowed to lapse have been taken care of by redeeming heavily on those issues, and by continuing this plan all issues can be handled within the statutory time limit.

With the plan as outlined for redemptions during the years 1932 and 1933, and providing no additional issues except for State Highway purposes are authorized, the tax rate can be reduced from seven to five cents, based on our present assessed valuation.

NEVADA'S CIVIL WAR DEBT CLAIM

During the year 1929, as a result of earnest labors by our present Congressional representatives and their predecessors, there was received by the State the sum of \$595,076.53 in full and final settlement of our claim against the Federal Government for repayment to the State, with interest, of moneys advanced by Nevada Territory to aid the General Government during the Civil War.

This claim had been pressed for passage during the past

sixty years, and under authority of an Act of the Nevada Legislature the State Board of Examiners entered into a contract with interested attorneys providing for a fee of 25% of all moneys which might be finally collected, with the result that the net amount received by the State Treasurer was \$446,307.40.

Of this sum, \$380,000 was used to redeem and finally extinguish a so-called "Irredeemable Bond" held by the State Permanent School Fund, thereby saving to the people of Nevada annual interest charge of \$19,000 which had been paid for more than fifty years, aggregating over \$950,000 in interest.

The remainder of \$66,307.40 was applied to making necessary repairs and changes in the several State buildings located at the seat of government and for completely refurnishing the Executive Mansion.

Upon the redemption of the "Irredeemable Bond" for \$380,000 this sum was reinvested by the State Board of Finance for the benefit of the State Permanent School Fund.

AGRICULTURE

Our farming and livestock industries have suffered severely during the past year due to the world-wide business depression which has greatly lessened consumer demand for our principal agricultural products. In the face of this reduced demand our own and European markets have been flooded with increased supplies of beef, lamb, wool, dairy and poultry products from countries in the Southern Hemisphere. Under such condition, prices for our principal agricultural products were greatly lowered and would have undoubtedly dropped to levels which would have bankrupted our farmers and stockmen had they not had the protection of the American tariff.

While our Nevada farmers have been able to maintain their crop acreage and crop production during the past year at practically the 1929 level, the drastic decline in prices has forced some liquidation upon the part of both our cattle and sheep men. Uncertainty of range tenure and range rights on the part of our stockmen has also been a factor in forcing the marketing of more than the normal turn-off of cattle and sheep.

Studies made by the Agricultural Extension Service in cooperation with the United States Department of Agriculture indicated that with the passing of the business depression an early recovery in cattle prices is to be expected. Our cattlemen at this time should therefore seriously consider the making of plans for expanding their herds so as to be in a position to benefit from the rising market.

While Nevada sheep have been decreasing in number since 1928, statistics indicate a large expansion in flocks in other parts of the country as well as other livestock producing countries of the world. It is therefore evident that there must be considerable liquidation where the industry has been overexpanded, both in this country and abroad, before marked increases in lamb and wool prices occur. Campaigns now under way to increase the consumption of lamb in this country will undoubtedly prove beneficial and bring better prices for that product, while the development of a national cooperative marketing plan to handle wool will increase the returns to the producer of that important commodity.

While our dairy and poultry industries have also felt the price drop, these two important agricultural enterprises continue to grow in our State, due to our low cost of production and excellent Pacific Coast and home market for dairy and poultry products. Turkey production in particular has undergone a rapid expansion during the past two years and this industry now brings a very substantial cash income to many of our southern and western Nevada ranchers.

Nevada potatoes are well and favorably known on the coast markets and the opportunity for expanding this industry appears most favorable. In southern Nevada climatic conditions and transportation facilities have made possible the development of an early vegetable industry to supply the intermountain and eastern markets. With the organization during the past year of an effective cooperative marketing association to handle the products, the success of this industry seems assured and should, within a few years, be the means of materially increasing the agricultural income of our State.

MINES AND MINING

The year just closed has witnessed the most serious reverses the mining industry has suffered in the entire history of its operations in this State. Metal prices have so declined as to offer little inducement for further production. As a result, general suspension and curtailment of mining operations have occurred throughout the State. The industry is in a critical situation with problems facing it which appear almost insurmountable.

Silver, which in 1929 sold at an average price of 53 cents per ounce, declined during the year to a low of 28½ cents. Silver cannot be mined at a profit with a price so low, and as a consequence every silver mine in the State has suspended operations. Copper, which at the beginning of 1930 retained its average selling price of 18 cents per pound, declined in succeeding months to 9½ cents. A general curtailment of copper mining operations ensued with the result that production fell off from more than 140,000,000 pounds in 1929 to about 85,000,000 pounds in 1930. Zinc and lead prices likewise seriously declined. The average market price for zinc in 1929 was 6.5 cents per pound. It is now quoted at 4 cents. Lead which in the preceding year averaged 6.83 cents per pound has reached a low of about 4½ cents. The present price of copper is the lowest quoted for more than forty years. Silver has reached a record low for all time. Zinc and lead are at prices far less than for many years past.

Such low values for our principal metals are directly reflected in production figures. In 1929 the reported output of gold, silver, copper, lead and zinc in Nevada amounted to more than \$33,000,000. The Department of Commerce estimates production of these five principal metals in 1930 to have been approximately \$17,500,000. This represents a decline in production of approximately \$37,000,000 since the \$54,424,000 reported in 1917.

The Department of Commerce reports a decrease in production of gold from \$3,384,000 in 1929 to about \$2,729,000 in 1930. During the same period the production of silver declined from 4,923,000 ounces valued at about \$2,624,000 to 4,174,000 ounces valued at \$1,607,000. While the copper output decreased from 140,000,000 to about 85,000,000

pounds, the value of the product dropped from \$24,664,000 in 1929 to about \$10,563,000 in 1930. Due to larger operations in two districts within the State, the production of lead and zinc in 1930 increased somewhat over 1929. Lead rose from a production of 19,692,000 pounds to 23,507,000 pounds, but the value decreased from \$1,240,000 to about \$1,222,000. The production of zinc increased from 16,920,000 pounds in 1929 to about 30,000,000 pounds in 1930. Unlike other metals, the value likewise increased from \$1,116,000 to about \$1,410,000. However, during the latter part of the year zinc and lead operations were curtailed and it is now reported that the principal producers will store their zinc awaiting a better market.

With such metal prices it is, of course, impossible for former large producers to operate on anywhere near the basis of preceding years so that, under conditions as now exist, further retrenchment can be anticipated. The mining industry is optimistic, however, and it has been reported to me from authentic sources that advances in the prices of the principal metals, particularly silver and copper, can be looked for during the year. It is my earnest hope that such will occur, for mining is one of the two essential basic industries of the State, giving employment to a large part of our population and adding to the wealth of many communities within its boundaries and to the State as a whole.

At least something of an encouraging nature may be stated. An impetus has been given to the development and exploitation of gold properties. As a result several discoveries of that metal in districts heretofore unknown have recently been brought about. These give promise of future extensive and profitable operations.

Among the important Acts of the Legislature of 1929 was the passage of "An Act to provide for the investigation of the mineral resources of the State and for geological reconnaissance and topographical surveys in connection with the United States Geological Survey, and providing an appropriation therefor."

Unfortunately this Act was worded to read "\$5,000 annually for two years," with the result that of the first year's appropriation \$3,726.66 reverted to the State General Fund because bills incurred in connection with the

work of the United States Geological Survey were not presented for payment before December 31, 1929.

The United States Geological Survey matches dollar for dollar the State's appropriation, and it therefore became necessary to use \$2,196.12 of the 1930 appropriation to pay that Survey for field work done in 1929, but not wholly completed until early in 1930.

I know of no matter of greater importance to the mining industry of our State than to continue the investigation of our mineral resources begun under the Act of 1929, and recommend that a suitable appropriation be made for this purpose and that the Act be amended by eliminating the requirement for annual expenditures.

Another important Act was that establishing a State Bureau of Mines, providing for its control and management, the appointment of a director, etc. (Stats. 1929, Chap. 194, page 353), and appropriating \$5,000 annually for two years for the support thereof.

The Act provides that the Board of Regents shall be responsible for its administration and for the appointment of a director and staff. They appointed the Director and the Staff of the Mackay School of Mines as Director and Staff also of the Bureau of Mines. This gave the State the services of those eight men at a salary expense of \$3,000 per year, but only two of these men received any additional compensation, amounting to a total of \$1,200 per year; other staff members took on the added work with no increase in salary. On account of their duties in the School of Mines these men could not give full time to the Bureau, but the services they rendered could not have been obtained by the State for several times more than it actually cost.

The work done by the Bureau consists of a voluminous correspondence, both written and verbal, answering inquiries and supplying information to our own people, as well as to companies and individuals, practically all over the United States and some foreign countries, about the mineral resources of the State. It is difficult to say just how much tangible value attached to these activities, but members of the Bureau have received many commendations for the work done, and the opinions have been that

the Legislature was wise and more than justified in the creation of an official bureau to care for its mineral industry.

A substantial amount of field work was done by the staff, mostly of a geologic nature, the most important of which was in supplying information about the mineral resources of southern Nevada to be used by the Colorado River Commission in its fight for revenue and power from the Boulder Canyon project.

The Bureau published bulletins on the "Mineral Resources of Southern Nevada" and "The Underground Geology of the Tonopah Mining District," and collected considerable data for a bulletin on "Mercury in Nevada," but this latter could not be issued due to the necessity of more field work and investigation.

Much of the work done by the United States Geological Survey engineers in the State will be ready for publication next year and will be very valuable. The United States Geological Survey engineers prepare manuscripts on their field work, turning them over to the Bureau for publication, and in this manner information is made available several years sooner than it otherwise would be if left to be published by the Federal Government. The Tonopah bulletin is a case in point, for at least three or more years would have elapsed if published by the Geological Survey, while it was made public by this Bureau in less than nine months after the field work was completed. There are a number of other manuscripts on Nevada mining districts being written by other engineers which will be published during the present year.

The last comprehensive information on the State's mining districts and mineral resources was compiled in 1923, and this work should be brought up-to-date.

The State Bureau of Mines can do a substantial amount of work on the proposed geologic map of the State at a moderate cost.

One very important feature the Bureau will be called upon to care for during the next two years will be the study and compilation of reliable information of the mineral deposits in the southern part of the State, because as work progresses at Hoover Dam industrial concerns interested in the utilization of that cheap power will require a great deal

of information, and the Bureau of Mines is the only State agency which can collect and compile the data on these deposits.

The Thirty-fifth Session should appropriate a sufficient sum for the support of the Bureau of Mines during the ensuing biennium to take care of its expanding important activities, including publications of bulletins and for proposed work on the geologic map, as well as other items.

While the work of the Bureau of Mines in connection with the United States Geological Survey is most beneficial to our mining industry, and serves to greatly stimulate activities therein, I feel that not enough attention has been given to one of the most important factors of the industry, viz, the prospector. It is he who is responsible for the initiatory work in the location of prospects; who has for generations tramped the deserts and climbed the hills and mountains in search of valuable mineral ores, both metallic and non-metallics.

Upon his knowledge, skill, patience and industry rests all subsequent operations, for his work initiates what later may prove to be a solid foundation for large activities in the mining world.

Assistance has been provided by statute for almost every other activity of life, but little has ever been done to aid the prospector whose labors too often are for naught.

While I am opposed, in principle, to the creation of salaried boards, bureaus or commissions, yet I feel that the Bureau of Mines could properly be charged with the duty of rendering every aid to the prospector.

It might be well during this period of depression to authorize the Mackay School of Mines (for the ensuing biennium or such other or longer period as may be fixed by the Director) to continue to assay gratis all ore samples sent in and state the value of the metallic content up to \$5 per ton as one means of aiding the prospector.

To make possible comparisons with ores discovered, cases containing samples of metallic and nonmetallic ores with accompanying descriptive matter could be provided by the Bureau of Mines for each county seat and placed in one of the county offices for the benefit of prospectors who may not have technical education in geology and mineralogy.

It has been suggested that to encourage further prospecting the State, through the Bureau of Mines, in exceptional cases to be approved by the Director, lend aid to or grub-stake prospectors under an agreement that if a valuable discovery be made, and a prospect developed and sold, the Bureau would have a first lien upon such property until all funds advanced had been repaid to the Bureau.

I realize that the foregoing suggestions are but a few of many that can be advanced to aid the prospector in the discovery of new prospects, and trust that in your collective wisdom some concrete and workable plan may be evolved and adopted to assist those who initiate the work upon which our paramount industry is based.

Because of its importance to the industrial welfare of the State the mining industry should receive every consistent encouragement at this low ebb in the tide of its fortunes. It is earnestly recommended, therefore, that the Legislature consider and weigh all such measures as may tend to either beneficially or adversely affect the industry.

HIGHWAYS

It is not my desire nor intention to dwell at great length on the construction progress made during the past two years by the Department of Highways. However, it is my intent to give you a short resumé of the various activities of that department as well as a brief outline of the work contemplated for the forthcoming two years.

During the past biennium the Department of Highways constructed or placed under contract 273.98 miles of new construction, 360.72 miles of reconstruction and 391.84 miles of oil-treated gravel surfaced roads. In addition, the United States Bureau of Public Roads, in cooperation with the department, constructed or placed under contract 21.71 miles of road on the National Forest Highway System within Nevada.

To date there has been completed or placed under contract a total of 1,913.41 miles of improved roads on the State Highway System, of which 1,433.12 miles are a part of the Federal Aid System. It is a pleasure to state that within the short period of three years the department has oil-treated 513.12 miles of gravel surfaced roads, and this

treatment is not only relieving the dust nuisance and loose gravel hazard but is saving the State thousands of dollars annually in gravel and binder loss, besides a large saving in maintenance costs.

Ever since the Department of Highways was organized and the first road improvements made, the ever-increasing cost of maintaining the roads, in accordance with our agreement with the Federal Government, has been one of the most important problems with which the State has had to contend.

Gradually, as the State Highway System has been improved, the State has relieved the counties of maintaining the main traveled roads. In addition, automotive transportation has increased during the past ten years from a few vehicles a day to several hundred on the main traveled roads. These conditions have naturally placed a heavy financial burden on the State, and the problem of providing a sufficient income to the Department of Highways for construction and maintenance purposes has become a weighty one.

The following table will show you how rapidly maintenance costs have increased since 1918:

MAINTENANCE EXPENDITURES

Year	Expenditures	Cost per mile
1918.....	\$16,596.54	Unimproved
1919.....	29,330.21	Unimproved
1920.....	44,121.16	Unimproved
1921.....	33,601.26	\$224.00
1922.....	61,997.55	206.66
1923.....	110,724.87	249.95
1924.....	122,788.60	160.46
1925.....	159,253.25	308.27
1926.....	241,534.85	309.09
1927.....	332,496.33	250.66
1928.....	355,794.07	232.75
1929.....	392,595.86	228.52
1930.....	439,695.35	235.64

As the traffic load is increasing annually we cannot expect to reduce the total highway expenditures, but by following out the program formulated in 1927, whereby the roads carrying an overload are reconstructed and oiled, we can at least keep the costs within the present income for highway purposes. Under the present financial

arrangement, with the income from the gasoline tax allotted to the State Highway Fund, I can assure you that the State as well as the individual is now receiving more road improvements for the money spent than at any time during the history of Nevada.

During the Department's fiscal year, ending November 30, 1929, \$418,065.08 was expended for maintaining 1,875.16 miles of State highway; and for the year ending November 30, 1930, \$500,752.46 was expended for maintaining 1,905.43 miles. In the total amount expended during 1929 for maintenance is included \$22,175.40 for extraordinary maintenance, or betterment work, such as resurfacing, gravel reconditioning, repairing washouts, etc. In the total given for 1930, \$60,336.51 is included for betterment work.

The average cost per mile for maintenance in 1929 was \$228.52 as against \$235.64 for 1930. The increase in cost for 1930 is due largely to the condition of the Reno-Carson highway. This section is too narrow for present-day traffic, and as a consequence is rapidly deteriorating. To remedy this condition, in part at least, it is planned to reconstruct the nine-mile section between Huffaker's and Washoe Summit during 1931 by widening the roadbed to 28 feet in cut and 30 feet in fill, and by paving to a 20 foot width, with additional work planned for the year 1932.

With the increased Federal aid appropriation and additional funds allocated to the State under the Public Domain Act, commonly known as the Oddie-Colton Bill, continuation of the present intensive program is insured, providing no attempt is made to divert any of the present income for other purposes.

Several roads should be constructed now because of their great importance to the general transportation scheme of the State, to the building of the Hoover Dam and to interstate connections. These roads are:

1. The I.-O.-N. Cut-off from the present improvement north of Winnemucca to the Nevada-Oregon State line.
2. Certain sections of the North-South Highway between Goldfield and Beatty.
3. The Fallon-Schurz Highway.
4. The Leeteville-Carson Highway.
5. The North and South Highway from the Idaho State

line south via Contact, Wells, McGill, Ely, Pioche, Caliente and Moapa to Las Vegas.

Unfortunately, only a very few miles of these roads are on the Federal Aid Highway System, and the present income from State sources will not allow any additional improvements other than those in which the Federal Government participates. The provisions of the Public Domain Act, or Oddie-Colton Bill, definitely state that improvements on the Federal Aid Highway System shall have preference. These various conditions make it financially impossible for the department to construct the roads heretofore mentioned out of the income from State sources.

Inasmuch as there is an immediate need for a far-reaching and comprehensive highway program for the coming two years to relieve the unemployment situation, as well as to use the Federal aid available for highway improvements, I recommend that all revenues derived from the motor vehicle license fees and the gasoline tax be used for the completion and maintenance of our Federal Aid and State Highway System, and that no diversion of these funds be made for other purposes. In connection therewith I further recommend that a State Highway Bond issue of \$600,000 be authorized and used in the construction of the highway connections previously mentioned.

The bond issue recommended is well within the constitutional limit and can be redeemed from the State Highway Fund under the present arrangement within a reasonable time without reducing the income to the department for other purposes. Furthermore, the benefits which the State as a whole will receive from the road improvements made with this money will far exceed the interest on the issue during the period of redemption.

I am in sympathy with all reasonable efforts of this State to do its full share in providing opportunities for the employment of labor, and so want to emphasize the importance of carrying on an intensive highway program during the ensuing year in order to relieve the present depression and unemployment situation. If the department is allowed to carry on the tentative program as outlined under the present financial arrangement the cost of the work will not become a burden to the road user nor to the taxable property in the State, and will be beneficial to every one.

LABOR

Industrial conditions throughout the State continue very fair, in so far as Union labor is concerned.

Until the present economic depression commenced there were but few unemployed, and no labor strikes or lock-outs have occurred for a number of years.

It is believed that in proportion to its population Nevada has fewer unemployed workers at the present time than any other State of the Union, and with the actual commencement of work upon the Hoover Dam, an enlarged highway building program and expanded activities at the Naval Ammunition Depot there should be but little, if any, complaint on the score of unemployment during the present and succeeding years.

I repeat my recommendation made to the 34th Legislature for the enactment of laws better protecting labor against being defrauded of wages by "fly-by-night" employers and leasing companies who possess no property that can be attached as security for the payment of such wages. Those of our citizens who earn their living and maintain their families by working for wages are entitled to every protection and security the law can give them.

I also commend to your careful consideration legislation that will be proposed by the Railroad Brotherhoods looking to the limiting of train-lengths, that greater security may be afforded to employees in train service. Similar legislation has been enacted in our sister State of Arizona, and while it is not desirable to handicap the railroads in their operation by enacting laws placing burdensome restrictions upon them, yet the safety and welfare of employees engaged in operating trains from one to two miles long likewise deserves to be considered, for we cannot and will not place income ahead of safety to human life.

Possibly much can be said upon both sides of the question and it may be well to hold public hearings on the matter that the true facts may be made known, but if such legislation be enacted limiting the length of trains permitted to be operated within this State it will receive my approval in accord with my promise to the electorate during the recent campaign.

It is my understanding that representatives of Union

labor will propose certain measures for your approval, and these should be carefully studied to the end that if amendments or additions to existing law are necessary they should be passed.

The recommendations of the State Labor Commissioner contained in his report are deserving of your attention in the enactment of labor legislation.

It is very probable that with the completion of the Hoover Dam large industrial enterprises will commence operation within the State, and prudence therefore indicates that legislation should be enacted at this time absolutely prohibiting the employment of children under 16 years of age, and making it the duty of the Labor Commissioner to enforce the provisions of such Act.

I recommend that provision be made for the retention and support of the Deputy Labor Commissioner in Clark County at an expense of not to exceed \$2,000 per annum.

STATE RANGE COMMISSION

The State Range Commission was created March 25, 1929, the members being the Governor, the State Engineer and a member of the Tax Commission.

A full report will be submitted during the session covering the work of the Commission, including recommendations based on the several hearings that have been held to determine and recommend the adoption of a State policy and necessary legislation for the purpose of regulating the use of the natural forage on the Public Domain lands in Nevada.

Representatives of the United States Interior and Agricultural Departments, the Nevada Mine Operators' Association, the Nevada Farm Bureau, the Agricultural Extension, the Nevada Livestock Association, the Southern Pacific Land Department, United States Forest Service and Chambers of Commerce have submitted their views for the information and assistance of the Commission.

Summarizing briefly, it may be said that at the outset the Chairman of the Commission was assured by the Secretary of the Interior that: "While the disposition of the public lands and the use that may be made of them are Federal matters, and while the State may not in any manner interfere with the administration of the Public Land Laws, I

shall, in the absence of Federal control, cooperate with the States in the exercise of their police powers." (*Omaechevarria v. Idaho*, 246 U. S. 343.)

For many years in Idaho there has been regulation of the Public Domain lands with a view to preventing the encroachment of sheep herds onto cattle ranges, and this has been held by the United States Supreme Court in the above case to be a valid exercise of the State's police powers for the purpose of keeping the peace and promoting the orderly conduct of both the cattle and the sheep industries.

In keeping with the regulation provided for by statute in Idaho, in 1925 the Legislature of Nevada enacted the Stock Watering Act, providing that springs, water holes and streams located on the Public Domain adjacent to ranches may be appropriated and declared to be a beneficial use for the reasons stated in the preamble of said Act. That "The existence in separate owners of two or more rights for watering range live stock in the same vicinity tends to produce controversies concerning the use of the public range that often result in breaches of the peace, etc."

This Act has been found by our Supreme Court to be a valid exercise of the State's police power (50 Nev. 127), and has been enforced by decree of the Fourth Judicial District Court, in and for the County of Elko, in what is known as "The Carville Decision."

The effect of this regulation has been to allocate to a considerable extent the range lands adjacent to the ranches that have used and depended upon them in the past, and to afford considerable protection to the established ranch units. It is, therefore, working to the advantage of all concerned and points the way to such other reasonable regulatory statutory control as may be necessary to properly police and put to a more productive use the Public Domain lands in Nevada.

President W. D. Ellis of the Federal Land Bank of Berkeley, after stating that the bank had made loans on Nevada ranches amounting to over \$2,000,000, said: "If some plan can be devised whereby a landowner, by establishing a right through beneficial use of range, may obtain some right that could be pledged with the deeded land, such

pledge to be good for the life of our loan, perhaps some further range loans in Nevada might be made."

In other words, that the public lands should be apportioned to the various users on the basis of beneficial use in some appropriate manner which would secure to the established ranches and livestock operators (both cattle and sheep) a fair allocation of the forage on these range lands, free from invasion by migratory operators. From this it follows that it would not only make our ranch and range units more productive and of greater loan value, but it would also encourage the making of improvements on the ranges by wells, drift fences, the propagation of forage, etc., and make our ranches of much greater earning and taxing value for the future. At present there is conflict in the policies of the grazing permit system in the Forest Reserve and the rules followed by the Federal Land Bank in making loans, from which it results that the permit is not regarded as a loanable asset by the bank.

Inasmuch as both are Federal Departments, it has been suggested by the Forest Service that no apparent reason exists why the policies of both may not be so harmonized as to make permits on the Forest Reserve a loanable asset.

During the summer of 1929 President Hoover made a tentative offer to the far western States that they take over the surface rights of the Public Domain lands (mineral, oil, etc., to be reserved to the Federal Government), and suggested that the States are better equipped to administer them than the distant Federal Bureau at Washington. The President indicated his intention to appoint a committee to survey the question from a broad national viewpoint and requested the Governors of each of these western land States to propose the name of a representative for appointment on this committee. On behalf of Nevada I proposed the names of three prominent citizens, including State Engineer George W. Malone, who was later appointed by the President, and who has since acted, and is now acting, as a member of the President's Public Domain Committee. This committee has held several conferences and is now in session at Washington, D. C.

Tentative recommendations relating to the public lands

have been proposed in alternative form by the President's committee, and an effort is being made to secure their adoption and the approval of the President at this time.

The proposals are as follows:

1. The States that so desire may take their public lands under certain conditions.

2. The States that do not desire to take their public lands but want them supervised by a Federal Bureau, such as the Forest Service or a National Range Division, may secure such supervision.

3. The States that do not desire either State ownership or Federal supervision may get Federal recognition of the State's method of range control, such as under our Stock Watering Act, and such further legislation as we may see fit to pass in regard to fixing range boundaries.

These proposals were exhaustively discussed by the representatives of all classes of property above referred to in Range Commission hearing held at Reno, December 22 and 23, 1930.

The first proposal was not supported. The second proposal hardly at all, with the single exception that a telegram was received from one Chamber of Commerce stating that, although opposed to accepting the surface rights to the public lands, it favored unified Federal control. The third proposal, in connection with a statutory plan of State regulation proposed by the Nevada Livestock Association, received the endorsement of all the aforesaid representatives. Some favored a leasing system in the event that some plan of Federal regulation should be applied. The predominant sentiment of the representatives who appeared and expressed opinions, favored giving the statutory plan of regulation a thorough trial.

Moreover, it was their unanimous opinion that the public lands in Nevada can be put to their most productive immediate use only when devoted to the more intensive development of minerals and growth of forage for live stock; that effective regulation of the latter will not interfere with the former, nor with fishing and the hunting of game; that because of the labor that it employs, the communities it nourishes and the business it furnishes to our railroad and other enterprises, as well as the market it furnishes for the

hay and grain farmers of our State, the livestock industry is of outstanding importance.

The stockgrower has not been prosperous since the deflation set in in 1920, which has affected the livestock industry, especially the cattle business during the low price years, 1920 to 1928, and which has resulted in very greatly reducing the cattle population in our State. During this period the livestock industry has suffered due to drouth. The ranges have been dry and unproductive for the most part for the past several years; hay and grain crops have been generally short and cost of feed has been high. Also due to poor forage crops on the ranges, cattle that during former years could be turned off as grass-fat cattle, or that did not require feeding in excess of 70 days to prepare for market, had to be fed from 100 to 120 days during these dry years, with resultant cost to both the cattle and the sheep raisers in getting their animals ready for market.

Further, that in the light of present-day depression and low prices that now obtain for both cattle and sheep, the livestock growers are in no condition to assume additional burdens at this time, either for purchase of range lands or the lease thereof, or the payment of grazing fees therefor. That such surplus capital as can be raised, plus the cooperative labor of the ranchers, should go into development of water and increased forage production on the range lands in the various improvement districts and into retirement of debt and the building up of their herds; and by this cooperative plan of procedure it is estimated that the range can be so protected and the forage can be so increased as to enable the cattle and sheep growers to produce from 50% to 100% more in livestock crops than are now being turned off.

Contention is made that under the police power of the State, provision should be made for such limited statutory regulation as will permit of the forage of these public lands being put to its most productive immediate use, and that in working out such regulation it be based on custom or usage, or, in other words, that rights to use of the forage on the Public Domain lands be apportioned on the basis of the customary usage to which they have heretofore been put by the cattle and sheep operators; that in working out

this result provision be made for the creation of cooperative local improvement districts.

The enactment and trial of this plan of control and the experience that will be gained during the next two years will demonstrate to what extent amendatory legislation may be necessary. Also, that in the meantime our representatives in Congress should be requested to secure the validation of this plan of regulation which, as before noted, will receive the promised cooperation of the Secretary of the Interior.

Investigation discloses that, generally speaking, the people of our State are opposed to taking over these public lands, believing their acceptance might eventually lead to the loss of Federal aid for highways and Federal reclamation work; that it would take from our congressional representatives their main argument for this Federal aid and leave them helpless against opposition of eastern members; that in addition to the general highway aid that has been received since our highway construction program was put under way several years ago, a new highway law just passed authorized Congress to make special appropriations for highway construction and maintenance over the public lands; and that if these lands are conveyed to the State and the Government retains for itself the title to their mineral deposits, wherein their greatest value lies in Nevada, the effect upon our future highway construction program might, and probably would, be serious.

It is understood that this regulatory plan is, of course, subject to bona fide superior use, as it shall arise under the provision of the Homestead Acts, in valleys where subsurface water is available for pumping in such volume as to permit of the raising of hay and other crops.

Legislation with the objects in view herein referred to will doubtless be proposed for your consideration during the session.

There was appropriated \$3,500 for the past biennium to cover the expenses of the Range Commission, of which \$1,790 has been expended, the remainder of the appropriation having reverted.

Inasmuch as there yet remains for consideration and negotiation the working out of agreements between the State and Federal departments, a similar appropriation

for the support of the State Range Commission is recommended, or \$750 for the first six months of 1931 and \$3,000 for the biennial years 1931 and 1932.

BOULDER CANYON PROJECT

It is a matter of common knowledge that Congress in June, 1930, passed the second deficiency appropriation bill carrying an item of \$10,600,000 for initial construction work on the Boulder Canyon project, now better and officially known as "Hoover Dam."

The beginning of actual construction work on this greatest of all engineering projects is a matter of vital importance to the people of Nevada, and the first contract was let on July 5, 1930.

The following summary relating to the work of Nevada's Colorado River Development Commission, consisting of the Governor, State Engineer and one appointive member, Hon. Ed. W. Clark, of Las Vegas, gives a clear view of what has been accomplished during the past two years and the present status of the matter:

The Boulder Dam Project Act as finally passed, including the power contracts, provides revenue for Arizona and Nevada in lieu of taxes and power to use for the development of the States. According to the Secretary of the Interior the revenue will amount to from \$400,000 to \$600,000 to each State annually after the completion of the project, and each State can withdraw if, as, and when wanted up to 117,000 firm horsepower of the electrical energy for use in the State, paying cost at the switchboard when so withdrawn. It is thought that the use of this power will increase the taxable wealth of the State several millions of dollars.

When the State administration took over the work of the Colorado River Commission early in 1927, the then pending Swing-Johnson Bill, proposing to construct the Boulder Dam on the Colorado River, did not provide any revenue for the States of Arizona and Nevada nor power from the project to develop those States, but provided that the All-American Canal in Imperial Valley, California, costing \$38,500,000, should be paid for by power from the project in addition to the dam and power plant.

Provision was later made for the lands benefited to underwrite the cost of such project.

By unanimous action of the Commission, early in 1927, it was agreed to make a thorough study of the Colorado River Set-Up, employing such assistance as found advisable, to determine the exact position the State should take relative to the pending legislation for the development of that river, so that our position would be found to be fair to all concerned and supported by the facts.

Accordingly a conference was called for the three Lower Basin States, Arizona, California and Nevada, in San Francisco, November 19 to December 16, 1927, at which time the power angle of the undertaking was thoroughly reviewed and a report subsequently issued for Nevada, definitely determining the effect of such development and making certain definite recommendations for the protection of our State and to aid the proposed legislation by gaining the support, in so far as possible, of the Upper Basin States.

The conference, in addition to the members of the Colorado River Commission of the three lower States, included such outstanding power experts as H. W. Crozier, Consulting Electrical Engineer, employed by our Commission; E. S. Scattergood, Chief Engineer of the Los Angeles Bureau of Power and Light, and L. S. Ready, former Engineer for the California Railroad Commission, employed by Los Angeles; Chas. Cragin, Chief Engineer of the Salt River Project, Arizona, and B. F. Jacobsen, Consulting Engineer of Los Angeles, employed by Arizona.

From the results of this conference a report was made January 1, 1928, by the Nevada Colorado River Commission, known as the Boulder Canyon Lower Colorado River Power and Water Set-Up, and from the conclusions drawn from this report nine definite recommendations were made, all calculated to distribute the benefits from the project among the interested States in an equitable manner.

When the Swing-Johnson Bill was finally reported out of the Senate Committee, and including the amendments on the floor of the Senate, eight of the nine recommendations were included into the legislation as finally passed, called the Boulder Dam Project Act, and together with the power

contracts made by the Secretary of the Interior in conformance with the Act as amended, provide:

1. That 37½ per cent of all the money the project makes above the payments due the Government each year after construction is finished is to be paid to Arizona and Nevada.

2. That the power be sold at a competitive price.

3. That the Federal Water Power Act be made a part of the Act in so far as determining between conflicting bidders is concerned, so that any agency may bid for the power.

4. That there shall be a readjustment of the charges for power after the first fifteen years from the date of signing the contracts and every ten years thereafter, either up or down, as the competitive price may indicate.

5. That a charge be made for domestic water in Los Angeles and other southern California cities.

6. That the States of Arizona and Nevada shall have the right to withdraw, upon certain notice, 18 per cent or 117,000 firm horsepower each, for use in the State.

7. That an advisory board to assist the Secretary in the construction, management and operation of the project, consisting of one duly authorized commissioner from each of the seven States, may act in an advisory capacity with the Secretary of the Interior.

8. That the All-American Canal, costing \$38,500,000, shall be underwritten by the lands benefited and not be paid for by the power from the dam (this will increase the revenue to the States), and investigations shall be made by the Government in Arizona, Nevada and the Upper Basin States to determine feasible irrigation projects for development.

Recommendation number nine, providing for turning the project over to the States when the cost to the Government has been repaid, was not included in the Act. It was said that while that policy had been adopted in the case of irrigation districts, it would be fifty years before the Government would be repaid and during that time a general policy toward this type of project would be adopted.

Press dispatches from Washington on September 18, 1930, gave the following resumé of the amendments proposed by State Engineer Malone:

The outstanding features of these amendments

were the provision for revenue for Arizona and Nevada from the project in lieu of taxes after its completion, and the privilege of withdrawing power at cost at the switchboard for use in those States when needed. The original Swing - Johnson Bill did not provide either revenue or power for the States of Arizona and Nevada, wherein the project is located, and this fact formed the basis for objection to the project.

At the hearing of the United States Senate Committee on Reclamation and Irrigation held in Washington January 20, 1928, George W. Malone, Secretary of the Nevada-Colorado River Commission, made nine recommendations for changes in the bill as offered, all those recommendations being calculated to distribute the benefits of the project among the interested States.

Eight of these recommendations were included in the Boulder Dam Project Act as finally passed and, as a result, Arizona and Nevada each will receive, according to the Secretary of the Interior, from \$400,000 to \$600,000 annually after the project is completed. In addition, through these amendments, Arizona and Nevada will be allowed to withdraw such amounts of power as they may need within their States up to 117,000 firm horsepower, paying cost at the switchboard for its use.

The Act as amended also provides for a Boulder Dam fund to be built up from revenues from the sale of power and water after amortization of the Government's investment, to be expended within the seven Colorado River Basin States as Congress may later direct.

Boulder Dam power will be the cheapest available in the United States and it is believed that certain electro-chemical industries using the metallic and nonmetallic minerals found in Nevada and Arizona for the manufacture of their products will be encouraged to locate near the dam.

It is thought by close observers that the Boulder Dam Project Act as finally passed is as fair a piece

of legislation as it is possible to secure where so many interests are involved.

Since work has actually commenced in connection with the construction of Hoover Dam the State of Arizona has filed suit in the Supreme Court of the United States, naming the six western States parties to the Colorado River Compact as defendants, in an effort to block construction of the dam.

Appearances in this suit have been made by all States interested, including Nevada, and answers will be filed shortly.

I recommend that ample appropriation be made for the support of the Colorado River Commission during the next two years as the Attorney - General will undoubtedly be required to make at least three or more trips to Washington in connection with the pending litigation and other expenses will probably be necessary.

It is my understanding that existing law gives Nevada's Colorado River Commission ample authority to make and enter into all contracts necessary to bind the State in connection with the Hoover Dam, subject to legislative approval, but if it be desired to give the Commission added or full authority, so far as entering into contracts is concerned, then the existing laws should be so amended as to clearly set forth such power.

PUBLIC HEALTH

Our State Board of Health is making sound progress in the development of a constructive program for the protection of public health. The work of the past two years covers such an area that it is almost impossible to give a detailed account of it, but it has consisted more particularly of keeping and filing of accurate data on births and deaths of the State, and the causes of death. This data is required to enable any State to become a member of the Federal Registration Area, which now covers every State of the Union save Texas and South Dakota, and means that the State's vital statistics are acceptable to the Federal Government.

The work of the Board in analyzing the public waters of our State has been a tremendous task, well done, which has proven a great safeguard to the public health in protecting

public water supplies, streams, lakes and bathing beaches from pollution.

In addition to this work, the Board has distributed vaccine for the prevention of tick fever and diphtheria and issued numerous bulletins to the people of the State on many subjects pertaining to the public health.

Your careful attention is invited to the printed report of the Board, and I especially concur in its recommendations that the State Health Officer be placed upon a full-time salary, as he devotes practically his entire time to the work of the department, and its importance justifies such action; that a full-time stenographic clerk for the Board be authorized; that the State Hygienic Laboratory and the Department of Pure Foods and Drugs of the Public Service Division of the State University be placed under the direction of the State Board of Health; that the laboratory of the Pure Foods and Drugs Department be consolidated with the State Hygienic Laboratory; that at least two full-time public health nurses be authorized, as the support heretofore accorded in part to the present one public health nurse by the Rockefeller Foundation through the United States Public Health Service, I am advised, is to be withdrawn at once.

The other recommendations of the State Board of Health are deserving of and should have your earnest consideration.

If the Department of Food and Drugs is transferred from the Public Service Division of the University of Nevada to the State Board of Health, provision should be made for transfer of the activities provided for by Chapter 105, Statutes Nevada, 1923, "Standardization of Agricultural Products" to the State Board of Stock Commissioners, as that Board has the personnel needed to carry on that work, and the recommendations of that Board contained in its annual report are deserving of careful attention.

EQUALIZATION OF TAXES

We have with us the ever-present problem of a proper equalization of the tax burden on all classes of property, and, in view of recent severe criticisms of members of the State Tax Commission in acting upon requests for a reduction of the taxes, I bring to your attention a resolution

adopted by the State Board of Equalization at the session in 1930 wherein they ask that the Legislature authorize the employment of necessary help to make a State-wide survey of present assessed valuations on all classes of property, with a view to better equalization and assuring more equitable assessments.

Recently one of our large taxpayers has conducted a semi-State-wide survey of valuations and assessments, and one of the larger cities of the State has undertaken a similar survey.

While the results of these surveys are not before me, it is my understanding that they disclose serious inequalities of assessments, both over and under the "actual cash value" as required by our tax laws, and if this be true the necessity for an official State-wide survey to be conducted by the State Tax Commission is very apparent.

Underassessments would indicate that the State, as such, and the county wherein the property assessed is situated are being defrauded of taxes justly due them, while overassessments are as grave an error on the other hand and a serious burden to, and handicap upon, the taxpayer who is thus unjustly penalized.

In view of the present slump in the mining industry and the condition obtaining throughout the State caused by mining companies ceasing their operations, the State and practically every county is certain to be faced with a serious reduction of revenue through loss of income from bullion taxes, thus throwing an additional load upon other classes of taxpayers who, in many instances, are already burdened to the limit.

Suggestion has been made for securing necessary revenues from other sources, such as the so-called luxury and nuisance taxes and also for the imposition of an income tax.

Under our present laws income taxes are not imposed or collected in Nevada, although required under Federal laws.

It is therefore recommended that provision be made for a State-wide survey of existing valuations and also for ascertaining whether or not other means of raising revenue cannot be devised.

Inasmuch as the State has, broadly speaking, a definite scale of expenditures, which can only be met by receipts

from taxes and fees, it is apparent that any material reduction in taxes paid must be off-set by increased revenues received from other sources than taxes levied upon an ad valorem basis and fees, and thought should be given to the manner in and the sources from which revenues are to be derived.

ADVERTISING OF STATE RESOURCES

In my message to the Thirty-fourth Session of the Legislature it was suggested that a State Publicity and Mining Bureau be established to disseminate accurate information about our State and to answer the hundreds of inquiries annually received by all departments seeking data as to Nevada's resources.

The Bureau of Mines has been established and is now functioning most efficiently in connection with the Mackay School of Mines under the able guidance of Director John A. Fulton.

I now renew my recommendation that a State Publicity Bureau be established, to be charged with the duty of securing, compiling and issuing accurate data on the history, scenic attractions and resources of Nevada; believing that the time is now ripe to make known to the world the facts concerning what we believe to be the greatest State of the Union.

Data from many States reaching the Executive Offices show that a monthly illustrated magazine is a most favored manner of giving publicity regarding their resources, and the entire subject is worthy of careful thought.

We live in an era of specialization in which advertising is universally employed in every activity of human life, and if we are to progress we cannot afford longer to answer inquiries regarding our State and its resources with the statement "Regret that we have no published data available."

It is therefore recommended that a State Bureau of Publicity be established; that provision be made for appointment of a director and necessary assistants; that at least \$10,000 annually be appropriated for the support of the Bureau.

EDUCATION

No extended comment on the work of the Educational Department seems necessary at the present time and I

therefore refrain from making same, especially as our school system continues to progress and is thoroughly abreast with the educational necessities required under existing modern conditions.

There has been no let down during the past two years in the high standards set by the department for the education of Nevada's children, and graduates from all grades compare very favorably with those from other States.

The biennial report of the Superintendent of Public Instruction contains much of interest to our citizenry in general, and especially to those interested as parents in the work of our public school system.

I concur in his recommendation that change be made in the personnel of the State Board of Education by eliminating the present provisions constituting the President of the University of Nevada and the Governor members of such board.

With the ever-increasing complexity of our civic life both the President of the University and Governor are burdened with so many duties in the conduct of their offices as to make it practically impossible to give the work of the State Board of Education the attention and thought which it deserves.

I suggest, therefore, that our statutes be amended to provide for a State Educational Board of seven, consisting of the State Superintendent of Public Instruction and five members to be either elected or appointed by the Governor, representing the several educational supervision districts, with the Governor as an ex officio member. This would relieve the Executive of the necessity of attending all meetings and yet permit his participating in the work of the board if he so desired or necessity required.

CODIFICATION OF STATUTES

Among the important Acts passed by the last session of the Legislature was one providing for the appointment of a Code Commission for the recodification of our statutes, and appropriating \$25,000 for such work.

Your careful attention is invited to the wording of such Act as it appears on page 410, chapter 214, Statutes of Nevada, 1929.

Acting under the authority of that Act I appointed Hon. Geo. L. Sanford, of Carson City, as a member of the Commission; two other members, Messrs. Chas. A. Cantwell and H. R. Cooke, were appointed by the Supreme Court, and two, Messrs. Geo. B. Thatcher and Lester D. Summerfield, were appointed by the Governors of the State Bar, all of whom served without compensation and are entitled to the thanks of the bench, bar and our citizens for the able manner in which they discharged their duties. A contract was entered into with the Bender-Moss Company of San Francisco, under which codification of our statutes was provided for, as well as a digest of our Supreme Court decisions, and providing that 100 six-volume sets of the completed work were to be delivered to the State Librarian for free and exchange distribution purposes, and further providing that the State and the several counties may purchase 200 or more additional sets at a fixed price of \$30 per set.

The entire matter is submitted for your consideration, as well as whether it be desirable or necessary to pass an Act officially authorizing the compilation to be recognized by our Courts as official.

CONDITION OF STATE BUILDINGS

The Legislature of 1929 having made provision in the General Appropriation Act for funds wherewith to paint and make urgently needed repairs to the several State buildings at the Capital and for completely refurnishing the Executive Mansion, such work was done under the direction of the Board of Capitol Commissioners.

I am glad to report that all of the State buildings are now in most excellent condition of repair, although the interior halls and corridors of the Capitol, as well as many rooms therein, need repapering, kalsomining and painting if the building is to be kept in a condition of which every citizen of Nevada may well be proud.

Your attention is called to the badly overcrowded condition of the State Library, which has now reached the limit of expansion. Provision should be made for additional shelf-room so that many valuable volumes now being received can be properly cared for, and action should be

taken on the recommendations made by the Librarian in his report.

NEVADA STATE BUILDING

Under authority of an Act of the Legislature of 1929 the State Board of Capitol Commissioners leased to the City of Reno the Nevada State Building, situated on South Virginia Street in that city, for 99 years at a rental of \$1.

The city in turn sub-let the building to Washoe County, which installed the County Library therein as well as a number of other local activities.

In the preparation of the original lease it was expressly stipulated that the Act of the Legislature authorizing same might be amended by the present session of the Legislature, without impairing the obligations of the contract, to make more definite and certain the intention of the Legislature in the matters of the lease.

Although the State is obligated to redeem the bonds, with interest, issued to provide funds for the erection of the building in the sum of \$250,000 (the remaining balance of which is \$160,000 payable at the rate of approximately \$25,000 per year), by leasing the property the annual maintenance cost of about \$10,000 is saved to the State, although certain activities of the State Government are housed therein without cost.

The matter of amending the leasing Act should have attention of the members of the Washoe delegation at an early date, and I so recommend.

HISTORICAL SOCIETY BUILDING

The Legislature of 1925 authorized the State Board of Capitol Commissioners, upon the completion of the Nevada State Building at Reno, to advertise and sell not later than January 1, 1927, the lot and building situated on North Virginia Street, Reno, then occupied by the State Historical Society.

Such property was advertised for sale but no bids were received, and, due to the length of time which has elapsed since the date fixed by the Legislature for sale of the property, the Attorney-General has advised the Board of Capitol Commissioners to request the passage of a new Act authorizing such sale, and the entire matter is submitted for your consideration.

STATE INSTITUTIONS

I am pleased to report that all of our several State institutions are in excellent condition and most efficiently operated and maintained.

The Hospital for Mental Diseases, supervised by Dr. G. R. Smith, is now crowded to capacity, as there has been a 27% increase in patients during the past four years, and it will be necessary to make provision for remodeling what is known as the Main Building at an estimated expense of \$20,000, and this will relieve the congested conditions in other buildings.

The Nevada State Prison, under the supervision of Warden M. R. Penrose, continues to merit the commendations of all who have occasion to visit it, and the fact that it has been given an A-1 rating by the Federal Inspector of Prisons is a further tribute to the present management.

There are now confined therein 184 State and 43 Federal prisoners. Among the inmates are four women, and for many months the wife of the Warden has acted as Matron without compensation. It is suggested that provision be made by law authorizing the wife of the Warden to act as Matron of the Prison as is now done at the Orphans' Home.

The State Orphans' Home has been thoroughly modernized by making needed repairs thereto, and the institution is now in better condition than ever in its entire history. In the refurnishing of the Executive Mansion all surplus carpets, rugs and furniture were, by order of the Capitol Commissioners, transferred to the Orphans' Home and are now in use there.

Under the charge of Superintendent L. G. Clark and his wife, as Matron, harmony and efficiency are apparent to the most casual observer, and much thought has been and is being given to further bettering conditions at this institution by the Orphans' Home Board.

The School of Industry at Elko is progressing under the superintendency of Frank E. Morse, who was appointed to succeed Fred K. Davis, early in 1930, by the Board of Governors.

Recommendations regarding these several institutions made in the reports of those officers who are in charge should have careful thought, for only by constant attention

can they be maintained at the high standard of efficiency which I am sure every Nevadan desires.

STATE WATER WELLS

The Legislature of 1929 having made provision therefor, contracts for drilling water wells at the State Orphans' Home and the State Prison Farm were let by the Board of Directors of the Orphans' Home and Prison Commissioners, respectively.

Both wells are an unqualified success; were drilled by the Western Drilling Company of this city and are of the gravel envelope type, that at the Orphans' Home being approximately 600 feet deep and the one at the Prison Farm being about 230 feet.

The former is operated by an electric pump at a cost of 50 cents per hour, flows 750 gallons per minute, or 45,000 gallons per hour, is amply sufficient for all needs at the Orphans' Home, and cost about \$9,000.

The farm well flows 880 gallons per minute, or 52,800 gallons per hour, is operated by a Diesel engine driven pump at a cost of 10 cents per hour, and cost, including the installation of the pumping plant, about \$7,000, of which sum approximately two-thirds was paid from the Prison Maintenance Fund.

The installation of the Diesel engine, and its low cost of operation, affords an opportunity for all of our ranchers who are situated away from electric power lines to figure on pumping water for irrigation purposes at a nominal cost.

STATE EMPLOYEES—VACATIONS

In my message to the legislative members of the Thirty-fourth Session I called attention to the statute providing for fifteen days' leave of absence annually to all State employees who shall have been employed six months or more in each calendar year, and providing for full payment of salaries during the period of such absence. (Revised Laws 1912, Sec. 4109.)

Under the Attorney-General's ruling the fifteen days granted by the statute must be construed to mean "fifteen working days," with the result that in computing such vacation period Sundays and holidays are excluded, which is beneficial to some of the employees, who are enabled to take

advantage of extra holidays at some seasons, while in other cases the vacation period is shortened because no holidays intervene.

I again renew my recommendation that this Act be amended to provide an appropriation to pay all employees of the State, regardless of the department served, for fifteen days annually and not for fifteen working days.

SURETY BONDS

Under our statutes State employees are required to give, at State expense, a surety bond before entering upon their duties. The premiums now being paid on these bonds are reaching astounding proportions, made so by doubling, in many cases during the past four years, of the premium rates.

In my opinion the State would be well secured by placing all State employees, other than the State Treasurer, under a blanket bond of \$25,000.

Under our present financial set-up and the manner in which our State funds are now being handled I believe that the amount of the bond required of the State Treasurer should be reduced to \$25,000, and so recommend.

NEVADA INDUSTRIAL COMMISSION

Some criticism has been directed against the Industrial Commission, its methods of handling certain cases and decisions rendered by the members thereof.

I therefore recommend that a complete and thorough investigation be made of the operations of this department to the end that if objectionable practices are found to obtain, action should be taken looking to their elimination.

There should be an enlargement made in compensation to injured workmen, their families and dependents, based upon the number of dependents.

It seems obvious that a man with dependents should receive compensation greater than that now allowed to those without family responsibilities.

The right should be granted to both employer and employee to appeal to the Courts from decisions rendered by the members of the Commission.

These suggestions should have your careful consideration and such amendments made to the Workmen's Compensation Act as will be just and wise.

FISH AND GAME LAW

Many complaints from various parts of the State have been received regarding the operation of the fish and game laws passed at the last session, and I understand numerous amendments thereto will be proposed.

Admittedly the present law was a compromise, hurriedly passed during the closing hours of the last session, contains conflicting provisions and has been unsatisfactory in its operations.

In view of the large number of widely diverse matters which will be brought to your attention it may not be possible to thoroughly revise the existing fish and game laws, but nevertheless careful consideration should be given proposals to amend same so that the unsatisfactory provisions therein contained may be eliminated, if possible to do so.

NATIONAL GUARD

Your attention is invited to the report of the Adjutant General covering the present status and progress made by the National Guard during the past two years.

The very limited appropriation of \$4,000 for the support of the Guard was insufficient to permit of organizing more than two units, both of which are located at Reno, but which are a credit to our citizenry.

Including the amounts appropriated for the support of the office of the Adjutant General for the past two years of \$1,700, there has been actually expended by the State the sum of \$5,700 for all military purposes during the biennium, and to offset this there has been received from the Federal Government, and almost wholly spent within our borders, the sum of \$24,881.53.

No part of this sum would have been received had it not been made possible by the organization of the Nevada National Guard, and I request that the recommendations of the Adjutant General for sufficient appropriations to permit the organizing of at least five additional units of the Guard at various points in the State have your careful consideration.

In all parts of our State an increasing interest is apparent in the National Guard, and the military training of those of our young men who enlist in the Guard is most beneficial, as habits of punctuality, obedience and discipline are

inculcated as well as giving an insight into the actual training to meet modern conditions of warfare.

STATE EMERGENCY COUNCIL

While the State of Nevada has most fortunately never been confronted with any grave problem of immediate relief, required on a large scale, in time of extraordinary stress and widespread disasters, such as floods, forest fires, tornadoes, earthquakes, pestilence and similar conditions, such emergencies can and often do arise, as is evidenced continually in our sister States.

It has occurred to me that inasmuch as no authority is vested in the Governor or any State Board to take cognizance and action looking to immediate relief and aid in such an emergency (the State Board of Examiners, being prohibited by law from authorizing deficiencies, no matter how grave the need or urgent the required relief), that provision should be made for creating a State Emergency Council along similar lines to that created two years ago by our neighboring State of California, which would have the authority to take immediate action and provide for relief if the necessity therefor should arise.

Such Council could consist of seven members representing the Red Cross, American Legion, State Board of Health, transportation interests, business organizations, State Militia and one peace officer, acting without salary, and while a definite sum of not to exceed \$10,000 should be provided for, it need not be raised by taxes as demands could be paid from the State General Fund, out of any funds in the Treasury not otherwise appropriated, after approval by the Council and allowance by the State Board of Examiners.

The entire subject is therefore commended to you for your thoughtful attention.

UNIFORM LAWS

The work of the Nevada Commission on Uniform Laws, consisting of outstanding members of the State Bar, who serve without compensation and attend sessions of the National Conference at their own expense, deserves more than ordinary consideration.

Their request for an annual appropriation of \$500 for support of the Commission is not excessive and I recommend that it be granted.

BUDGET

By vote of the people at the last general election our Constitution was amended so as to provide that the fiscal year shall commence on July 1.

This is a radical change and makes necessary the submission of the Governor's Budget to cover the period from January 1 to June 30, 1931, and a second budget to cover the regular biennial expenses from July 1, 1931, to June 30, 1933.

It is therefore requested that prompt consideration be given to the budget estimates for the ensuing six months period and the necessary appropriation bill passed so that current expenses as well as wages and salaries of all State employees, not covered by special statutes, may be promptly paid.

INVENTORY OF STATE PROPERTY

Conforming to the Act of the Legislature of 1929 requiring every State Officer, Board, Commission and employee to return, not later than June 1, 1929, an itemized inventory of all real and personal property belonging to the State, inventories have been received and filed in the Executive Office.

While the taking of such inventory has been a serious task in cases of our larger institutions, yet it has resulted in obtaining for the first time in the history of the State an itemized list of property owned by the State.

The inventory required to be filed not later than January 1, 1931, is now being received and contains an added requirement that an estimated value be placed upon all property.

I recommend that this law be amended so as to require the State Auditor to check and verify all such inventories, and report same to the Executive, so that an official estimate can be had of the value of all property owned by the State, and that all counties, school districts and other municipal corporations shall be compelled to take a like inventory.

AVIATION AND AIRPORTS

The Public Service Commission has heretofore been given jurisdiction of all matters pertaining to aviation and airports and has promulgated regulations governing this new

mode of transportation, which is daily assuming greater importance in our national life.

Although these rules have been quite effectually enforced, it is recommended that they be enacted into law, which will conform to the regulations of the Department of Commerce, and cover intrastate flying.

Such enactment should not divest the Public Service Commission of jurisdiction to make further and needed regulations as may from time to time become necessary.

CONCLUSION

While I have not attempted to cover every subject that may come to your attention, or the needs of the several State departments, as submitted in their reports, it has been my endeavor to review with your honorable membership some of the more important activities affecting our State Government and its many functions.

I assure you that it will be my pleasure at all times to confer and cooperate with your committees upon any legislative matter.

I may find it necessary, as your labors continue, to supplement this message with additional information, and am sincere in expressing the hope that your session will be harmonious and result in the accomplishment of much good for the benefit of our State.

K. B. Balzan

Governor.